

**COUNCIL ACTION FORM**

**SUBJECT: BOTTLE EXCHANGE PROGRAM (RENTAL), TWO BED  
DEMINERALIZER, AND RELATED SERVICES FOR POWER PLANT**

**BACKGROUND:**

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 for the Power Plant. In addition, this contract requires a mobile purification system to batch-fill a 265,000-gallon de-ionized water tank for water injection on a combustion turbine, as well as a final mixed-bed polisher for that unit. The contractor must provide this service on a 24-hour per day basis, seven days per week schedule including holidays.

The estimated amount of the contract for FY 2018/19 was \$45,000. The contract was awarded to MPW Industrial Water Services, Inc. and approved by the City Manager in accordance with purchasing policies for award of contracts under \$50,000.

**The contract included the option to renew the contract for up to an additional four one-year terms. While the bid from MPW Industrial Water Services, Inc. includes a provision for increases of up to 3% per year, the company has proposed no price increases for the FY 2020/21 renewal period.**

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

- 1) Consistency of products and quality from a single contractor
- 2) Reduction in the City's exposure to market forces regarding prices and availability
- 3) Rapid contractor response to emergencies
- 4) Saved City staff time obtaining and evaluating proposals, and in preparing technical requirements and other procurement documentation

The approved FY 2020/21 operating budget for Electric Production includes \$52,000 for these products and services. The contract amount was increased from the original contract due to the fact that the Plant will be running more in the coming year than in the past two years. **Since this contract is now greater than \$50,000, the renewal of the contract is being brought before the City Council for approval.** Invoices will be based on contract rates for materials and services actually received.

**ALTERNATIVES:**

1. Approve renewal of the contract for FY 2020/21 with MPW Industrial Water Services, Inc., Hebron, Ohio, for the Bottle Exchange Program (Rental), Two Bed

Demineralizer and Related Services for Power Plant, for unit prices bid, in an amount not to exceed \$52,000. The contract includes a provision that would allow the City to renew the contract for up to two additional one-year terms. Invoices will be based on contract rates for materials and services actually received.

2. Reject the renewal option and purchase Demineralizer and Related Services for Power Plant on an as-needed basis.

**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 #1 as stated above.