



CITY OF NEWARK
DELAWARE

6A

June 22, 2023

To: Honorable Mayor and Council

From: Tim Filasky, P.E., Director of Public Works and Water Resources *F*
Jeff Martindale, Chief Procurement and Projects Officer *JM*
David Del Grande, Finance Director *DD*

Via: Tom Coleman, City Manager *TC*

Subject: Recommendation to Award Contract 23-08 - South Well Field Water Treatment Plant Resin/GAC PFAS Treatment System (Capital Project W2206)

Background

In 2021, the State of Delaware passed legislation (HB8 – Drinking Water Protection Act) that requires state agencies to regulate emerging contaminants in drinking water, including Polyfluorinated Substances (PFAS) and Perfluorooctanoic Acid (PFOA), by setting enforceable Maximum Contaminant Levels (MCL) for a set list of these contaminants. In 2022, the State released a draft plan to address the requirements on HB8 (151st General Assembly (2021 - 2022)), including proposed MCLs for drinking water systems throughout the state. The regulations were published on August 1, 2022. The Environmental Protection Agency (EPA) also released draft language for federal maximum contaminant levels for these contaminants that are at or near the detection limit of 4 parts per trillion for PFAS compounds. Commonly referred to as ‘forever chemicals’ due to their persistence in the environment, these substances can be removed from the drinking water through a filtration process. The Public Works and Water Resources Department has proactively sampled the source water at our South Well Field Water Treatment Plant to identify background concentrations of the compounds. Sample data confirms that the source water remains below historic health advisory limits, however, we expect treatment will be necessary once an MCL is established. While the timelines are not confirmed, we do expect some level of compliance will be necessary in 2024.

Purpose

Removal of PFAS compounds from drinking water is achieved by filtering the water through a series of vessels filled with specialized filter media. After exploring several alternatives, staff agreed that a combination of Granular Activated Carbon (GAC) and a Resin Product (CalRes) housed in units produced by Calgon Carbon is the best treatment option for our system, as it can effectively remove the widest variety of these compounds. Council approved the purchase of the treatment units in August of 2022 and they are scheduled for delivery in late 2023. This contract includes the foundation, piping, and process work needed to connect the units to our treatment system. The work is expected to be completed with the filters online by January 2024.

Bid Process

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The Purchasing Division advertised Contract 23-08 in The News Journal, posted the contract on the City website (www.newarkde.gov/bids) and delivered contract documents via email to several contractors. Three (3) Contractors were present at the mandatory pre-bid meeting held on May 30, 2023. On Tuesday, June 21, 2023 the Purchasing Division received three (3) sealed bids via email, mail, or hand delivery. These bids were opened shortly after the 2:00 p.m. deadline. The bidders were as follows:

Rank	Contractor Name	Total Bid
1	Merit Construction Engineers, Inc.	\$924,450.00
2	Corrado American, LLC	\$1,074,967.00
3	A-Del Construction Co., Inc.	\$1,298,054.00

Contractor Experience

The lowest responsible bidder, Merit Construction Engineers, Inc. has completed several jobs for the City of Newark and surrounding New Castle County communities over the past 20 years. Most recently was the installation of a chlorine booster station at the City's New London Water Tank and booster pump installation at the City's Evergreen Booster Station. Previous work in Newark included construction of the Hall and Pomeroy Trails. Due to their resources, reputation, and past projects, we are confident they will be able to complete the scope of work satisfactorily and within the budget.

Funding

Funding for this project is provided from the following source:

Capital Project Number:	W2206
Project Title:	Emerging Contaminants (SWFWTP)
Funding:	\$1,500,000 (ARPA – Purchase of treatment units, complete)
	<u>\$2,900,000 (SRF Loan)</u>
	\$4,400,000 (Total)

Council previously approved the purchase of the treatment units using American Rescue Plan Act (ARPA) funding of approximately \$1,500,000. The funding for this contract (23-08) is provided through the State Revolving Fund (SRF) Loan totaling \$2,900,000 and includes \$1,590,000 in loan forgiveness through the Bipartisan Infrastructure Law. The loan is scheduled to close on July 21, 2023 as approved by Council on June 12, 2023. Based on the bids received, we expect the entire contract amount of \$924,450 to be forgiven at project completion.

Related Documents (Attached)

1. W2206 Emerging Contaminants 2023-2027 CIP Sheet.

Recommendation

I move that Council award Contract 23-08 for South Well Field Water Treatment Plant Resin/GAC PFAS Treatment System (Capital Project W2206) to Merit Construction Engineers, Inc., in the amount of \$924,450.00.



