

ECUA GENERAL RESOLUTION NO. GR20-27

A GENERAL RESOLUTION AUTHORIZING THE EXTENSION OF THE SOLE-SOURCE AGREEMENT WITH PREMIER MAGNESIA, LLC, FOR THIOGUARD AND PROVIDING AN EFFECTIVE DATE FOR THE CONTRACT.

BE IT RESOLVED BY THE EMERALD COAST UTILITIES AUTHORITY:

- WHEREAS, on October 1, 2013, the Emerald Coast Utilities Authority (hereinafter "ECUA") entered into a sole-source contract for Thioguard (the "Contract") with Premier Magnesia, LLC, of Wayne, Pennsylvania; and
- WHEREAS, the ECUA Water Reclamation operations staff uses Thioguard (a magnesium hydroxide slurry) at the Bayou Marcus Water Reclamation Facility for alkalinity; and
- WHEREAS, the facility uses approximately 33,000 gallons per fiscal year; and
- WHEREAS, the supplier delivers the chemical in bulk quantities to on-site storage facilities; and
- WHEREAS, the current Contract expires on September 30, 2020; and
- WHEREAS, Premier Magnesia, LLC, is our current supplier and has provided adequate service in the past; and
- WHEREAS, the cost per gallon for FY 2021 will be \$3.09 per gallon; and
- WHEREAS, funds are currently budgeted and available in the FY 2021 operating budget in the amount of approximately \$125,000, which reflects the purchase of up to 40,450 gallons, through September 30, 2021; and

NOW THEREFORE, be it resolved by the Emerald Coast Utilities Authority:

- SECTION 1. ECUA hereby authorizes the waiver of the normal bidding process; and
- SECTION 2. ECUA hereby directs and authorizes the Executive Director to execute a one-year, sole-source agreement at the rate of \$3.09 per gallon; and
- SECTION 3. This resolution shall take effect upon adoption.

Approved as to form:

ECUA General Counsel

Adopted on:

ATTEST:

Amanda Miller, Administrative Coordinator

Lois Benson, Board Chairman

Date: September 15, 2020
Account Number: 4013002-552315: Chemical – Magnesium Hydroxide
Amount: FY 2021 - \$125,000
Type of Resolution: General Resolution

EXPLANATION TO ECUA BOARD

Originating Department: Water Reclamation

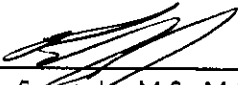
REMARKS: That the Board extend the agreement for Thioguard with Premier Magnesia, LLC, for \$3.09 per gallon and authorize payment from the appropriate line item from the operating budget.

The ECUA Water Reclamation operations staff utilizes Thioguard (a magnesium hydroxide slurry) at the Bayou Marcus Water Reclamation Facility for the maintenance of alkalinity in the wastewater. This is required to maintain the process within permit limits. Emerald Coast Utilities Authority obtains the magnesium hydroxide from Premier Magnesia, LLC, through a sole-source supply agreement. The current agreement expires on September 30, 2020.

The FY 2021 cost per gallon is approximately 9.79% above the cost per gallon in FY 2020. The manufacturer has recently altered the concentration of the product from 56% in FY 2020 to 60% in FY 2021. ECUA is currently receiving this new concentration at the FY 2020 rate and has seen a 12.5% reduction in field trial usage without any adverse conditions and therefore offsetting the price increase.

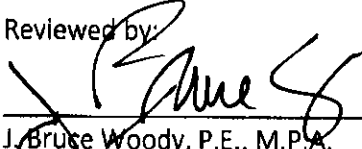
This product is non-hazardous and safe to handle unlike sodium hydroxide or lime slurries. Additionally, the amount required to maintain alkalinity is costing less than the sodium hydroxide, which we previously used for alkalinity control. We contacted chemical suppliers to get alternate prices for this or a similar product, but none had them available as it had been a proprietary chemical and has had previous patent protection for uses in sewer collection systems. At this point we have not been able to find another supplier and the cost of this chemical is cheaper than other chemicals.

Submitted by:



Randy Sears, Jr., M.S., M.S.A.
Director of Water Reclamation
969-6686

Reviewed by:



J. Bruce Woody, P.E., M.P.A.
Executive Director