

ITEM#: 15  
DATE: 07-11-23  
DEPT: ELECTRIC

**COUNCIL ACTION FORM**

**SUBJECT: BOTTLE EXCHANGE PROGRAM AND RELATED SERVICES FOR POWER PLANT CONTRACT RENEWAL**

**BACKGROUND:**

Electric Services uses demineralized water for operations at the Power Plant and combustion turbine site. Operating demineralizing equipment requires bottled gases and chemicals to purify substantial quantities of water.

**This contract consists of providing a bottle exchange service for a two-bed demineralizer, strong acid cation and a strong base anion, and a bottle exchange mix-bed demineralizer. In addition, this contract requires a mobile purification system to batch-fill a 265,000-gallon de-ionized water tank for water injection at the combustion turbine site, as well as a final mixed-bed polisher for that unit. The contractor must provide this service on a 24-hour per day, seven day per week schedule, including holidays.**

A contract was originally awarded to MPW Industrial Water Services, Inc. in an amount not to exceed \$24,000 for the period December 15, 2022 through June 30, 2023, after rebidding a new contract. This contract has the option for the City to renew in one-year increments for up to four additional years. This will be the first renewal and it will be for the period from July 1, 2023 through June 30, 2024. **For the renewal for FY 2023/24, the contract amount not-to-exceed was increased to \$50,000 to cover a full one-year period.**

**MPW has proposed a change in their fee structure, however the overall price per unit will not change from last year.** Staff recommends that these services continue to be outsourced on an annual renewable contract basis. The benefits of having a contract for these services in place include the following:

- 1) Consistency of products and quality from a single contractor
- 2) Reduction in the City's exposure to market forces regarding prices and availability
- 3) Rapid contractor response to emergencies
- 4) Saved City staff time obtaining and evaluating proposals, and in preparing technical requirements and other procurement documentation

The approved FY 2023/24 operating budget for Electric Production includes \$50,000 for these products and services. Invoices will be based on contract rates for materials and

services actually received.

**ALTERNATIVES:**

1. Approve contract renewal with MPW Industrial Water Services, Inc., Hebron, Ohio, for the Bottle Exchange Program and Related Services for Power Plant for the one-year period from date of award through June 30, 2024 for unit prices bid, in an amount not to exceed \$50,000.
2. Reject the renewal option and instruct staff to seek new competitive bids for Bottle Exchange Program and Related Services for Power Plant.

**CITY MANAGER'S RECOMMENDED ACTION:**

These materials and services are necessary to properly maintain and operate Power Plant equipment. This contract would establish rates for services and materials and provide for guaranteed availability, thereby setting in place known rates for service and controlling the Plant's costs. Funds will be expended only as work is required and in accordance with approved invoices. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as stated above.