

RESOLUTION NO. 2022- 422

A RESOLUTION AUTHORIZING THE ISSUANCE OF AN AMENDATORY SUPPLEMENTAL CHANGE ORDER NO. 1, TO CONTRACT NO. C21-0093, ISSUED TO MPW INDUSTRIAL WATER SERVICES, INC., HEBRON, OH, IN THE AMOUNT OF \$25,300.00.

WHEREAS, the City Council of the City of Vineland, on August 10, 2021, adopted Resolution No. 2021-380, entitled "A RESOLUTION AWARDED AN OPEN-ENDED CONTRACT TO MPW INDUSTRIAL WATER SERVICES, INC., HEBRON, OH FOR THE FURNISHING, DELIVERY AND INSTALLATION OF MOBILE DEMINERALIZER SYSTEMS FOR UNIT 11 & CLAYVILLE UNIT 1, IN THE AMOUNT OF \$157,370.00"; and

WHEREAS, N.J.A.C. 5:30-11.1, et seq., sets forth the requirements for the processing of change orders; and

WHEREAS, the Director of Municipal Utilities has requested that an amendment be made to contract awarded to MPW Industrial Water Services, Inc., Hebron, OH, for the furnishing, delivery and installation of Mobile Demineralizer Systems for Unit 11 & Clayville Unit 1, as authorized by Resolution No. 2022-380: said amendment is made necessary because commodity and fuel prices have experienced a significant increase in recent months resulting in higher than the anticipated costs; and

WHEREAS, the City of Vineland desires to comply with said requirements of N.J.A.C. 5:30-11.1, et seq., and to that end herewith files with the governing body a report stating the facts involved and indicating that the proposed change order may be allowed under these regulations; and

WHEREAS, the Chief Financial Officer has certified the availability of funds for the amendatory supplemental change order for which authorization is requested in the amount of \$25,300.00; now, therefore,

BE IT RESOLVED by the Council of the City of Vineland that said amendatory supplemental change order #1 to Contract No. 21-0093, in the amount of \$25,300.00, be and the same is hereby ratified and approved.

Adopted:

\_\_\_\_\_  
President of Council

ATTEST:

\_\_\_\_\_  
City Clerk



October 4, 2022

REPORT

TO: THE MAYOR AND COUNCIL

Amendatory Supplemental Change Order No. 1  
Contract No. 21-0093  
Mobile Demineralizer Systems for Unit 11 & Clayville Unit 1  
MPW Industrial Water Services, Inc., Hebron, OH

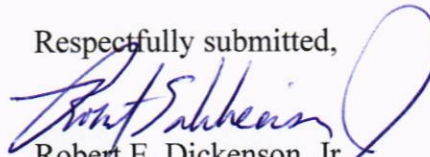
We are requesting that an amendatory supplemental change order be issued to Contract No. 21-0093, issued to MPW Industrial Water Services, Inc., Hebron, OH, for the furnishing, delivery and installation of Mobile Demineralizer Systems for Unit 11 & Clayville Unit 1. This contract was authorized by Resolution No. 2021-380, adopted by City Council on August 10, 2021.

The change order requested in the amount of \$25,300.00, is because commodity and fuel prices have experienced a significant increase in recent months resulting in higher than the anticipated costs.

This change order represents an increase of approximately 16.0768% over the original contract amount of \$157,370.00.

The amendatory supplemental change order for which authorization is herein requested may be authorized in accordance with N.J.A.C. 5:30-11.1 et seq.

Respectfully submitted,

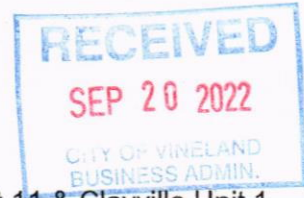


Robert E. Dickenson, Jr.  
Business Administrator

RD/wr  
Encl.



REQUEST FOR CHANGE ORDER



FOR:

Open-End Contract for Mobile Demineralizer System for Unit 11 & Clayville Unit 1

PROJECT NAME

TO: BUSINESS ADMINISTRATION

DEPARTMENT: ELECTRIC/ GENERATION

FROM: M.Puri/T. Dunmore

Handwritten notes: 11/1/22, 3/1/22, and a circled signature.

This is a request for change order # 1 to Contract # C21-0093 for:

Project Name Mobile Demineralizer System for Unit 11 & Clayville Unit 1

Name/Address of

Contractor: MPW Industrial Water Services Inc. 9711 Lancaster Rd., SE, Hebron, OH 43025

The change order is necessary because: (use additional pages if necessary to explain your reason and you must attach \*documentation to support the necessity of this change order.

\*(Documentation from contractor, engineer, etc.)

Commodity and fuel prices have experienced a significant increase in recent months. This has resulted in higher than

the anticipated costs for MPW above those expected at the time of the bid submittal on July 13, 2021. See attachment.

Original Contract Amount:	\$ 157,370.00	
Amount of this change order:	\$ 25,300.00	16% of total
Previous Change Orders:	\$ 0	
Total Revised Amount:	\$ 182,670.00	

APPROVED BY: John Lillie  
Print/type

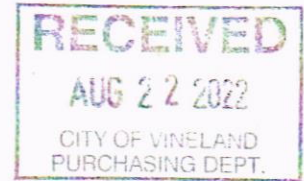
Signature

NOTE: CHANGE ORDERS CANNOT EXCEED 20% OF THE ORIGINAL CONTRACT AMOUNT

Please provide the account number that the change order will be charged to:

Account # 2-05-55-502-9001-53310 E548X, E548C

CC: Purchasing Division



Handwritten mark: a circled 'a'.

**Attachment to Request for Change Order #1**

Contract No. C21-0093

MPW Industrial Water Services Inc.

Surcharge for Vineland City	Trailer Delivery Date			
	5/19/2022	7/19/2022	7/27/2022	8/10/2022
Fuel Surcharge - Based on average fuel price as reported by U.S. Energy Information	\$84.78	\$91.88	\$91.88	\$70.28
Units	4	2	2	2
Extended Cost	\$339.12	\$183.76	\$183.76	\$140.56
Acid Surcharge - Based on MPW's current month's cost for the service center	\$120.00	\$273.00	\$273.00	\$273.00
Units	1	1	1	1
Extended Acid Surcharge Cost	\$120.00	\$273.00	\$273.00	\$273.00
Caustic Surcharge - Based on MPW's current month's cost for the service center	\$195.00	\$216.00	\$216.00	\$216.00
Units	1	1	1	1
Extended Acid Surcharge Cost	195.00	216.00	216.00	216.00
Total Surcharge Costs	\$654.12	\$672.76	\$672.76	\$629.56
Average Surcharge Costs				\$657.30
Estimated Average Cost with 10% Escalation				\$723.03
Estimated Number of Trailer Deliveries per year				35
Total Estimated Change for the Year				<b>\$25,300.00</b>

**Brownlee Jeanine**

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**From:** Dunmore Thomas  
**Sent:** Friday, August 19, 2022 10:27 AM  
**To:** Lillie John; PurchasingOffice  
**Cc:** Puri Mohan; Brenoskie Donna  
**Subject:** Request for Change Order #1 - Contract #C21-0093-Please Sign  
**Attachments:** Request for Change Order #1 for Contract #C21-0093 .pdf

John,  
Attached is a Request for Change Order for the MPW Demineralizer (Demin Water at U11 and C1) contract. They have added surcharges due to the economy. Please be aware that we do not expect the actual paid value to be this high, but we based it off of the original award values.  
Contact me with any questions.  
Thanks, Tom



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.