

RESOLUTION NO. 2022-370

RESOLUTION EXERCISING OPTION TO RENEW
CONTRACT C21-0093 FOR MOBILE DEMINERALIZER
SYSTEMS FOR UNIT 11 AND CLAYVILLE UNIT 1, FOR
THE CITY OF VINELAND MUNICIPAL ELECTRIC UTILITY
– GENERATION DIVISION.

WHEREAS, on August 10, 2021, City Council adopted Resolution No. 2021-380 awarding a contract to MPW Industrial Water Services, Inc., Hebron, OH for the furnishing, delivery and installation of Mobile Demineralizer Systems for Unit 11 and Clayville Unit 1, for a period of one year starting November 1, 2021 ending October 31, 2022, with option to renew for one additional year; and

WHEREAS, the Vineland Municipal Electric Utility – Generation Division and MPW Industrial Water Services, Inc., have agreed to exercise the option to renew Contract C21-0093 for the option year beginning November 1, 2022 through October 31, 2023 at the same terms and conditions; and

NOW, THEREFORE BE IT RESOLVED, by the Council of the City of Vineland that the Purchasing Agent is hereby authorized to issue an extension to Contract No. C21-0093, issued to MPW Industrial Water Services, Inc., Hebron, OH for the furnishing, delivery and installation of Mobile Demineralizer Systems for Unit 11 and Clayville Unit 1, in the amount not to exceed \$157,370.00 for the option year beginning November 1, 2022 through October 31, 2023 at the same terms and conditions.

BE IT FURTHER RESOLVED that the Chief Financial Officer has certified that the funds for the contract extension herein are available.

Adopted:

President of Council

ATTEST:

City Clerk

FROM THE DESK OF JEANINE N. BROWNLEE



August 29, 2022

MEMORANDUM TO BUSINESS ADMINISTRATION:

RE: Resolution Request to Extend Contract for Open-End Contract for Mobile Demineralizer System for Unit 11 & Clayville Unit 1 COV BID 2021-24

Request to extend Contract C21-0093 awarded by Resolution No. 2021-380 to MPW Industrial Water Services Inc., 9711 Lancaster Rd., SE, Hebron, OH 43025 for the period November 1, 2021 through October 31, 2022 for an estimated amount not to exceed \$157,370.00. Note: Change Order #1 was previously done for the additional surcharges per quoted price. The bid specifications and contract included the option to extend for (1) additional year and as such the City wishes to exercise the (1) year extension from November 1, 2022 to October 31, 2023. The contractor has agreed to extend under the same terms and conditions.

If you have any questions or need additional information, please contact me.

Sincerely,

Jeanine N. Brownlee, QPA
Purchasing Agent



Date: 8/29/2022

Mohan Puri
Utility Engineering
Vineland Municipal Electric Utility
57 W Park Ave Suite A, P.O. Box 1508
Vineland, NJ 08362
Subject: Surcharge addendum

Dear Mohan:

Thank you for giving MPW Industrial Water the opportunity to continue services for meeting your water treatment requirements. The following is the surcharge addendum to the existing contract C21-0093 expiring October 31, 2022 for Vineland Municipal Electric Utility. MPW would like to extend the contract and will hold the contracted price per trailer. However, given the current chemical and fuel prices we would like to implement a surcharge agreement as shown in the attached sheet.

The surcharges will be calculated based on the previous month fuel cost and the current chemical prices compared to historical averages. For example, the August 2022 surcharges are listed as follows:

Fuel Cost - \$5.18/gallon
Fuel Surcharge - \$0.44/mile
Acid Cost - \$330/ton
Acid Surcharge - \$216/3 MG trailer
Caustic Cost - \$980/ton
Caustic Surcharge - \$273/3 MG Trailer

Change order #1 will cover surcharges.

We look forward to serving Vineland Municipal Electric Utility with your water purification needs. Please let me know if you have any additional questions.

Sincerely,

Robert B. Freedman

Robert B. Freedman
Area Sales Manager
Cell: 267.992.4025

Fuel Surcharge:

The fuel surcharge is based on the average fuel price from the previous month as reported by the U.S. Energy Information Administration. To find the historical average fuel price, one can go to their website (<https://www.eia.gov/petroleum/gasdiesel/>) and under the U.S. Diesel Fuel Prices section, a historical spreadsheet can be downloaded. On this spreadsheet go to the tab labeled Data 1, this tab shows the weekly U.S. and regional average diesel fuel cost. Our calculation is built on the national average of the current month. The fuel surcharge calculation is based on four factors: the base price (\$3.00), the price of the current month, our tractors average miles per gallon (5 mpg), and the milestraveled based on closest service center. To calculate the fuel surcharge, take the current Month Price minus the Base Price and divide by MPG. This will give you the Price per mile. This is the additional cost MPW assumes, per mile, as a result of the higher fuel costs. See example calculation below. The miles between MPW's service center and the customer site remains constant and is based on whichever MPW service center is closest to the customer (i.e. we do not charge a higher fuel surcharge because we had to send a trailer out of an MPW service center that is farther away).

Example Calculation:							
Base Price	\$3.00		Price per mile:	\$0.02		Total Surcharge:	\$12.00
Current Month Price:	\$3.10		Round-trip Miles:	600			
MPG:	5.0		No. of Round-trips:	1			

The numbers in red above are for example only.

Chemical Return Clause:

At the end of the project, MPW reserves the right to charge the customer for return freight of any unused chemical drums/totes on the site. Customer will also have the option to keep or dispose of the excess chemicals themselves.