



# Commission Staff Report - *DRAFT*

November 29, 2016

**COMMISSION MEETING DATE:** January 19, 2017

**SUBJECT:** Nalco Company Water and Process Services (Nalco Company LLC) - First Amendment to the existing Multi-Task General Services Agreement for specialty chemicals and services; Applicable to all facilities owned and/or operated by NCPA.

**AGENDA CATEGORY:** Consent

<b>FROM:</b> Ken Speer Assistant General Manager	<b>METHOD OF SELECTION:</b> N/A
<b>Division:</b> Generation Services	
<b>Department:</b> Geothermal	

<b>IMPACTED MEMBERS:</b>		
All Members <input checked="" type="checkbox"/>	City of Lodi <input type="checkbox"/>	City of Ukiah <input type="checkbox"/>
Alameda Municipal Power <input type="checkbox"/>	City of Lompoc <input type="checkbox"/>	Plumas-Sierra REC <input type="checkbox"/>
Bay Area Rapid Transit <input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Biggs <input type="checkbox"/>	City of Redding <input type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Gridley <input type="checkbox"/>	City of Roseville <input type="checkbox"/>	Other <input type="checkbox"/>
City of Healdsburg <input type="checkbox"/>	City of Santa Clara <input type="checkbox"/>	<i>If other, please specify:</i>
		_____
		_____

**RECOMMENDATION:**

Staff recommends the approval of a First Amendment to the existing five year Multi-Task General Services Agreement with Nalco Company Water and Process Services (Nalco Company LLC), increasing the not to exceed amount from \$1,000,000 to \$2,000,000 and revise the scope of work to include all facilities owned and/or operated by NCPA.

**BACKGROUND:**

On February 26, 2015 NCPA entered into a five year Multi-Task General Services Agreement with Nalco Company LLC for specialty chemicals and services as is needed at the various plant locations from time to time. Nalco Chemical LLC is a provider of these specialty chemicals and services. This amendment will increase the not to exceed amount of the agreement from \$1,000,000 to \$2,000,000 and will expand the scope of work to allow for use at any facility owned and/or operated by the Agency. Exhibit B will be modified to include language on pricing for services at the additional Agency locations.

**FISCAL IMPACT:**

Upon execution, the total cost of the agreement is not to exceed \$2,000,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase Orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. In addition to this agreement, NCPA has entered into enabling agreements with CellMark USA, LLC, Univar and GE Betz for similar services. NCPA will seek bids from as many qualified providers as possible. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

**ENVIRONMENTAL ANALYSIS:**

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Respectfully submitted,

RANDY S. HOWARD  
General Manager

Attachments: (3)

- Resolution
- First Amendment with Nalco Company LLC
- Multi-Task General Services Agreement with Nalco Company LLC

**RESOLUTION 17-XX - DRAFT**

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY  
APPROVING A FIRST AMENDMENT TO MULTI-TASK GENERAL SERVICES AGREEMENT  
WITH NALCO COMPANY WATER AND PROCESS SERVICES (NALCO COMPANY LLC)**

**(reference Staff Report #xxx:17)**

WHEREAS, Northern California Power Agency (NCPA) will require specialty chemicals and services related to plant operations at its various facility locations; and

WHEREAS, Nalco Company LLC is a provider of these services; and

WHEREAS, on February 26, 2015, NCPA and Nalco Company LLC entered into a five year Multi-Task General Services Agreement for specialty chemicals and services for use at the NCPA Combustion Turbine Facility; and

WHEREAS, NCPA seeks to amend the agreement to increase the not to exceed amount from \$1,000,000 to \$2,000,000 over the five (5) year period of the agreement; and

WHEREAS, NCPA seeks to revise the agreement to allow for use at all facilities owned and/or operated by NCPA; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 of the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter in a First Amendment to the Multi-Task General Services Agreement with Nalco Company Water and Process Services (Nalco Company LLC), with any non-substantial changes as approved by the NCPA General Counsel, increasing the not to exceed amount from \$1,000,000 to \$2,000,000 over the contract term and revising the agreement to allow for use at any facility owned and/or operated by NCPA.

