



Legislation Text

File #: 2018-784, Version: 1

Contract No.: RFB 1163
Sodium Bisulfite

Agenda of: June 20, 2018
Item No.: **2018-784**
Amount: \$1,250,136.00 3 Years
 \$ 416,712.00 First Year Optional Renewal
 \$ 416,712.00 Second Year Optional Renewal
 \$ 919,440.00 Construction Phase RRO (PC-797)
Total: \$3,003,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: June 7, 2018

RE: **Contract No.: RFB 1163**
Sodium Bisulfite
Vendor: Sulco Chemicals

MOTION

Upon the recommendation of Suzanne Coffey, Chief Planning Officer, Interim Chief Operating Officer - Wastewater, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. RFB 1163, "Sodium Bisulfite" with Sulco Chemicals, at a cost not to exceed \$1,250,136.00 for a duration of three years with two one-year renewal options at \$416,712.00 per year; and an additional purchase up to \$919,440.00 for the construction phase of the River Rouge Outfall Project (GLWA-PC-797) for testing that will be needed** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

During testing and upon completion of the Rouge River Outfall project, GLWA will utilize sodium bisulfite (SBS) to neutralize the residual chlorine in treated wastewater prior to discharge to the Rouge River in accordance with permit requirements. It should be noted that SBS is used only during wet-weather.

JUSTIFICATION

This commodity is required to operate the RRO Disinfection system which is required by our NPDES permit.

FINANCIAL PLAN IMPACT

Summary: The financial plan forecasts a consistent rate of expenditure for this commodity. The actual rate of spend will vary year to year based on volume of wet weather events. Future financial plans will be adjusted to accommodate the forecasted variance. The FY 2019 Proposed Budget includes heavier use during the final construction phase of this project which is a one-time cost. These additional costs are anticipated to be offset by adjustments to other chemical costs in Primary Processing and Incineration based on revised estimated chemical use. Additional costs beyond this will require an amendment from the Wastewater System Operations Unallocated Reserve.

Funding Source: Operations & Maintenance Budget

Cost Center: Wastewater Secondary Processing
(Sewage Disposal Cost Center 892224)

Expense Type: Operating Supplies-Chemicals (5960-892224.000-621600-SD9100)

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

Fiscal Year	Current Forecasted Amount	Revised Forecasted Amount
FY 2019 Proposed Budget	\$280,000.00	\$1,023,618.00
FY 2020 Plan	1,100,000.00	416,712.00
FY 2021 Plan	1,124,700.00	416,712.00
FY 2022 Plan	1,158,400.00	416,712.00
FY 2023 Plan	1,193,200.00	416,712.00
FY 2024 Plan - Prorated to 03/31	912,800.00	312,534.00
Financial Plan Forecast	\$5,769,100.00	\$3,003,000.00
Maximum Contract	3,003,000.00	3,003,000.00
Positive Estimated Variance	\$2,766,100.00	\$0.00

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

This is a new chemical to be used at the Water Resource Recovery Facility. During the planning of

this project, estimates were made for the annual volume and cost per ton of this chemical. The project estimated cost per unit is presented below.

Project estimate	\$ 288.81 / Ton
Actual bid	\$ 194.00 / Ton
Estimated variance	\$ 94.81 / Ton

COMMITTEE REVIEW

This item is being presented directly to the full Board of Directors for consideration.

SHARED SERVICES IMPACT

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