



# City of Marco Island

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**October 12, 2020**

**North Water Treatment Plant (NWTP) Membrane Filtration Module Replacement  
(ITB # 2020-028)**

## **NOTICE OF DISQUALIFICATION / REJECTION OF THE BID SUBMITTED BY:**

**Scinor Water America, LLC  
16 Mallard Cove  
Centerport, NY 11721**

**Sec. 2-258 (6) of the City of Marco Island Purchasing Ordinance (#11-01)** outlines that *contracts may be awarded to the lowest and most responsible bidder, as determined on the basis of the entire bid and the investigations into the bidder by the city manager and purchasing/contracts manager.*

City has completed the review and has determined that the above referenced bid submittal is non-responsible and therefore is being rejected as outlined in **Sec. 2-260 (10) of the City of Marco Island Purchasing Ordinance (#11-01)** *the bidder does not appear to have the expertise, financial capability or other ability to meet the requirements of the contract to be awarded, or is otherwise shown not to be responsible.*

Please see Exhibit "A" for additional details.

Lina Upham, CPPB  
Purchasing and Risk Manager  
Deputy City Clerk  
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Email: [LUpham@cityofmarcoisland.com](mailto:LUpham@cityofmarcoisland.com)

Exhibit "A"

**NWTP Membrane Filtration Module Replacement ITB 2020-028**

**BID EVALUATION October 7, 2020**

**Scinor Water America, LLC**

As part of the evaluation of the public bids for ITB 2020-028, the City requested clarifications from the bidders on September 28, 2020.

Scinor Water America responded to the request on October 1, 2020. Most of the requests were clarified satisfactorily. However, the City determined that the clarifications to three of the requests do not meet the requirements stipulated in the bid. Below is a summary of the City's requests, the bidder's clarifications, and the City's determination regarding the clarifications

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**City's request #8:**

*"Please specify whether the proposed modules will be fabricated using 'centrifugal potting' or 'static potting' method."*

**Scinor's Clarification:**

*"Scinor utilizes a standard two-layer potting technique. The main layer is epoxy resin that bonds the fiber bundle to the housing. Then, a soft silicone layer is added that serves to absorb any stresses that are placed on the fiber potting interface. This technique is used by many membrane suppliers and is frequently found in the water industry. Centrifugal potting is another method used to soften the stresses on the fiber potting interface in a single layer."*

**City's Determination:**

The City clearly required centrifugal potting in the bid documents. In addition, the City received a question during the bidding asking whether epoxy resin static potting would be accepted and if the requirement for centrifugal potting could be eliminated (see Addendum #1, item #7). The City's response to the question in the addendum is as follows: *"The City has encountered numerous problems with static potting membranes in this application such as cracks, leaks, separation, etc. Static potting will not be accepted."*

Consequently, the City hereby determines that the response does not meet the potting requirements as stipulated in the ITB.

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**City's request #9:**

*"Scinor did not include any information of the XR hose system. Provide confirm (sic) that the hoses meet the requirements of the ITB and addendum."*

**Scinor's Clarification:**

*"Confirmed. Scinor's XR hoses meet the technical requirements of the ITB and addendum. Our hoses are constructed of NFS-61 listed hose material and the fittings are molded using NSF-61 listed HDPE. You can see our long and short hoses in the attached installation photo. We do not have the number of installations and years of experience that are specified."*

**City's Determination:**

Scinor does not meet the years of experience and number of installations required in the ITB.