PROJECT NO: W2206
PROJECT TITLE: Emerging Contaminants WTP Upgrades
PROJECT STATUS: In Progress (with end date)

FUNDING SUMMARY:

*Prior Authorized Balance includes 2022 carryover funding only.

	2023	2024	2025	2026	2027	Total 5 Year
New Funding:	\$ 2,900,000	\$ -	\$ -	\$ -	\$ -	\$ 2,900,000
*Prior Authorized Balance:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023-2027 Funding:	\$ 2,900,000	\$ -	\$ -	\$ -	\$ -	\$ 2,900,000

CAPITAL BUDGET - PROJECT DETAIL	
DEPARTMENT:	PWWR
DIVISION:	Water
FUND:	Water
PROJECT LOCATION:	SWF WTP
PROJECT PRIORITY:	2 - High Priority Level
Critical need to remediate failing service, prevent failure, or generate savings	
COMPREHENSIVE DEVELOPMENT PLANNING VISION ELEMENT:	Healthy & Active Community

§ 806.1(3) SUMMARY OF PROJECT DATA	
First Year in Program:	2022
Est. Completion Date:	2023
Est. Useful Life (in years):	50
Est. Total Cost:	\$ 4,400,000
Est. Spend @ 12/31/2022 (if underway) ¹ :	\$ 1,500,000
% Complete (if underway):	34.1%
Balance to be funded ¹ :	\$ 2,900,000

¹ For ongoing projects, we must estimate total spent since inception through current year to derive the balance to be funded thereafter.

PROJECT COST BY CATEGORY		
CLASSIFICATION	ACCOUNT NUMBER	AMOUNT
Labor:		\$ -
Materials:		\$ -
Other Contracts:	5295206.9960	\$ 2,900,000
TOTAL PROJECT COST		\$ 2,900,000

² Council is not required to authorize budget year funding for this portion, but this portion of the project will indeed represent a cash outflow in the budget year and/or "out years."

Charter § 806.1(2) DESCRIPTION & JUSTIFICATION:

New Federal and State guidelines are expected to be adopted as regulations in early 2023, requiring additional treatment of our water at the South Well Field Water Treatment Plant. Recent upgrades at the WTP were completed with the possibility of this treatment coming online in the future. Treatment would add additional long term stability to our water supply.

Bipartisan Infrastructure Law funding from the SRF was approved at roughly \$1,590,000 in grant funding. This would not need to be repaid. The balance of approximately \$2,810,000 will be made available through a low interest loan from the state revolving loan fund.

Project was created by budget amendment in August 2022 and authorized ARPA funding of \$1.5 million to purchase treatment units and media for delivery in approximately 42 weeks (summer 2023). This will reduce the loan amount needed to \$1,310,000, assuming grant funding to offset the balance as shown.

PROJECT FINANCING BY PLAN YEAR										
§ 806.1(3) SOURCE OF FUNDS:	Prior Authorized ²	Actual Funds Utilized as of 03/31/22	Estimated Expenditures 04/01/22 - 12/31/22	Estimated Authorized Balance ² 12/31/22	2023	2024	2025	2026	2027	TOTAL 5 Year CIP
CURRENT RESOURCES	-	-	-	\$ -	-	-	-	-	-	\$ -
CAPITAL RESERVES	-	-	-	\$ -	-	-	-	-	-	\$ -
EQUIPMENT REPLACEMENT	-	-	-	\$ -	-	-	-	-	-	\$ -
GRANTS SRF	-	-	-	\$ -	1,590,000	-	-	-	-	\$ 1,590,000
BOND ISSUES	-	-	-	\$ -	-	-	-	-	-	\$ -
STATE REVOLVING LOAN	-	-	-	\$ -	1,310,000	-	-	-	-	\$ 1,310,000
AMERICAN RESCUE PLAN ACT	1,500,000	-	1,500,000	\$ -	-	-	-	-	-	\$ -
OTHER (SPECIFY)	-	-	-	\$ -	-	-	-	-	-	\$ -
TOTAL:	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ 2,900,000	\$ -	\$ -	\$ -	\$ -	\$ 2,900,000
§ 806.1(4) ESTIMATED ANNUAL COST OF OPERATING / MAINTAINING PROJECT OR ASSET	OPERATING IMPACT:				2023	2024	2025	2026	2027	TOTAL
	INCREMENTAL COSTS (NET SAVINGS)				-	-	-	-	-	\$ -