



Legislation Details (With Text)

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Title: Resolution to Award a Sole Source Purchase Order to SUEZ Treatment Solutions, Inc. (\$781,900.00, total purchase \$853,900.00)

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Attachments: 1. Final_Proposal 487815 Rev.2_Ann Arbor - PSU replacement_2-10-22.pdf, 2. AA Terms and Conditions_Suez_20220502.pdf, 3. SOLE_SOURCE-BEST_SOURCE_JUSTIFICATION_equipment.pdf

Date	Ver.	Action By	Action	Result
6/6/2022	2	City Council	Approved	Pass

Resolution to Award a Sole Source Purchase Order to SUEZ Treatment Solutions, Inc. (\$781,900.00, total purchase \$853,900.00)

This memorandum and resolution requests approval to award a sole source purchase order to SUEZ Treatment Solutions, Inc. (SUEZ) for furnishing of power supply units (PSUs), ozone generator dielectrics and vessel internals for two (2) ozone generator trains required to provide primary disinfection at the Water Treatment Plant (\$781,900.00, total purchase \$853,900.00).

The Water Treatment Plant (WTP) provides reliable high-quality drinking water to over 125,000 customers. In 1996, the WTP completed a major improvements project that added ozone disinfection to be used as the WTP's primary disinfection step. Ozone is generated on-site via four (4) ozone generation equipment trains, each train consisting of power supply units, generator vessel and internals, as well as various ancillary components. The ozone generation equipment is original from the 1996 installation and components of the system are nearing the end of its service life. Despite multiple repair attempts, one of the four ozone train power supply units (PSU) has failed and cannot be repaired. Ensuring all four (4) ozone trains are available for operation is critical to maintain rated treatment capacity as regulated by EGLE. While attempting to repair the failed PSU, it was discovered that the original equipment manufacturer (OEM) no longer supports this model due to the age, no longer manufacturers spare parts and no longer supports the programming needed to operate the system.

SUEZ acquired the original supplier of the ozone disinfection system and maintains engineering and production of materials and equipment compatible with the City's original equipment. SUEZ has visited the site, evaluated the equipment and provided recommendations. SUEZ confirmed they can provide newer replacement models of ozone generation vessel internals, PSUs, as well as new programming to restore operation.

Following the site visit, the City requested a quote from SUEZ as the Sole Source/Best Source vendor. The proposed scope of work for SUEZ is to provide power supply units (PSUs), ozone generator dielectrics and vessel internals for two (2) ozone generator trains, spare parts as well as shop drawing submittals and site services. The City began the shop drawing process due to the long equipment lead times and current supply chain issues. As the sole vendor capable of providing compatible components, an initial Purchase Order request in the amount of \$72,000 was approved to complete the shop drawing submittal phase utilizing the Sole Source Justification Form. The balance of the SUEZ cost to fabricate, deliver and commission the equipment is \$781,900.00.

It is recommended that SUEZ Treatment Solutions, Inc.'s quote for \$781,900.00 be accepted, and that SUEZ Treatment Solutions, Inc. be awarded the purchase order for the ozone generation equipment needed to maintain the critical primary disinfection process of the Water Treatment Plant.

By utilizing SUEZ equipment, these upgrades have the benefit of reusing portions of the existing equipment, avoiding the need to replace the entire ozone generator. Components from other manufacturers are not compatible and would require entire system replacement. The proposal from Suez is the most economical solution to restoring full operation of the primary disinfection system and improving long-term reliability. The project is programmed in the City's Capital Improvements Plan (UT-WS-22-02)

The resolution recommends a contingency in the amount of \$78,000.00 for changes to the purchase order with SUEZ Treatment Solutions, Inc. to cover unforeseen conditions.

Budget/Fiscal Impact: Funding for the Ozone Generator Improvements Project (UT-WS-22-02) is available in the approved Water System Supply Capital Budget.

SUEZ Treatment Solutions, Inc. complies with the City's Living Wage and Non-Discrimination Ordinances.

Prepared by: Glen Wiczorek, Senior Utilities Engineer

Reviewed by: Brian Steglitz, Interim Public Services Area Administrator

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The ozone disinfection system at the City's Water Treatment Plant is the primary disinfection process and critical in providing reliable and high-quality drinking water to over 125,000 customers;

Whereas; The replacement of two (2) ozone generator trains' power supply units (PSUs), dielectrics and ozone generator vessel internals will replace critical components of the ozone disinfection system that have failed and are no longer available or supported by the original equipment manufacturer;

Whereas, It is necessary to purchase the ozone disinfection components to ensure continuous operation of the primary disinfection system;

Whereas, SUEZ Treatment Solutions, Inc. is uniquely qualified to provide the ozone generation equipment and programming because they are the sole authorized vendor of this equipment in our service area;

Whereas, Funding in the amount of \$781,900.00 for the power supply units (PSUs), dielectrics and ozone generator vessel internals is available in the Water Supply System's Capital Budget; and

Whereas, SUEZ Treatment Solutions, Inc. complies with the City's Living Wage and Non-Discrimination ordinances;

RESOLVED, That Council accepts the quotation for the two (2) ozone generator trains' power supply units (PSUs), dielectrics and ozone generator vessel internals, and issues a purchase order to SUEZ Treatment Solutions, Inc. in the amount of \$781,900.00;

RESOLVED, That Council approve the purchase for the life of the project with funds to be available until expended without regard to fiscal year;

RESOLVED, That Council approves a contingency in the amount of \$78,000.00 to the purchase order with SUEZ Treatment Solutions, Inc. and that the City Administrator be authorized to approve additional purchase order changes not to exceed \$859,900.00 in order to satisfactorily complete this project;

RESOLVED, That the City makes the following declaration for the purpose of complying with the reimbursement rules of Treas. Reg. 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, that the City reasonably expects to reimburse itself for expenditures for the costs of the Barton Pump Station Valve Improvement Project with proceeds of Bonds; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution.