



City Council Staff Report

DATE: October 17, 2012 CONSENT CALENDAR
SUBJECT: PURCHASE OF WATER TREATMENT CHEMICALS
FROM: David H. Ready, City Manager
BY: Director of Public Works/City Engineer

SUMMARY

That City Council approves the purchase of water treatment chemicals from Nalco Chemical for the next three (3) years based on corporate pricing in a total amount not to exceed \$49,005 for the 2012/2013 fiscal year. With guaranteed pricing not to exceed 2.5% increase for 2014/15 and 5% for the final year. For the past twelve (12) years Council has approved the use of the volume discount pricing offered by Nalco Chemical. Staff is seeking that the City Council approves the utilization of this corporate pricing for the fiscal year 2012/2013 allowing the continued cost savings to the City.

RECOMMENDATION:

1. Approve the purchase of water treatment chemicals from Nalco Chemical for the next three (3) years, based on corporate pricing in a total amount not to exceed \$49,055 for 12/13 fiscal year. With guaranteed pricing not to exceed 2.5% increase for 14/15 fiscal year and 5% for the final year.
2. Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

The City of Palm Springs has had a long-term relationship with Nalco Chemical through the use of its water treatment products and its accompanying technical support in maintaining the City's co-generation and HVAC systems. Damage to the co-generation plants due to improper water treatment practices can cause substantial expense as well as unscheduled down time. Nalco water treatment products and the value of its chemical testing procedures have proven to reduce costs. These procedures and products have proven to extend equipment life and limit damage to sensitive co-generation and HVAC equipment.

ITEM NO. 26

Due to the nature of our co-generation facilities diversified operation, previous low-bid chemical companies have not demonstrated the expertise needed for the specialized water treatment functions at the plants. They have also proven to be unreliable suppliers. Nalco's product line is specific to the treatment conditions experienced at the plants due to its knowledge of methods used in chemical water treatment, metallurgy, and the protection of metal surfaces. Nalco has developed a good working relationship with the City and has consistently performed above normal expectations through its responsiveness to the City's chemical needs at the plants.

Based on the above, staff is asking Council pursuant to the provisions set forth in 7.04.030 of the Municipal Code, that award be made to Nalco as a Special Expertise Procurement.

Emergency repairs, line breaks and similar unplanned necessary repairs are at extra cost. Chemical costs are billed based on usage and are included based on historical usage quantities. In the event quantities are reduced as a result of the City Energy Project, the City's costs for chemicals would be reduced.

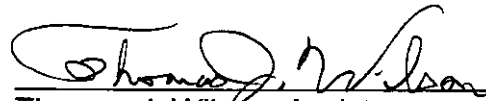
Staff recommends that City Council approve utilizing the corporate pricing agreement with Nalco for the chemical purchases for the next three (3) fiscal years in order to continue to provide the best value and protection for the City's co-generation and HVAC equipment.

FISCAL IMPACT:

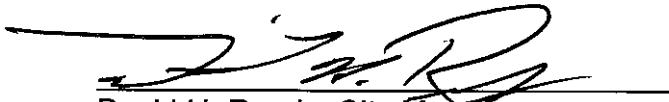
Funds are available in Account 520-5641-48700



David Barakian
Director of Public Works/City Engineer



Thomas J. Wilson, Assistance
City Manager



David H. Ready, City Manager

ATTACHMENT
Nalco Proposal Letter



Nalco Company
2111 E. Dominguez St.
Long Beach, CA 90810
310 900 5319
www.nalco.com

June 27, 2012

Facility Manager: Mr. Patrick Sweeney

City of Palm Springs
425 North Civic Drive
Palm Springs, Ca. 92262

Subject: Total Water Management Treatment Proposal

Dear Mr. Sweeney,

We recently had a training class with the engineering staff regarding all testing and uses of the products at your facility. We also reviewed current and future growth for the 2012/2013 year with putting together a three (3) to five (5) year agreement for your Water Treatment Program. This would allow us to have price guarantees for those years on the continued products listed below. Any additional products or equipment would need an additional PO submitted.

Other Nalco Capabilities include:

- Cooling Tower cleanings and Disinfections – Recommended by OSHA at least 1X/Year
- Coil Cleanings for Air Handlers/Air Filters/Indoor Air Quality/Risk Assessments.

We are very grateful for your continued business, and look forward to our ongoing business relationship.

