



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 AUGUST 5, 2021

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Authority to decrease Contract 20-632-11, Furnishing and Delivering Sodium Hypochlorite, to Alexander Chemical Corporation, in an amount of \$2,842,800.41 from an amount of \$4,093,794.15 to an amount not to exceed \$1,250,993.74, Accounts 101-67000/68000/69000-623560, Purchase Orders 3109170, 3109171 and 3109172

Dear Sir:

On March 5, 2020, the Board of Commissioners authorized the Director of Procurement and Materials Management to award Contract 20-632-11, Furnishing and Delivering Sodium Hypochlorite, to Alexander Chemical Corporation, in an amount not to exceed \$4,206,963.00. The contract was terminated for convenience on July 19, 2021.

Due to recent unforeseen circumstance in the national supply chain, the cost to furnish and deliver sodium hypochlorite has increased significantly. According to bulletins from NACWA and information from USEPA, supplies of sodium hypochlorite and other chlorine products have been reduced due to equipment failure and other problems at production facilities. As a result of the significant increase in cost and the contractor's inability to supply at the current price, the contract was terminated.

As of July 23, 2021, the attached list of change orders has been approved.

Original contract Amount	\$4,206,963.00
Date of Board Approval	03/05/2020
Cumulative Change Order (7/23/2021)	113,168.85
% Change of Original Contract Value	2.7%
Current Contract Value	\$4,093,794.15
Requested Increase or Decrease	2,842,800.41
New Contract Value	\$1,250,993.74
% Change of Current Contract Value	69.4
% Change of Original Contract Value	70.3%

A decrease in the contract value is being requested to close the contract.

This change order is in compliance with the Illinois Criminal Code since the change is due to circumstances not reasonably foreseeable at the time the contract was signed, and is in the best interest of the District.

It is hereby recommended that the Board of Commissioners authorize the Director of Procurement and Materials Management to execute a change order to decrease Contract 20-632-11, in an amount of \$2,842,800.41 (approximately 69.4% of the current Contract value) from an amount of \$4,093,794.15 to an amount not to exceed \$1,250,993.74.

Funds will be restored to Accounts 101-67000/68000/69000-623560.

Requested, John P. Murray, Director of Maintenance and Operations, EJS:JS:MAG:JR:SSG

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 August 5, 2021

Attachment