



# Agenda Report

September 29, 2014

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT:** AUTHORIZATION TO ENTER INTO A CONTRACT WITH SAN JOAQUIN CHEMICALS, INC. TO PROVIDE A WATER TREATMENT PROGRAM AND CHEMICALS FOR THE BROADWAY AND GLENARM POWER PLANTS

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that contracting with San Joaquin Chemicals, Inc. to provide a water treatment program and chemicals for the Broadway and Glenarm Power Plants is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301, Existing Facilities; and
2. Authorize the City Manager to enter into a contract with San Joaquin Chemicals, Inc. to provide a water treatment program and chemicals for the Broadway and Glenarm Power Plants in an amount not-to-exceed \$186,000 over a period of three years or until the funds have been expended; with two 2-year extensions, each for \$124,000 subject to approval by the City Manager, for a total cost of \$434,000. Each extension is for two years or until the \$124,000 is expended, whichever occurs first. The proposed contract is exempt from competitive bidding pursuant to City Charter Article X Section 1002 (f) Contracts for professional or unique services and complies with Competitive Bidding and Purchasing Ordinance, Pasadena Municipal Code, Chapter 4.08 and the Living Wage Ordinance, Pasadena Municipal Code 4.11.

## **BACKGROUND:**

The proposed contract is for the continuing water treatment program and chemical products needed for treating high-pressure boiler, cooling towers, closed cooling water systems, and water conditioning unit at the Broadway and Glenarm Power Plants. The treatment programs designed by a consultant include handling, monitoring and injecting chemicals to process water in order to minimize problems associated with metal

corrosion, mineral scale deposits, and microbiological growth to power plant equipment. This service will ensure efficient and reliable operation of the power generating units.

A Request for Proposals (“RFP”) to provide these services was posted on Planet Bid on May 28, 2014 and additionally emailed to eight companies, of which seven attended a pre-bid conference and seven responded to the City’s RFP. PWP staff independently evaluated the seven proposals based on the criteria stated in the RFP and the evaluation yielded the following scores:

<b>BIDDERS</b>	<b>EVALUATED SCORE</b>
Nalco Company, Long Beach, CA	85
San Joaquin Chemicals, Irwindale, CA	78
Glacier Laboratories, Yorba Linda, CA	77
Advanced Chemical Technology, Inc., Rancho	68
Chemtreat, Glen Allen, VA	66
Enviro Aqua, Inc., Van Nuys, CA	45
Baker Hughes, Houston, TX	35

Nalco Company, with the highest evaluated score, proposed changes to the City contract that were not acceptable to the City and as a result has withdrawn its bid. San Joaquin Chemicals, Inc. received the next highest evaluated score, met all the requirements of the RFP, and accepted the City’s contract terms and conditions. San Joaquin Chemicals, Inc. also provided the next lowest bid price in their proposal and is therefore recommended for award of the proposed contract.

The requested amount of \$186,000 is for the initial term of three years and is based on the annual cost for the water treatment program of \$62,000, which is the base bid price plus approximately 10% contingency. This contingency is for any unforeseen needs such as modification of equipment, greater demand for chemicals, future requirements related to the GT-5 Combined Cycle Unit, and any wastewater discharge permit modifications imposed by the Los Angeles County Sanitation District that would require the use of more costly chemicals. PWP has an option to exercise two contract extensions, subject to approval by the City Manager. Each extension is for two years or until \$124,000 is expended for each extension period, whichever occurs first.

San Joaquin Chemicals, Inc. does not have an existing contract with the City. The previous contract to provide Water Treatment Program and Chemicals was with Chemtreat, Inc.

**COUNCIL POLICY CONSIDERATION:**

This authorization supports the City Council strategic goals to effectively manage and improve public facilities and infrastructure to deliver reliable water and power services. It

also supports the Public Facilities Element of the General Plan by maintaining public facilities to enhance the quality of life of the community.

**ENVIRONMENTAL ANALYSIS:**

The project has been determined to be exempt from CEQA per Section 15301 Existing Facilities. Section 15301 allows for the operation, repair and maintenance of existing private and public facilities that involve negligible or no expansion of the use. The continued water treatment program is required for the operation and maintenance of the generating plant and does not require any expansion of the facility.

**FISCAL IMPACT:**

The total cost of this action if both extensions are exercised will be \$434,000. It is anticipated that \$186,000 of the cost will be spent in the initial three-year term of the contract and the remaining amount over the two 2-year extensions. Funding for this action will be addressed by utilization of budgeted and future appropriations in the following accounts in Power Operating Fund:

Account	Allocation %	Initial 3-year Term	1st 2-year Extension	2nd 2-year Extension	Total
8101-401-841200-0548	70%	\$130,200	\$ 86,800	\$ 86,800	\$303,800
8101-401-841200-0502	30%	\$ 55,800	\$ 37,200	\$ 37,200	\$130,200
TOTAL	100%	\$186,000	\$124,000	\$124,000	\$434,000

There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



PHYLLIS E. CURRIE  
General Manager  
Water and Power Department

Prepared by:

  
Wes Stengel  
Associate Engineer  
Power Supply Business Unit

Approved by:

  
MICHAEL J. BECK  
City Manager

**Disclosure Pursuant to the  
City of Pasadena Taxpayer Protection Amendment  
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

*(If printing, please print legibly. Use additional sheets as necessary.)*

<b>1. Contractor/Organization Name:</b> <b>SAN JOAQUIN CHEMICALS, INC.</b>
---

<b>2. Type of Entity: CORPORATION</b> <input type="checkbox"/> non-government <input type="checkbox"/> nonprofit 501(c)(3), (4), or (6)
--

<b>3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:</b>
<b>R.K. DOMM, SR. CEO/CFO</b>
<b>E.E. HUFFMAN, JR. SECRETARY</b>
<b>R. KARL DOMM, JR. VICE-PRESIDENT</b>
<b>THIS IS A CLOSED HELD CORPORTION AND AS A TRUSTIE, WE NORMALLY DO NOT GIVE OUT THIS INFORMATION</b>

<b>4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:</b>
<b>R.K. DOMM, SR.</b>
<b>E.E. HUFFMAN, JR.</b>
<b>THE BREAUX FAMILY</b>

Prepared by: DEANNA VESSELL

Title: OFFICE MANAGER

Phone: (800) 647-9577

Date: 07-09-2014