

**COUNCIL ACTION FORM**

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

**BACKGROUND:**

This contract is for the chemicals and services for chemical treatment of the boilers, cooling tower, coal yard, and ash ponds at the Power Plant. The scope of work includes supplying a range of chemicals, 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. All of this is essential for the operation of the Power Plant. The contract period is July 1, 2009, through June 30, 2010. The contract includes a provision that would allow the City to renew the contract for up to five additional one-year terms.

On May 28, 2009, staff received competitive sealed proposals from four firms. The proposals were evaluated in a multiple step process. The first step required bidders to submit prequalification documentation. This documentation from four companies was received and upon staff evaluation all four were approved to submit proposals. The second step was the evaluation of the submitted proposals. The evaluations were based on vendor responsiveness to the requirements of the RFP; their recommendations based on current Plant conditions, references and history of performance; base costs associated with the RFP; and chemical unit costs. Bidders were aware of the performance criteria, and that contract award would not be based solely on price. The proposals were evaluated by a committee consisting of the Power Plant Manager, Power Plant Maintenance Superintendent, Power Plant Operations Superintendent, Power Plant Engineer, Power Plant Maintenance Mechanic, and Power Plant Instrument & Control Repair Technician. After their review of the proposals the staff listed above independently scored the proposals in a matrix formula using the criteria stated previously.

Based on the matrix, the averaged scores are:

<b>BIDDERS</b>	<b>AVERAGED SCORE</b>
ChemTreat, Inc., Glen Allen, VA	155.00
GE Water & Process Technologies, Omaha, NE	181.67
Buckman USA, Ankeny IA	194.99
Nalco Company, Naperville, IL	Fail

Scores are based on rankings, with the highest ranked response for each criterion receiving the lowest score (i.e. # 1). The two suppliers with the lowest average scores

were invited to participate in step 3. These finalists presented their proposals and were interviewed by the evaluation committee.

Based on the presentations and interviews Electric Services staff recommends that a contract be awarded to ChemTreat, Inc., Glen Allen, VA.

The approved FY2009-2010 budget includes \$250,000 for these chemicals and dust control chemicals at the Plant. Payments would be calculated on unit prices bid for chemicals and services actually delivered and accepted by the Power Plant.

### **ALTERNATIVES:**

1. Award a contract for the FY2009-2010 boiler and cooling tower water treatment services to ChemTreat, Inc., Glen Allen, VA, in an amount not to exceed \$250,000. The contract includes a provision that would allow the City to renew the contract for up to five additional one-year terms.
2. Reject all proposals and purchase chemical treatment services on an as-needed basis.

### **MANAGER'S RECOMMENDED ACTION:**

It is essential to receive chemicals and related 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.

**While ChemTreat was not the lowest cost option, it is competitive in its pricing. However, the level of expertise of its on-site staff is superior to the other bidders and its service representatives are very close and can come to the Plant in a very short period of time in case of an emergency. ChemTreat has provided us with superior service in the past. The ChemTreat chemical feed equipment is more user-friendly, and is superior in the manner in which it feeds the chemicals and monitors the results. It is also more adaptable to use with different chemicals from suppliers other than ChemTreat.**

The quality of the chemicals and service that we receive under this contract is critical to optimal operation of the Plant. Competent treatment of the water in the boiler and cooling tower systems is essential to keeping the Plant in top operating condition.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, awarding a contract for the FY2009-2010 boiler and cooling tower water treatment chemicals and services to ChemTreat, Inc., Glen Allen, VA, in an amount not to exceed \$250,000. The contract includes a provision that would allow the City to renew the contract for up to five additional one-year terms.

## City of Ames Power Plant Water Treatment Proposal Evaluation

<u>Item</u>	<u>Chemtreat</u> \$/lb	<u>GE Betz</u> \$/lb
<b>Estimated Costs</b>		
- RFP base case	\$137,571.77	\$132,171.00
- boiler treatment cost	\$9,026.47	\$11,753.00
- cooling tower cost	\$125,945.30	\$86,599.00
- RO / make-up	\$2,600.00	\$2,121.00
<b>Prompt Payment Disc.</b>	N/A	No
<b>Boiler Water</b>		
<b>Treatment Chemicals</b>		
Neutralizing Amine BL-1513	1.83	Control OSS700 4.08
Oxygen Scavenger BL-1260	2.20	Optisperse HP9410 3.25
TriSodium Phosphate B-143	3.90	Optisperse HP9420 3.01
MonoSodium Phosphate B-144	5.50	Optisperse HP9430 3.49
Internal Dispersant BL-1357	1.30	Hypersperse HTP78638 3.53
		Steamate NA0560 3.83
<b>Cooling Towers</b>		
<b>Treatment Chemicals</b>		
Iron & Manganese Dispersant CL-4075	2.54	Depositrol PY5200 1.46
Deposit Control Polymer CL-4428	1.22	Depositrol BL5400 1.82
Bio-Dispersant CL-450	1.25	Inhibitor AZ8104 1.91
Azole for Yellow Metals CL-4125	2.30	Spectrus BD1500 0.92
<b>Other Costs</b>		
<b>For Hosp. Evaporator</b>		<b>For Hospital Boiler</b>
Neutralizing Amine BL-1513	1.83	CorTrol IS3000 0.78
Oxygen Scavenger BL-1258	1.29	OptiSpere PO423 1.96
Boiler AntiFoam BL-197	2.34	Steamate NA0560 3.83
Phosphate / Sludge Dispersant BL-4350	1.48	
<b>Coal / Ash Treatment</b>		<b>Coal Handling / Ash Pond</b>
Calcium Dispersant - Ash Treatment CT-917	0.66	DusTreat DC9106 0.07**
Ash Flocculation - Ash Treatment P-874L	2.04	Scaletrol GCP9385 1.65
Coal Dust Suppression CT-906	1.29	** per ton of coal
<b>RO Pretreatment</b>		<b>RO/Makeup</b>
RO Dechlorination Pretreatment RL-124	0.92	BetzDearborn DCL30 0.99
RO Antiscalant CT-9005	2.37	Hypersperse MDC220 2.61
<b>Cooling Water (Closed Loop)</b>		
CL-2871	2.79	
<b>Dechlorination of Tower Blowdown</b>		
RL-124	0.92	