PASSED, ADOPTED and APPROVED this \_\_\_\_ day of \_\_\_\_\_ 2017, by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

\_\_\_\_\_  
BOB LINGL  
CHAIR

ATTEST: \_\_\_\_\_  
CARY A. PADGETT  
ASSISTANT SECRETARY



**FIRST AMENDMENT TO MULTI-TASK GENERAL SERVICES AGREEMENT BETWEEN  
THE NORTHERN CALIFORNIA POWER AGENCY AND  
NALCO COMPANY WATER AND PROCESS SERVICES (NALCO COMPANY LLC)**

This First Amendment ("Amendment") to the Multi-Task General Services Agreement between the Northern California Power Agency ("Agency") and Nalco Company LLC (a.k.a. Nalco Company Water and Process Services) ("Contractor") (collectively referred to as "the Parties") dated as of February 26, 2015 (the "Agreement"), is entered into this \_\_\_\_ day of \_\_\_\_\_, 201\_\_, with reference to the following facts:

WHEREAS, the Parties entered into the Agreement for Contractor to provide specialty chemicals and services to Agency's Lodi Energy Center and CT2 STIG facilities; and

WHEREAS, the Parties now desire to amend the Agreement to increase the total compensation authorized by the Agreement, modify the Scope of Work to include other Agency facilities, modify the Compensation Schedule and Hourly Fees, and make such other changes as set forth below; and

WHEREAS, in accordance with Section 8.2 of the Agreement, all changes to the Agreement must be in writing and signed by all the Parties

NOW, THEREFORE, the Parties agree as follows:

1. The first paragraph of Section 1 of the Agreement is replaced in its entirety to read as follows:

**Section 1.**     **SCOPE OF WORK.** Subject to the terms and conditions set forth in this Agreement, Contractor is willing to provide to Agency the range of services and/or goods described in the Scope of Work attached hereto as Exhibits A and A-1 and incorporated herein ("Work").

2. The first paragraph of Section 2 of the Agreement is replaced in its entirety with the following:

**Section 2.**     **COMPENSATION.** Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED TWO MILLION** dollars (\$2,000,000) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibits B and B-1. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

3. The Agreement is amended to add the following as Section 4.2.4:

**4.2.4 Pollution Insurance.** If Contractor's Work involves its transporting hazardous materials, then Contractor shall obtain and maintain Contractors' Pollution Liability Insurance for sudden and accidental occurrences, which may be part of the Commercial General Liability Insurance of not less than two million dollars (\$2,000,000) for any one occurrence and not less than four million dollars (\$4,000,000) aggregate.

4. The Agreement is amended to add Exhibit A-1, (SCOPE OF WORK – Geothermal and Hydroelectric Facilities), attached hereto and incorporated herein.
5. The Agreement is amended to add Exhibit B-1 (COMPENSATION SCHEDULE AND HOURLY FEES – Geothermal and Hydroelectric Facilities), attached hereto and incorporated herein.
6. Except as specifically modified herein, no other provision in the Agreement is intended to be modified, and the Agreement, as amended, shall remain in full force and effect in its entirety.
7. This Amendment may be executed in multiple counterparts, each of which shall be an original and all of which together constitute one amendment to the Agreement.
8. Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory acts.

**SIGNATURES ON FOLLOWING PAGE**

The Parties have executed this Amendment as of the date signed by the Agency.

**NORTHERN CALIFORNIA POWER AGENCY**

**NALCO COMPANY LLC**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
**RANDY S. HOWARD, General Manager**

\_\_\_\_\_  
**MATTHEW J. ROCCA, District Manager**

Attest:

\_\_\_\_\_  
Assistant Secretary of the Commission

Approved as to Form:

\_\_\_\_\_  
Ruthann G. Ziegler, Assistant General Counsel

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## EXHIBIT A-1

### SCOPE OF WORK – Geothermal and Hydroelectric Facilities

Nalco Company LLC (“Contractor”) shall provide specialty chemicals and services as requested by Agency at the Geothermal and Hydroelectric facilities, as follows:

Water Treatment Chemicals: Biocide, Packaged in a 2000 lb. Tote (265 gal.) #90005.61 and other chemicals as needed. Incidental to the provision of chemicals, Contractor may also provide complimentary analytical work including chemical analysis of substances and water cooling tower analysis.

Contractor shall also provide additional products not listed above as requested in writing by NCPA. Pricing for products not specified in Exhibit B-1 will be quoted by Contractor at the time the product is requested.



## EXHIBIT B-1

### COMPENSATION SCHEDULE AND HOURLY FEES – Geothermal and Hydroelectric Facilities

Compensation for all work, including hourly fees and expenses, shall not exceed the amount set forth in Section 2, above. The hourly rates and/or compensation break down and an estimated amount of expenses is as follows:

1. Nalco 90005 Algaecide (Biocide), Delivered in 265 gallon IBC Totes  
Price = \$6.00 / LB
2. Nalco H-130 Macro-fouling Biocide, Delivered in 265 gall IBC Totes  
Price = \$4.50 / LB

Price includes shipping/freight costs but does not include State Sales Tax.

After July 30, 2017, Contractor may adjust the above prices one (1) time annually, and any adjustment shall be effective only upon thirty (30) days prior written notice to Agency.