



AGENDA ITEM FORM

SUBJECT: Request Authorization to Issue Purchase Order for Additional Saylorville Water Treatment Plant Ultra-Filtration Membranes

SUMMARY:

- In October of 2005, DMWW entered into an agreement with Zenon Environmental Corporation for delivery and commissioning of ultra-filtration (UF) membranes, reverse osmosis (RO) membranes, and related process equipment that would become the integral treatment components of the Saylorville Water Treatment Plant. The original contract sum was nearly \$4.98 million. There have been two change orders that totaled just over \$132,000. The final contract sum to date is \$5.11 million. With the exception of near \$249,000, all monies associated with this agreement have been paid.
- Commissioning of the membrane equipment was completed in late December 2010. Continuous operation of the plant began in April of 2011. Zenon Environmental Corporation was acquired by GE Water & Process Technologies during the first two years of plant operation.
- After two years of operation, DMWW observed decreased ultra-filtration membrane performance. The permeability of the membranes had declined and the prescribed chemical cleans were unable to recover the membrane permeability. This resulted in a UF Module Replacement Letter of Agreement (finalized/dated February 20, 2015) between Des Moines Water Works and GE Water & Process Technologies. Eleven different items were detailed in the letter of agreement. Included here was pricing for replacement of the original 840 UF modules (DMWW Board authorized issuance of Purchase Order in the amount of \$546,680 in January of 2015) and defined pricing and discounts for future acquisition of an additional number of modules.
- At this time, staff would like to proceed with acquiring an additional 324 modules. These additional modules will fully populate previous blank spaces within our ultra-filtration (UF) trains. These additional modules will not increase overall plant production capability, but allow all membranes to operate at a lower flux. Lower flux conditions will aid in extending membrane life expectancy.
- Specific funds were allocated in the 2016 Capital Improvement Plan (CIP) for this procurement.
- The Letter of Agreement provided the framework for additional module acquisition. Details for the procurement of 324 additional UF modules is detailed below:
 - 324 modules x \$796.73/each: \$258,139
 - Hardware/Shipping Frame Rental: \$ 11,381
 - Freight & Freight Insurance: \$ 28,666
 - Contractual Discount \$-55,000
 - Total: \$243,186
- Staff recommends issuing purchase order in the amount \$243,186 to GE Water & Process Technologies.

FISCAL IMPACT:

The SWTP Reinvestment portion of the 2016 Capital Budget included \$281,925 designated for additional UF membrane procurement.

RECOMMENDED ACTION:

Authorize staff to issue a Purchase Order in the amount of \$243,186 to GE Water & Process Technologies.

BOARD REQUIRED ACTION:

Motion to authorize staff to issue a Purchase Order in the amount of \$243,186 to GE Water & Process Technologies.

_____ / _____ Michael J. McCurnin, P.E. (date) Director of Water Production	_____ / _____	_____ / _____ Ted P. Corrigan, P.E. (date) Chief Operating Officer
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Attachment: None