



Legislation Text

File #: 2024-148, Version: 1

Contract No. 2304995

Phosphoric Acid and

Contract No. 2304996

Phosphoric Acid

O&M

Agenda of: April 24, 2024

Item No.: **2024-148**

Amount: \$12,526,800.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: March 27, 2024

RE: **Contract No. 2304995**
Phosphoric Acid and
Contract No. 2304996
Phosphoric Acid

Vendors: PVS Nolwood Chemicals, Inc., and Univar Chemical Solutions

MOTION

Upon recommendation of Cheryl Porter, Chief Operating Officer - Water and Field Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. 2304995, "Phosphoric Acid" with PVS Nolwood Chemicals, Inc. and Contract No. 2304996, "Phosphoric Acid" with Univar Chemical Solutions, at a cost not to exceed \$12,526,800.00 for a duration of six (6) months plus two (2) 6-month renewal options;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

“Phosphoric Acid, Technical Grade, 75% Concentration” needs to be provided to GLWA’s five (5) water treatment plants (WTP) for compliance with the Environmental Protection Agency (EPA) Lead and Copper Rule that requires corrosion control treatment. Corrosion control treatment minimizes the dissolution of lead and/or copper during water delivery to consumers. Corrosion control treatment has been used for over 20 years.

JUSTIFICATION

Contract Nos. 2304995 and 2304996 will provide Phosphoric Acid to GLWA’s five (5) WTPs in compliance with the EPA Lead and Copper Rule. Based on Corrosion Control Optimization Study, the amount of Phosphoric acid being used is expected to be double or more.

GLWA water treatment plants:

- Lake Huron WTP
- Northeast WTP
- Southwest WTP
- Springwells WTP
- Water Works Park WTP

FINANCIAL PLAN IMPACT

The use of Phosphoric Acid is anticipated as an on-going component of the water financial plan and is a requirement for control corrosion. The FY 2024 budget and the five-year financial plan was based on the analysis of prior chemical usage over past fiscal years. The maximum value of the contract exceeds the current financial plan for this chemical. Should this contract be exercised beyond the forecasted quantity a budget amendment may be needed. First, offsetting other chemical treatment costs that may be reduced, then from other areas, and finally from the unallocated reserve.

Funding Source: Operations & Maintenance (O&M) Budget

Cost Center(s): Water Works ParkWater Operations cost center 882131
Springwells WTP.....Water Operations cost center 882141
Northeast WTP.....Water Operations cost center 882151
Southwest WTP.....Water Operations cost center 882161
Lake Huron WTP.....Water Operations cost center 882171

Expense Type: Operating Supplies - Chemicals (621600)

Estimated Cost by Year and Related Estimating Variance: See table below.

<u>Fiscal Year</u>	<u>Amount</u>
FY 2024 Budget (prorated 1 month)	\$ 237,853.00
FY 2025 Budget	3,180,000.00
FY 2026 Financial Plan (prorated 5 months)	<u>4,968,750.00</u>
Financial Plan Estimate	\$ 8,386,603.00
Proposed Contract Amount	<u>\$12,526,800.00</u>
Variance (positive/ (negative))	(\$ 4,140,197.00)

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on April 10, 2024. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.