

COUNCIL ACTION FORM

**SUBJECT: CHEMICAL TREATMENT PROGRAM FOR POWER PLANT –
CONTRACT RENEWAL**

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.

On April 29, 2020, Council awarded a contract to ChemTreat, Inc., Glen Allen, VA, for the Chemical Treatment Program for Power Plant. This contract included the option for the City to renew in one-year increments for up to four additional years. **The period from July 1, 2021 through June 30, 2022, is the first of the four-renewal periods subject to Council approval of funding for the chemical treatment program.**

The proposed FY 2021/22 contract renewal with ChemTreat, Inc. includes unit price increases on the majority of chemicals supplied under this contract due to increases in raw material prices. There is a 0% increase on the chemicals utilized at the boiler, a 4.3% increase on the chemicals utilized in the cooling towers, and a 5.1% increase for cooling water treatment. **It is expected that the overall impact of these increases will result in paying \$9,393.41 more than the previous contract term. Electric Services staff reviewed the proposed increases and found them to be acceptable based on comparable market prices and considering the quality of service provided by this contractor during the past year of the contract period.**

The approved FY 2021/22 Electric Production operating budget includes \$325,000 for the materials to be purchased under this contract. **Payments will be based on unit prices bid and the chemicals and services actually delivered by the contractor and accepted by the Power Plant at a total cost not to exceed \$325,000.**

ALTERNATIVES:


1. Approve the contract renewal with ChemTreat, Inc., Glen Allen, VA, for Chemical Treatment Program for the one-year period from July 1, 2021 through June 30, 2022 in an amount not-to-exceed \$325,000.
2. Reject the renewal option and instruct staff to seek new competitive bids.

CITY MANAGER'S RECOMMENDED ACTION:

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

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 will be able to achieve these goals.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

	Request for Proposal #2020-098 Chemical Treatment Program Pricing Summary					
Costs	FY20-21	FY21-22				
Boiler Water						
Neutralizing Amine BL1513	\$5.45	\$5.45				
Oxygen Scavenger BL1283	\$6.06	\$6.06				
TriSodium Phosphate BL145 (new)	\$5.69	\$5.69				
Monosodium Phosphate B144	\$8.35	\$8.35				
Internal Dispersant BL1354	\$2.28	\$2.28				
DiSodium Phosphate B142 (new)	\$9.00	\$9.00				
Cooling Towers						
Iron & Manganese Dispersant CL4075	\$3.09	\$3.20	3.56%			
Deposit Control Polymer CL4428	\$2.05	\$2.15	4.88%			
Bio-Dispersant CL450	\$1.90	\$2.00	5.26%			
Azole for Yellow Metals CL4126	\$4.30	\$4.45	3.49%			
Ash Treatment						
Calcium Dispersant CL4355	\$1.19	\$1.25	5.04%			
RO Pretreatment						
RO Dechlorination RL124	\$1.35	n/a				
RO Dechlorination Pretreatment BL1254 replaces RL-124		\$2.61				
Acid for pH control in RO (NEW)		\$1.22	replaces old commodity sulfuric acid			
Cooling Water (closed loop)						
Corrosion Inhibitor CL2614	\$3.75	\$3.75				
pH Buffer CL 6032	\$1.57	\$1.65	5.10%			
Other Costs						
Dechlorination of Tower Blowdown RL124	\$1.35	\$1.35				
*B145 (line 6) and B142 (line 9) could replace B144 (line 7)						