

ITEM #: 21  
DATE: 05-28-24  
DEPT: ELEC

**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.**

The initial contract was awarded to MPW Industrial Water Services Inc., of Hebron, OH for the Bottle Exchange Program and Related Services for Power Plant for materials and services under the Council threshold. This contract included the option for the City to renew in one-year increments for up to four additional years. This is the second renewal out of four possible renewal periods. For the renewal for FY 2024/25, the contract amount not-to-exceed was increased to \$55,000 to cover a full one-year period.

**Council should note the rates that will be charged by MPW Industrial Water Services will not increase for service and materials; however, freight will increase by 9% compared to 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 work and quality from a single contractor.
2. Reduction in the City's exposure to market forces regarding prices and availability for labor, travel, and supplies in preparation for a scheduled outage.
3. Rapid contractor mobilization to start emergency repairs, thus reducing generation downtime.
4. Saved City staff time obtaining quotes, evaluating bids and preparing specifications and other procurement documentation.

The approved FY 2024/25 Power Plant operating budget includes \$55,000 for this service. Invoices will be based on contract rates for time and materials for services actually performed.

**ALTERNATIVES:**

1. Approve the contract renewal with MPW Industrial Water Services Inc., of Hebron, OH, for the Bottle Exchange Program and Related Services for Power Plant for the one-year period from July 1, 2024 through June 30, 2025 in an amount not-to-exceed \$55,000.
2. Reject the renewal option and instruct staff to seek new competitive bids.

**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 No. 1 as stated above.