Respectfully,

Dave Muscio
District Representative, Nalco
(760)-696-2571 Cell
damuscio@nalco.com

Chemical Products

- **3D TRASAR 3DT265** is designed for use in systems with recirculating water calcium concentrations greater than 300 ppm (as CaCO_3) at the targeted cycles when the pH is typically greater than 8.7. Because **3DT265** contains no molybdate or zinc, it should be considered as a more environmentally friendly chemistry to meet the regulatory needs of many customers.
- **STA-BR-EX ST70** is a liquid biocide best described as an aqueous, one-drum, all-bromine stabilized product that is already active and ready to feed. **STA-BR-EX ST70** is used to control bacteria and other organisms in recirculating cooling water, pasteurizers, air washers and other heat transfer systems. It should be considered for use wherever chlorine bleach, chlorine gas, bromine tablets and other chlorine-based products are used.
- **NALCO 22341** is a liquid phosphate/polymer blend combined with our **TRASAR®** Technology boiler feedwater treatment program. This program can be used in softened or demineralized boiler systems as a residual phosphate program which provides excellent scale and deposit control.
- **NALCO 7330** is a broad-spectrum, nonoxidizing biocide approved for use in recirculating cooling towers, closed loop cooling systems, air washers and brewery pasteurizers.
- **Tri-ACT® 1820** is a corrosion inhibitor that contains a blend of low, medium and high volatility amines designed for use in steam and condensate systems. **Tri-ACT 1820** provides effective neutralization of acidic gases, such as CO_2 , throughout a condensate system. It may be used at temperatures up to 454°C (850°F). **Tri-ACT 1820** effectively reduces condensate system maintenance costs and minimizes the potential of boiler tube failures caused by metallic corrosion products in the returned condensate.
- **NALCO 1720** provides protection from oxygen corrosion in the boiler system. Lower corrosion rates translate directly into lower boiler maintenance costs and reduced boiler downtime. **NALCO 1720** is a patented Nalco oxygen scavenger that is catalyzed, non-volatile, and inorganic. **NALCO 1720** is the product of choice for applications where relatively large amounts of dissolved oxygen must be removed rapidly. Such applications include boiler systems that use relatively cold boiler feedwater, systems with open boiler feedwater tanks, and systems that do not use mechanical deaeration.
- **TRASAR TRAC101** is a traced, liquid corrosion and deposit inhibitor for use in closed cooling and hot water heating systems. **TRASAR TRAC101** is effective in high heat flux systems where heat transfer surface experience high skin temperatures and corrosion control challenges are demanding. **TRASAR TRAC101** is a multicomponent inhibitor that provides ferrous metal corrosion protection, copper alloy corrosion protection, scale inhibition and dispersancy.



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NALCO's Service Representative *Becoming an Extension of Your Workforce*

NALCO SAN DIEGO SERVICE AND MANAGEMENT TEAM

Tom English– SERVICE ENGINEER

6 year experience in with Nalco Water Treatment
tenglish@nalco.com

Dave Muscio– ACCOUNT MANAGER

4 years experience with Nalco Water Treatment
damuscio@nalco.com

Barrett Snell – AREA SALES MANAGER

12 years experience with Nalco
B.S. Biology, Texas A&M
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Chris McCune – DISTRICT SALES MANAGER

13 years experience with Nalco
B. S. Marine Engineering, Massachusetts Maritime Academy
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City of Palm Springs Service Plan

Scheduled Service	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec
Plant Visit												
Cooling Tower Systems												
Closed Loop Systems												
Boilers												
TRASAR Calibration												
Inventory Checks												
TRASAR Preventive Maintenance												
Business Review												
Equipment Inspections												
Tower Inspections												

Breakdown and Benefits of the Service Plan:

- Monthly Service Visits.
- Service Report will be emailed to all plant personnel within 24 hours.
- 3D-Trasar reports weekly for Cooling Towers with 3D Controllers.
- Nalco 360 24/7 monitoring of Cooling Towers with 3D Controllers.
- Testing reagents for plant personnel.
- Ongoing Operator Training throughout the year.
- Log sheets for plant personnel.

Systems – Annual Costs for Service and Chemical (3 or 5 Year Agreement):

- *Current Annual Cost for 2011-2012\$ 47,810
- *Annual Cost for 2012-2013 year (2.5% increase = \$1,195).....\$ 49,005
- *Annual Cost for 2013-2014 year (2.5% increase = \$1,225).....\$ 50,230
- *Annual Cost for 2014-2015 year (not to exceed 5%= \$2,511).....\$ 52,741
- *Annual Cost for 2015-2016 year (not to exceed 7%= \$3,692).....\$ 56,433
- *Annual Cost for 2016-2017 year (not to exceed 7%= \$3,950).....\$ 60,383

*Corporate pricing mirroring GSA pricing.

*Does not include loss of chemical due to equipment and pipe failures that result in leaks or acts of God.

Respectfully,

Dave Muscio, Nalco

District Representative, Southern California