

ITEM # 20
DATE: June 24, 2008

COUNCIL ACTION FORM

SUBJECT: RENEWAL 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, 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.

On October 23, 2007, the City Council awarded a contract to GE Water & Process Technologies, Omaha, NE, for work on this contract in a maximum amount of \$184,256.34 based on product and services actually used.

This contract has the option for the City to renew in one-year increments for up to four-additional years. Electric Services staff believes that GE Water & Process Technologies has done a good job during the initial contract period and recommends renewing the agreement. There will be no price increases for this contract for the renewal period. The FY2008-2009 operating budget at the Power Plant has \$290,000 for this contract. Invoices will be based on the chemicals and services used at the Plant.

ALTERNATIVES:

1. Approve the contract renewal with GE Water & Process Technologies, Omaha, NE, for boiler, cooling tower and ash pond treatment services for the period from July 1, 2008, through June 30, 2009. The contract will be based on unit prices in a maximum amount of \$290,000, and billed based on actual products and services used.
2. Do not renew the agreement and instruct staff to seek new competitive proposals.

MANAGER'S RECOMMENDED ACTION:

Water treatment services are essential for generation at the Power Plant. As happens frequently for specialized services required by the Utility, there are a limited number of suppliers of those services, and only one or two which are acceptable to the Utility.

GE Water & Process Technologies is an established and financially sound company, which has been providing the Power Plant with quality service since November 1, 2007.

Therefore it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, approving the contract renewal with GE Water & Process Technologies, Omaha, NE, for boiler, cooling tower and ash pond treatment services for the period from July 1, 2008, through June 30, 2009. The contract will be based on unit prices in a maximum amount of \$290,000, and billed based on actual products and services used.