



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF DECEMBER 18, 2014

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authorization to negotiate an Agreement with Illinois-American Water Company for the development of a project for beneficial reuse of effluent water at the Calumet Water Reclamation Plant, in relation to 14-EOI-11 (Re-Advertised), Request for Expression of Interest for A Development Project for Beneficial Reuse of Effluent Water at the Calumet Water Reclamation Plant (*As Revised*)

Dear Sir:

Authorization is requested to negotiate an Agreement with Illinois-American Water Company for the development of a project for beneficial reuse of effluent water at the Calumet Water Reclamation Plant, in relation to 14-EOI-11 (Re-Advertised), Request for Expression of Interest for A Development Project for Beneficial Reuse of Effluent Water at the Calumet Water Reclamation Plant.

On August 7, 2014, the Board of Commissioners was notified of the intent to advertise a Request for Expression of Interest (REOI) for A Development Project for Beneficial Reuse of Effluent Water at the Calumet Water Reclamation Plant (CWRP). The CWRP produces a treated effluent water product that is discharged into the Little Calumet River. At the point of discharge the effluent water is of a quality that may be useful for commercial and industrial applications. The beneficial reuse of this effluent would replace the use of potable water, which in turn would result in either expanded distribution of source water or a reduction of fresh water diversion from Lake Michigan, and a reduction in the energy required to treat and transport the potable water. The REOI was advertised on September 17, 2014.

The initial intent of the REOI was to utilize the responses to aid in the development of a detailed Request for Proposal (RFP) that would be issued and open to all interested parties, regardless of their participation in the initial REOI stage. Subsequent to advertisement, it became apparent that the level of coordination and effort required at the RFP stage would exceed the effort reasonably requested of a proposer without a commitment to the project from the District. As such it was decided to utilize the REOI as a means of selecting a single proposer with which to enter into a Contract of Commitment for the further development of the effluent reuse project.

In light of the change in approach, and in order to ensure that a fair and competitive process was preserved, the initial advertisement was cancelled on October 23, 2014 and a revised REOI was advertised on October 24, 2014 and again on October 29, 2014. The revised REOI outlined the new means by which the responses would be utilized for further development and clearly indicated the mandatory participation in the REOI, including the mandatory pre-submittal meeting held on November 14, 2014.

Responses to the re-advertised REOI were accepted until December 5, 2014 and the District received one response, which was from Illinois-American Water Company. The response submitted by Illinois-American Water Company was reviewed by the Engineering Department and it was determined to have met the criteria set forth in the REOI and shows sufficient merit to further develop the plan and ultimately evaluate its

feasibility. As stipulated in the REOI, the response includes no expenditures by the District at any stage of development.

Based on the foregoing, it is requested that the Board of Commissioners grant authorization to negotiate an Agreement with Illinois-American Water for the development of a project for beneficial reuse of effluent water at the CWRP. Upon successful negotiation of the terms of the Agreement, the Board of Commissioners will be requested to authorize execution of said Agreement.

Requested, Catherine A. O'Connor, Director of Engineering, WSS:KMF

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for December 18, 2014