

**COUNCIL ACTION FORM**

**SUBJECT: AWARD OF CONTRACT FOR CHEMICAL TREATMENT SERVICES AND SUPPLIES FOR THE POWER PLANT**

**BACKGROUND:**

This contract is for the chemicals and services (including technical expertise to gather facts, develop alternatives, recommend alternatives, and implement plans) for chemical treatment of the boilers, cooling tower, coal yard, and ash ponds. The chemicals and services provided under this contract are essential for the operation of the Power Plant.

On September 27, 2007, staff received competitive sealed proposals from three firms. The scope of work for this contract includes supplying a range of chemicals to the power plant, technical expertise in boiler chemistry and analysis, the ability to train power plant staff in maintaining the system, and detailed monitoring and analysis of the boilers to insure they are safeguarded against damage.

The proposals were evaluated based on service related performance capabilities such as the ability to provide weekly monitoring, adjustment, and laboratory services; vendor responses to the RFP; a pre-bid audit, discoveries, conclusions, and suggested courses of action based on current Plant conditions; references and history of performance; base costs associated with the RFP; chemical unit costs. Proposals were scored in a matrix formula using the criteria stated previously. The evaluation committee consisted of the Power Plant Manager, Power Plant Maintenance Superintendent, Power Plant Operations Superintendent, the Power Plant Engineer, the consulting engineer from Brown Engineering, a Power Plant Instrument and Controls Technician, a Power Plant Maintenance Mechanic, and a Procurement Specialist from the Purchasing Division. Bidders were aware of the performance criteria, and that contract award would not be based solely on price.

Based on the matrix averaged scores are as follows:

<b>BIDDERS</b>	<b>AVERAGED SCORE</b>
GE Water & Process Technologies, Omaha, NE	71.4575
ChemTreat, Inc., Urbandale, IA	69.3333
Nalco Company, Naperville, IL	38.8665

The Director of Electric Services has reviewed the proposal process and determined that the analysis accurately represents the work to be performed under this contract. Therefore staff recommends that a contract be awarded to GE Water & Process Technologies, Omaha, NE.

The approved FY 2007/08 budget includes \$272,200 for these chemicals plus an additional \$25,000 for dust control chemicals at the Plant. The period from July 1, 2007, through October 31, 2007, was previously awarded as a partial year contract while the Utility conducted the competitive proposal process. Of the original total budget amount allowed for these services, \$184,256.34 is remaining for work under this contract. This contract is on a time and material basis, with the Power Plant only paying for chemicals and services actually delivered and accepted by the Plant.

**ALTERNATIVES:**

1. Award a contract to GE Water & Process Technologies, Omaha, NE, for boiler and cooling tower treatment services for the period from November 1, 2007, through June 30, 2008, based on unit prices in an amount of \$184,256.34.
2. Do not award a contract at this time.

**MANAGER'S RECOMMENDED ACTION:**

It is essential to receive chemical treatment services for the Power Plant at the lowest possible cost consistent with the quality required to maintain Plant operations. It is also necessary to lock in prices and accountability with key contractors. By choosing alternative No. 1, the Plant would be able to achieve these goals.

The recommended supplier, GE Water & Process Technologies, bid the lowest estimated cost based on the amount of chemicals and services anticipated to be used at the plant from November 1, 2007, through June 30, 2008. Regarding the service portions of the proposal, 6 of the 7 individuals on the evaluation committee also had GE Water & Process Technologies rated the highest for service. Service related criteria include items such as weekly monitoring, laboratory services, references, chemical analysis and recommended solutions, and the ability to meet ongoing service needs. The total cost of the contract is based on the budget amount available, with the billing to be based on actual amounts of chemicals and services used.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, awarding a contract to GE Water & Process Technologies, Omaha, NE, for boiler and cooling tower treatment services for the period from November 1, 2007, through June 30, 2008, based on unit prices in an amount of \$184,256.34.

EVALUATION MATRIX FORM

Request for Proposal

Title:

BOILER CHEMICAL TREATMENT PROGRAM

Vendor: \_\_\_\_\_

Evaluation Criteria	Score					Points Scored		Weighting Factor		Weighted Total Score
	5	4	3	2	1					
1) Service related performance capabilities - ability to provide weekly monitoring and adjustment and laboratory services							x	10	÷ 6	
2) Vendor Response to RFP - did they deliver required documents							x	25	÷ 6	
3) Pre-bid Audit, discoveries, conclusions, and suggested courses of action							x	25	÷ 6	
4) References, history of performance, ability to meet ongoing services							x	10	÷ 6	
5) costs - RFP base case							x	15	÷ 6	
6) Unit costs							x	15	÷ 6	
Matrix Totals								100		

**Blank Score Sheet**

The ratings are as follows:

- 1 = Does not meet requirements
- 2 = Does not meet requirements (below average, very weak)
- 3 = Meets requirements (meets requirements as outlined in the technical requirements section)
- 4 = Meets requirements (above average)
- 5 = Meets requirements (exceeds expectations)

Required Submission Documents

- 1) Signed Cover page
- 2) Proposal Form, completed, signed
- 3) Site Visit
- 4) References
- 5) Assessment of Current Plant Conditions
- 6) Written Report & Recommendations
- 7) Required Prequalification documents
- 8) Safety Program
- 9) Location of warehouse & office staff & equipment are dispatched
- 10) Evidence of four hour response

Each member of the evaluation team prepares an evaluation matrix for each proposal by checking the score which reflects his/her evaluation of the vendor's capability regarding each criterion (5 is the best score, 1 the worst).

The formula to calculate the weighted total score for each criterion is as follows: points scored x weighting factor divided by the number of criteria = weighted total score. The weighted total scores are then added together to determine the matrix total.

Vendor-by-vendor, the matrix totals are added together, then divided by the number of matrices to determine the vendor's overall average score.

Prepared by: \_\_\_\_\_

Evaluation Team Member



**GRAND TOTAL EVALUATION MATRIX FORM**

Request for Proposal

**Title: BOILER CHEMICAL TREATMENT PROGRAM**

**Overall Vendor Scores**

Vendors	Scorer					Average Points	Total Points	Rank	Comments
	1	2	3	4					
<b>GE Water Treatment, Omaha, NE</b>	<b>73.33</b>	<b>65.00</b>	<b>72.50</b>	<b>75.00</b>		<b>71.4575</b>	<b>285.83</b>	<b>1</b>	
<b>ChemTreat, Inc., Urbandale, IA</b>	<b>67.25</b>	<b>73.08</b>	<b>67.25</b>	<b>69.75</b>		<b>69.3333</b>	<b>277.33</b>	<b>2</b>	
<b>Nalco Company, Naperville, IA</b>	<b>35.95</b>	<b>35.12</b>	<b>35.95</b>	<b>48.45</b>		<b>38.8665</b>	<b>155.47</b>	<b>3</b>	
<b>Matrix Totals</b>									

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