



Legislation Text

File #: 2018-1088, Version: 1

Contract No. RFB-1802179 Polymer Flocculant

Agenda of: January 23, 2019
Item No: **2018-1088**
Amount: \$7,875,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: January 7, 2019

RE: **Contract No. RFB-1802179**
Polymer Flocculant
Vendor: Polydyne Inc.

MOTION

Upon the recommendation of Navid Mehram, Chief Operating Officer - Wastewater Operations, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. RFB-1802179 to secure a contract, in the amount of \$7,875,000.00 for five years with Polydyne Inc. to supply Polymer Flocculant**, and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Polymers are organic substances that are used at the Water Resource Recovery Facility to improve the capture and dewatering efficiency by coagulating with solids to form a larger and more stable floc. Polymer addition in the dewatering process is critical to reducing solids in the recycle stream and increasing the percent solids content in the dewatered sludge cake, both of which significantly decrease the aggregate cost for wastewater treatment and biosolids disposal. This procurement requires the vendor to comply with local, State and Federal laws, ordinances, rules, and regulation pertaining to the safe transportation and handling of an organic polymer.

JUSTIFICATION

The dewatering process allows for handling and management of the removed solids separated from the treatment process. The process is essential for staying compliant with the facility's NPDES permit.

FINANCIAL PLAN IMPACT

Summary: The Financial Plan was based on prior usage at approximately 39,697,000 pounds over the contract period with a 6% increase in contract cost. The bid price exceeds this forecasted change. Therefore, the maximum value of the contract exceeds the current Financial Plan in total. The use of this product may vary by year which could require a budget amendment based on that years' annual forecast usage. This amendment would first come from potential positive variances of other chemicals before impacting the unallocated reserve.

Funding Source: Operations & Maintenance Budget

Cost Center: Wastewater Dewatering Processing (Sewerage cost center 892225)

Expense Type: Operating Supplies - Chemicals (5960-892225.000-621600-SD9140)

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

FY 2019 Budget (prorated)	\$416,670
FY 2020 Plan	679,000
FY 2021 Plan	746,900
FY 2022 Plan	821,600
FY 2023 Plan	830,400
FY 2024 Plan (prorated)	<u>503,400</u>
Financial Plan Forecast	\$3,997,970
Maximum Contract	<u>\$7,875,000</u>
Negative Estimated Variance	<u>-\$3,877,030</u>

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a variance of -\$3,877,030 (\$3,997,970 Financial Plan less \$7,875,000 contract maximum).

The estimated annual quantity is dependent on the wastewater flow processed by the Water Resource Recovery Facility. The financial plan is based on a projected annual usage. This actual usage of the polymer may be less than the estimated annual quantity, thus decreasing the negative variance.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on January 9, 2019. The Operations and Resources Committee unanimously recommended to refer this item to the full Board, subject to receiving a report from staff regarding cost benefit analysis and market review.

SHARED SERVICES IMPACT

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