

ITEM #:	<u>27</u>
DATE:	<u>05-13-25</u>
DEPT:	<u>ELEC</u>

COUNCIL ACTION FORM

SUBJECT: **CHEMICAL TREATMENT PROGRAM FOR POWER PLANT**

BACKGROUND:

This contract is for the chemicals and services for chemical treatment of the boilers, cooling towers, 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 ensure they are protected from damage. All of this is essential for the operation of the Power Plant. The current contract is set to expire June 30, 2025.

On March 25, 2025, a Request for Proposal was issued on AmesBids. One April 15, 2025, one proposal was received from ChemTreat, Inc., of Glen Allen, VA.

Staff evaluated the proposal and determined that the proposal from ChemTreat, Inc., of Glen Allen, VA is acceptable. ChemTreat Inc. is the current vendor of the contract. **Compared to the existing contract, the proposed FY 2025/26 contract with ChemTreat, Inc. includes cost increases for five of the eleven chemicals used. Based on projected overall usage of the chemicals and run time of the equipment, this increase is expected to increase actual costs by less than one percent compared to the current contract.** Electric Services staff determined the proposed increases to be acceptable.

The benefits of having a contract for these services in place include the following:

1. Reliability in delivery and quality supplies from a single contractor.
2. Reduction in the City's exposure to market forces regarding prices and availability of supplies.
3. Rapid contractor mobilization to receive materials on time.
4. Saved City staff time obtaining quotes, evaluating bids and preparing specifications and other procurement documentation.

The approved FY 2025/26 Electric Production operating budget includes \$387,000. Payments will be based on unit prices bid and the chemicals and services actually delivered by the contractor and accepted by the Power Plant.

ALTERNATIVES:

1. Award a contract to ChemTreat, Inc., Glen Allen, VA, for Chemical Treatment Program for the one-year period from July 1, 2025 through June 30, 2026 in an amount not-to-exceed \$387,000.
2. Reject the proposal and instruct staff to seek new competitive bids.

CITY MANAGER'S RECOMMENDED ACTION:

The chemicals and services received under this contract are 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 important 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. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.