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**City's request #11:**

*"Scinor provided a list of global and USA installations using all types of modules. Please provide a list of installations only for the proposed module "SMT600-P50" and for facilities greater than 2 MGD that have at least 10 years of experience."*

**Scinor's Clarification:**

*"Please see the attached installation list for our SMT600-P50 modules. We have three plants with this part number sized larger than 2 MGD operating successfully for greater than ten years. We have 17 more that have this part number and are larger than 2 MGD but have a bit less than the ten years of operating experience specified in the ITB. Due to the nature of our business model, Scinor offers multiple module configurations incorporating the same robust TIPS membrane fiber found in the SMT600-P50 module. We have many installations, large and small, with a varying number of years of successful operation experience with these related part numbers as shown in our initial installation list."*

**City's Determination:**

The City clearly required in the ITB that bidders demonstrate that they meet the requirements of having 20 successful installations operating at least 10 years in service for the proposed membranes. Scinor mentioned and listed only three (3) facilities "apparently" meeting the plant size requirements. However, two (2) of those three (3) listed facilities are wastewater plants. The third listed facility is a desalination plant.

Scinor does not meet the ten (10) years of experience of twenty (20) successful installations as required in the ITB.

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In addition, the City discovered a memorandum dated October 19, 2016 from Alan Cranford of the City of Murfreesboro, TN regarding that city's experience with Scinor membranes. Mr. Cranford described numerous problems with the Scinor membranes failing to meet integrity testing requirements. The memorandum further states that 18 of the 56 membranes purchased by the City of Murfreesboro are unusable. The memorandum is attached.

The City of Marco Island has determined that the bid from Scinor Water America, LLC does not meet the requirements of ITB 2020-028 and must be disqualified for this bid.



Justin Martin, P.E.  
Manager of Engineering and Operations  
City of Marco Island Water and Sewer



*... creating a better quality of life*

# MEMORANDUM

**DATE:** October 19, 2016  
**TO:** Water and Sewer Board  
**FROM:** Alan Cranford  
**SUBJECT:** Scinor Membrane Module Plant Evaluation Results

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## Background

The Stones River Water Treatment Plant commissioned its Pall Corporation membranes on December 18, 2008. Since commission, the Pall membranes are working as expected with minimal fiber breaks and very good recovery following the Manufacturer's cleaning program. According to industry standard, membrane modules are designed to last approximately 10 years. Staff expects the Pall Corporation membrane modules to last longer than the 10 years. The original configuration of the membranes consisted of ten racks with 50 modules each for a total of 500 modules.

In August 2015, Staff, in consultation with SSR, recommended using Scinor Water America, LLC membrane modules as a sole source procurement. The Board approved \$70,000 for this purchase. The reason for this selection was that Scinor Water America, LLC is the only membrane manufacturer for drinking water membranes that produce their membranes fibers using the same method as the Pall Corporation. The justification for this sole source procurement was simply to provide a trial of the Scinor Water America, LLC membrane modules in a controlled manner to determine if their product is suitable as a competitive bidder to the Pall Corporation.

The trial started in December 2015. Staff removed the Pall Corporation membrane modules from Rack #1 and reallocated those membrane modules to the other nine (9) racks. Seven of the racks have 56 modules and two racks have 54 modules. The Scinor Water America, LLC membrane modules, a total of 56, were placed on Rack #1. A Scinor Water America, LLC Representative was here to observe and direct the installation and startup of the membranes. Upon installation and startup of the Scinor membranes 14 of the 56 modules failed the integrity testing. Integrity testing (IT) is a test performed on each individual rack that ensures there are no leaks in the membrane fibers. This test is required by the Tennessee Department of Environment and Conservation every 24-hours. Failure of a rack requires staff to locate the module(s) and then pin the fiber that is leaking. Staff and the Scinor Water America, LLC Representative could not determine the number of leaks in the 14 modules because there were so many leaks. As a result, the 14 modules were rejected and required replacement. In January 2016, 15 new modules arrived. Of the 15 modules, three (3) modules also failed the initial IT and were rejected. This left Rack #1 at 54 of 56 modules operating. In February 2016, the two (2) remaining modules arrived and were installed. At this time all 56 modules were in full operation.

