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Title:	Resolution Determining NALCO Company LLC to be the Only Source Practicably Available From Which to Procure Materials and Service for Boiler Water Treatment Chemicals and Chemical Treatment Equipment and Authorizing the Negotiation and Execution of a Purchase Contract with NALCO Company LLC as "Sole Source"				

Sponsors:

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Resolution Determining NALCO Company LLC to be the Only Source Practicably Available From Which to Procure Materials and Service for Boiler Water Treatment Chemicals and Chemical Treatment Equipment and Authorizing the Negotiation and Execution of a Purchase Contract with NALCO Company LLC as "Sole Source"

PURPOSE/BACKGROUND:

NALCO Company LLC has been a sole source vendor at the Hampton/NASA Steam Plant since 2006. Recently, in order to comply with the required procedures for City procurements made using federal grant funds under the Uniform Guidance issued by the Office of Management and Budget, the Steam Plant was directed to review and renew its Sole Source vendors in accordance with Article 6 of §2.2-4300 et seq. of the Code of Virginia.

Discussion:

The Hampton/NASA Steam Plant's boilers share feed water and condensate with NASA LaRC's fossil fuel-power boilers. Maintaining proper water chemistry is essential in prolonging the life of the boiler waterside internals, piping systems, and monitoring components for both plants. NALCO Company LLC has been supplying both the Hampton/NASA Steam Plant and the NASA LaRC Bldg 1215 Plant with salts, water softeners, oxygen scavengers, chelating agents, other proprietary treatment chemicals to maintain that chemistry for the shared system.

Impact:

Failure to maintain proper water chemistry will result in premature pressure vessel failure and extremely costly repair actions. The high temperature and volatile action boiler pressure vessels operate under magnify the destructive qualities of otherwise harmless water contaminants

exponentially. This is detrimental to boiler lifespans both for the tubes and drums. The most recent boiler tube replacement action at the Steam Plant cost in excess of \$2 million and required the shutdown of each boiler for over a month (with the resultant estimated revenue loss of some \$100,000).

Recommendation:

Approve Resolution

WHEREAS, Hampton City Council recognizes the public interest in providing through its Public Works/Steam Plant the most efficient means reasonably available and affordable to maintain the Public Works/Steam Plant boiler water chemistry;

WHEREAS, NALCO Company LLC is the exclusive representative of OEM chemicals, service, and chemical delivery systems which the city requires for the proper maintenance of the Public Works/Steam Plant boiler water chemistry; and

WHEREAS, the price at which NALCO Company LLC has offered the parts and has been determined to be fair and reasonable.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Hampton, Virginia as follows:

1. That the contract for procuring goods and services described above may be negotiated and awarded to NALCO Company LLC as a “sole source” without competitive sealed bidding or competitive negotiation as set forth in Virginia Code Section 2.2-4303(E);
2. That the City Manager or his authorized designee is hereby authorized to negotiate and execute a purchase contract with NALCO Company LLC; and
3. That the notice awarding the contract to NALCO Company LLC shall be posted in a public place pursuant to Virginia Code Section 2.2-4303(E).