



**PUBLIC SERVICE BOARD MEETING
AGENDA ITEM**

**REGULAR MEETING
Wednesday, September 13, 2017**

SUBJECT

Sole Source Purchase of Purate® Technology Chlorine Dioxide Generation

BACKGROUND

The Robertson/Umbenhauer Water Treatment Plant (Canal WTP) uses chlorine dioxide as a pre-disinfectant in the water treatment process. Chlorine dioxide must be generated on-site and can be done with the use of the proprietary Purate® Technology Chlorine Dioxide Generators. The Canal WTP has successfully used the Purate® technology method for the generation of chlorine dioxide.

EVALUATION PROCESS

Staff solicited a proposal from Thornton, Musso, and Bellemin, (TMB) Inc. for the on-site generation of chlorine dioxide using the Purate® technology. TMB Inc. is the authorized distributor of Purate® for sole source provider, Nalco Water. This proposal includes all necessary chemicals, equipment, installation, training, and service visits both routine monthly and emergency. Staff reviewed the proposal and determined that it met the requirements.

FINANCIAL IMPLICATIONS

Sufficient funds are available in account 7500-430, and the funding source is the Water and Sewer Fund.

PROPOSED ACTION REQUESTED

Approve a sole source purchase for Purate Technology Chlorine Dioxide Generation, from Thornton, Musso and Bellemin, Inc. in the estimated annual amount of \$923,600 with the option for two one-year extensions.

SUPPORTING DOCUMENTATION PROVIDED

-) TMB, Inc. Purate Technology Chlorine Dioxide (ClO₂) Supply Proposal
-) TMB Purate Chlorine Dioxide Sole Source Letter
-) Nalco Water Sole-Source Affidavit



EL PASO WATER UTILITIES PUBLIC SERVICE BOARD

SOLE SOURCE AFFIDAVIT

Before me, the undersigned official, on this day, personally appeared a person known to me to be the person whose signature appears below, whom after being duly sworn upon his/her oath deposed and said:

- 1. My name is JASON FUES. I am over the age of 18, have never been of a convicted crime and am competent to make this affidavit.
2. I am an authorized representative of the following company or firm: NALCO WATER, AN ECOLAB COMPANY
3. The above named company or firm is the sole source for the following item(s), product(s) or service(s): PURATE™ sodium chlorate solution as a precursor to making chlorine dioxide
4. Competition in providing the above named item(s) product(s), service(s) is precluded by the existence of a patent, copyright, secret process or monopoly as stated under Section 252.022, Subchapter A of the Local Governmental Code 7A or as provided for under 7B-F of the same section. Also, attached hereto is a sole source letter, which sets forth the reasons why this Vendor is a sole source provider (dated and signed).
5. There is/are no other like item(s) or product(s) available for purchase that would serve the same purpose or function.
6. Note: This Vendor understands that by providing false information on this Sole Source Affidavit, it may be considered a non-responsible Vendor on this and future purchases and may result in discontinuation of any/all business with the El Paso Public Utilities-Public Service Board.

Signature [Handwritten Signature]

SUBSCRIBED AND SWORN to before me on this 18th day of August 2017



NOTARY PUBLIC Kimberly M. Seminary PRINTED NAME 12.17.2020. MY COMMISSION EXPIRES

COMPANY NAME: NALCO WATER
ADDRESS, CITY, STATE & ZIP CODE: 1601 W. DIEHL ROAD, NAPERVILLE, IL 60563
PHONE: 630-305-1000 FAX NUMBER: 630-305-1698
CONTACT NAME AND TITLE: JASON FUES- SENIOR OPERATIONS MANAGER
WEB ADDRESS: WWW.NALCO.COM EMAIL: jpfues@nalco.com
FEDERAL TAX ID NUMBER: 731683520 TEXAS SALES TAX NUMBER:



Thornton, Musso, & Bellemin, Inc.

WATER TREATMENT CONSULTANTS

(225) 654-4955
FAX: (225) 654-9533

Post Office Box 181
Zachary, LA 70791

August 14, 2017

Mr. Angel Bustamante
El Paso Water
800 Canal Road
El Paso, TX 79901

RE: 2018 Purate technology chlorine dioxide (ClO₂) supply proposal.

Dear Mr. Bustamante:

Thornton, Musso, & Bellemin (TMB), the distributor for Nalco Water's Purate technology, is pleased to offer a chlorine dioxide supply proposal that will advance the operation of El Paso Waters' Robertson/Umberhauer Water Treatment Plant beginning in 2018 and into the future.

The Purate technology is well known as a robust and dependable process for ClO₂ generation. The essence of this proposal is to supply three new PUR AD-52 generators within the existing infrastructure and provide stable precursor chemical pricing through 2020 and beyond.

TMB will supply one of the three new generators, the Purate and 78% sulfuric acid and a preventative maintenance contract. Nalco Water is supplying two new generators within this agreement and as a team, Nalco Water and TMB have an unparalleled depth chart of water treatment professionals to assist in keeping these generators running efficiently and at top performance. Additionally, Nalco Water will install the enVision wireless communication platform in the new units to allow remote monitoring and troubleshooting. The three generators are to remain the property of Nalco Water and TMB, respectively.

TMB offers to supply Purate at \$0.79 per pound delivered in truckloads and 78% sulfuric acid at \$0.185 per pound delivered in truckloads through October 2018. Based on a full allotment season, the Purate cost is estimated to be \$679,400.00 based on 860,000 lbs. and the 78% sulfuric acid cost is estimated to be \$244,200.00 based on 1,320,000 lbs. The total cost for chemicals, generation equipment, spare parts and service is \$923,600.00 for the 2018 season. Terms are net 30 days.

This price offer from TMB includes the Purate Total Care Services package which includes a new AD-52 generator, monthly service during operation, start-up and shut down operation, annual replacement of soft parts including the parts, offseason planning visit and emergency response.

This proposal calls for a multi-year contract which would consider the possibility that the canal plant may not have adequate water supplies for a traditional six months "full campaign" in each calendar year(s). If one or more of these years is limited to less than 50% of a "full campaign", as equal to the 2017 season, this agreement extends to the next consecutive year.

TMB offers to provide the above products and services with price guarantees of no more than 5% increase in 2019 and 2020 for a term of three full "full campaigns." Price increases would be tied to the US BLS Consumer Price Index for All Urban Consumers (CPI-U) which is currently at an index level of 244.733 (1982-84=100). CPI-U, unadjusted, 12 months from December 2019 and 2020.

On behalf of my colleagues at TMB and Nalco Water, I am eager to join with El Paso Water, the challenge to provide 800,000 plus citizens of this historic high desert city, with the best quality potable water. We are not separated by distant horizons rather joined together with best in class technology and attentive technologists that are passionate about their work. Feel free to contact me should any questions or needs arise.

Very truly yours,



David K. Hatcher
CWT Consultant & HSE Manager
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CC: Ruben Rodriguez - El Paso
Ruben Montes – El Paso
David Thornton – TMB

Enclosures: TMB Purate Total Care Services
North America Service Warranty Policy
AD-52 Brochure
enVision Brochure
Purate SDS
78% Sulfuric acid SDS