



Legislation Text

File #: 2022-095, Version: 1

RFP 2101926

Liquid Chlorine Delivery

Vendor: JCI Jones Chemicals, Inc

Agenda of: March 23, 2022

Item No.: **2022-095**

Amount:	Three Year Contract	\$6,324,000.00
	First Year Renewal Option	2,108,000.00
	Second Year Renewal Option	2,108,000.00
	Total Contract	\$10,540,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: March 2, 2022

RE: **RFP No. 2101926**
Liquid Chlorine Delivery
Vendor: JCI Jones Chemicals, Inc.

MOTION

Upon recommendation of Navid Mehram, Chief Operating Officer - Wastewater Operating Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Interim Chief Executive Officer (ICEO) to **enter into RFP No. 2101926, "Liquid Chlorine Delivery" with JCI Jones Chemicals, Inc., at a cost not to exceed \$6,324,000.00 for a duration of three years with two (one) year renewal options at a cost not to exceed \$4,216,000.00 for a total amount of \$10,540,000.00;** and authorizes the ICEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Water Resources Recovery Facility (WRRF) uses chlorine for disinfection of its effluent before

discharging into the Detroit River or Rouge River. The Chlorine solution is mixed with final effluent to remove or inactivate pathogens such as bacteria and viruses that can cause disease in humans and animals. Disinfection of wastewater is critical for the protection of public health.

JUSTIFICATION

Per the WRRF National Pollutant Discharge Elimination System (NPDES) Permit, the plant effluent must be disinfected before discharging into both the Detroit River and Rouge River. Chlorine is used to disinfect the effluent to remove or inactivate the bacteria and virus and minimize any negative impact on public health. This contract covers the delivery of liquid chlorine, on-demand, to the chlorination facility at WRRF.

GLWA continues to monitor the volatility in chlorine prices. Chlorine is a base material that has been in high demand since the start of the pandemic for cleaning material that has introduced significant strain on the supply chain for chlorine. To further complicate the supply chain few chemical manufacturing facilities in the country experienced interruptions that strained the supply chain further in the country. Nevertheless, GLWA believes that this is a short-term correction and anticipates that the pricing will return to slightly above pre-pandemic prices as the supply chain catches up to demand over the next couple years.

FINANCIAL PLAN IMPACT

Summary: The proposed contract for chlorine was anticipated as an ongoing component of the wastewater financial plan. The volume of these chemicals may vary by year which could possibly require an amendment to that years' financial plan. Should this occur a budget amendment will be processed, first from other chemical budgets, secondly from other budgeted areas, and finally from the wastewater unallocated reserves. With the volatility of the market for unit cost, the proposed contract exceeds the current financial plan. An additional budget amendment is anticipated for the current fiscal year.

Funding Source: Operations and Maintenance Budget (5960)

Cost Center: Wastewater Secondary Processing (892224)

Expense Type: Chemicals (621600)

Estimated Cost by Year and Related Forecast Variance: See the attached memorandum

COMMITTEE REVIEW

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

SHARED SERVICES IMPACT

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