2009-175 Proposal Evaluation - Cost Component

<u>Buckman</u>		<u>Nalco</u>	
	\$/lb		\$/lb
\$124,419.00		\$72,807.71	
\$15,296.00		\$18,120.00	
\$108,583.00		\$54,152.71	
\$541.00		\$535.00	
No		N/A	
Bulab 9562 (MSP)	4.31	Nalco 356.12	2.60
Bulab 9563 (DSP)	3.91	nalco 5500.15	1.50
Bulab 9564 (TSP)	2.49	Disodium & Trisodium Phosphate	8.49
Bulab 9541 (Polymer)	1.11		
Bulab 9605 (Oxygen scavenger)	2.93		
Bulab 9714 (Condensate Trmt)	2.51		
Bulab 7041 (40% Polymer)	2.11	Nalco 3DT179.31	2.15
Bulab 7016 (60% HEDP)	2.06	Nalco 3DT190.91	1.45
Bulab 9562 (50% TTA)	2.81	Nalco 3DT198.31	2.80
Bulab 9562 (Dispersant)	1.42	Nalco 73551.31	1.75
<b>For Hosp. Evaporator</b>		<b>For Hosp. Evaporator</b>	
Bulab 9354 (Internal)	1.29	Nalco 4441.15	1.65
Bulab 9626 (Sulfite)	1.38		
Bulab 9708 (Amine)	2.19		
<b>Coal Foamer</b>		<b>For Coal Yard</b>	
Bulab BLX13159	0.80	Nalco Dustfoam.91	1.10
<b>Ash Pond Polymer</b>		<b>Ash Pond</b>	
Bulab 5013	0.78	Nalco 8357.31	1.65
<b>Ash Line to Pond</b>		<b>For Dechlorination</b>	
Bulab 7047	1.15	Nalco 7408.15	1.07
<b>RO Dechlor:</b>			
Bulab 8871	1.03		

**GRAND TOTAL EVALUATION MATRIX FORM**

Request for Proposal

Title: 2009-175 BOILER CHEMICAL TREATMENT PROGRAM

**Overall Vendor Scores**

Vendors	Scorer						Average Points	Total Points	Rank
	1	2	3	4	5	6			
<b>Chemtreat</b>	30.00	25.00	20.00	25.00	26.67	28.33	25.83	155.00	1
<b>GE Betz</b>	15.00	30.00	36.67	31.67	40.00	28.33	30.28	181.67	2
<b>Buckman</b>	36.67	35.00	33.33	33.33	23.33	33.33	32.50	194.99	3
<b>Nalco</b>	F	F	F	F	F	F	F	F	Fail

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.

## EVALUATION MATRIX FORM

### Request for Proposal Title: BOILER CHEMICAL TREATMENT PROGRAM

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

**Step 1:**

Evaluation Criteria	Pass/Fail
1) Compliance with Proposal Documents	
2) Service related performance capabilities - ability to provide weekly monitoring and adjustment and laboratory services	
3) References, history of performance, ability to meet ongoing services	

**Step 2:**

Evaluation Criteria	Rank	Weighting Factor	Weighted Total Score
4) Prequalification Submittal Documentation	x	10 ÷ 4	0
5) Pre and Post bid Audit, discoveries, conclusions, and suggested courses of action (Proposal Form Section 1)	x	50 ÷ 4	0
6) costs - RFP base case	x	30 ÷ 4	0
7) Unit costs (per lb chemical cost)	x	10 ÷ 4	0
<b>Matrix Totals</b>		<b>100</b>	<b>0</b>

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

**Instructions**

**Step 1**

If bidder fails any criteria in this section then they are out of contention.

**Step 2**

- a) Each member of evaluation team will rank each bidder (1 being the best) compared to other bidders based on all documents submitted.
- b) The formula to calculate the weighted total score for each criterion is as follows: points scored x weighing factor divided by the number of criteria = weighted total score. The weighted total scores are then added together to determine the matrix total.
- c) Bidder-by-bidder, the matrix totals are added together, then divided by the number of matrices to determine the vendor's overall average score.
- d) The two bidders with the overall lowest average weighted score will be invited to present their proposals to the evaluation team.

Prepared by: \_\_\_\_\_  
Evaluation Team Member

Plus

Delta

	Chemtreat	GE		Chemtreat	GE
Presentation	X				X
Price		X		X	
Service	X				X
Utility boiler Exp	X	X			
Field service Staff Exp For staff assigned	X				X
Training plans	X				X
Metallurgy Cap	X	X			
Data and response Software	X				X
Totals	7	3		1	5