

Agenda Report

TO: CITY COUNCIL DATE: March 17, 1998

FROM: CITY MANAGER

SUBJECT: APPROVAL TO EXTEND CONTRACT NUMBER 15,695 WITH
BETZDEARBORN WATER MANAGEMENT GROUP

RECOMMENDATIONS

It is recommended that the City Council authorize the Water and Power General Manager to extend Contract Number 15,695 with BetzDearborn Water Management Group by one additional year or until the City expends \$100,000, whichever occurs first, for chemicals used in maintaining the quality of water in boilers and cooling water systems at the Broadway Steam Plant. The proposed amendment is exempt from competitive bidding pursuant to City Charter Section 1002(F), contracts for professional or unique services.

It is further recommended that the City Council grant the proposed amendment a partial exemption (vender outreach only) from the Affirmative Action in Contracting ordinance, pursuant to Section 4.09.060(C)(1), contracts for which the City's best interests are served.

BACKGROUND

On February 27, 1995, the City Council authorized the Water and Power General Manager to enter into Contract Number 15,695 with BetzDearborn Water Management Group, formerly known as Betz Industrial Incorporated. The contract was for a water treatment program intended for treating high-pressure steam boilers, cooling towers and closed cooling water systems at the Broadway Steam Plant. BetzDearborn was previously awarded the contract through a Request for Proposal process. The term of the contract was for a period of one year or until the City expended \$200,000, whichever came first. Also, the contract provided an option for up two one-year extension periods, subject to approval of the City Council. The City exercised these optional extensions for \$200,000 and \$100,000 as authorized by the City Council on January 9, 1996 and March 24, 1997 respectively.

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This recommended amendment to Contract Number 15, 695 with BetzDearborn is for an additional one year extension of the contract beyond its original term which is scheduled to expire on April 18, 1998. It is in the City's best interest to continue the satisfactory water treatment program initiated by BetzDearborn three years ago until the competitiveness of the plant is known. Additionally, if another chemical supplier and different water treatment program were introduced then plant operators would need retraining which should not be undertaken at this time. Staff should be in a position to undertake a new Request for Proposal process sometime during the next contract year.

BetzDearborn introduced a Balanced Polymer chemical program in 1997 prior to Broadway Unit 3 shutdown for the winter. This water treatment program, which requires at least one year of treatment to be effective, is essential for preventing further deposition of scale on boiler water wall tubes when Broadway Unit 3 returns to service.

BetzDearborn provides a cost effective water treatment program that is consistent with the goal of reducing the total production cost of providing electricity for the City. For these reasons, staff recommends extending the contract for an additional one year or until the City expends \$100,000, whichever occurs first. Under the proposed extension, all terms and conditions of Contract Number 125, 695 will remain the same.

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FISCAL IMPACT:

Funds for this contract amendment are available in the Power Fund, Operating Budget Account Number 8101-401-841200-0508.


Respectfully Submitted,


Cynthia J. Kurtz
Acting City Manager

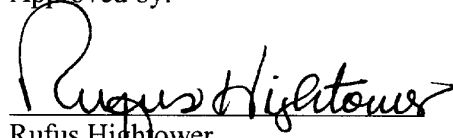
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