Water and Sewer Department

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Staff operated the Scinor membranes alongside the Pall membranes consistently. In May 2016, one (1) Scinor module failed an IT and could not be repaired. This module exhibited the same issues as the previous modules were rejected. A new module was sent and replaced this bad module. In July 2016, two (2) modules failed an IT. One (1) module failed an IT twice. Of the two (2) modules that failed, one (1) was pinned two (2) times and a replacement was requested for the second module. The replacement arrived on October 14, 2016.

Staff has reviewed the data captured during the membrane comparison from January 1, 2016 through September 30, 2016. This comparison is provided in the presentation Pall vs Scinor. The evidence is conclusive, at least on the water quality that we experience at the Stones River Water Treatment Plant. The evidence demonstrates that the Pall membrane modules are more consistent in production of water and do not foul as easy as the Scinor membrane modules. In addition, Staff has dealt with quality control issues with the Scinor Water America, LLC membranes. A total of 18 modules have been unusable of the 56 modules that we purchased. When considering the 500 modules purchased from Pall Corporation in 2008, only one (1) module has been replaced. The module was still functioning at the time Pall Corporation replace it at no cost to the Department.

Staff recommends ending the trial and signing an agreement with the Pall Corporation for replacement of the Scinor modules. The agreement includes replacing the 56 Scinor membranes on Rack #1 with 56 Pall Microza UNA-620A membrane modules and adding two (2) Pall Microza UNA-620A membrane modules to Racks #9 and #10. This will provide 56 modules for each of the 10 racks. The agreement also includes pricing for future purchases, warranty, replacement of six (6) feeder headers that are leaking and 10 turbidimeter shutoff valves. Details of the agreement and scope of services are in the Pall Corporation proposal.

### **Recommendation**

Staff recommends that the Water and Sewer Board recommend to the City Council to approve the proposal from the Pall Corporation in accordance the scope of services.

### **Fiscal Impact**

The cost of the work identified in Pall Corporation's Scope of Services is \$168,500. Funding for this work will come from the Department's working capital reserves. The Department created a sinking fund in FY15 earmarking \$400,000 per year for five (5) years in anticipation of a \$2.0M dollar cost in replacing all of the Pall membranes by 2019. The cumulative amount of the sinking fund is currently \$1.2M. Based on the proposal submitted by Pall, the replacement costs of the remaining membranes will be \$630,000. Therefore, \$800,000 will cover this current request and future costs. The excess \$400,000 earmarked for the membrane replacement for FY17 will be rebudgeted to another sinking fund; the biosolids processing equipment and storage project.

### **Attachments**

Pall Corporation Proposal



**Sec. 2-262. - Dispute resolution and protest procedure.**

- (a) Any unresolved dispute pertaining to:
  - (1) Unadvertised or noncompetitive purchases made under this section shall be submitted to the city manager for resolution and/or final determination.
  - (2) Unresolved disputes pertaining to protests by bidders on advertised solicitations for purchases greater than \$25,000.00 shall follow the following bid/proposal protest procedure.
- (b) Bid/proposal protest procedure. Any firm that has submitted a formal bid/proposal to the City of Marco Island and who is adversely affected by an intended decision with respect to the award of the formal bid/proposal, shall file a written "notice of protest" with the purchasing/contracts manager within three days of either the bidder's receipt of the notice of disqualification of its bid, or receipt of a notice of intent to recommend award from the purchasing/contracts manager. Failure to submit the notice of protest as outlined in the Code shall constitute a waiver of proceedings.
  - (1) The "notice of protest" shall identify the solicitation and specify the basis for the protest. The "notice of protest" must be received by the city clerk and time stamped no later than 4:00 p.m. on the third working day following the posting date of the recommended award.
  - (2) The protesting party must then file a formal written protest within five calendar days after the receipt of the notice of protest. The protesting party shall post a bond (bond, cashier's check, or letter of credit) in an amount equal to five percent of the firm's total bid/proposal or \$10,000.00, whichever is less. Said bond shall be designated and held for the payment of any costs that may be levied against the protesting firm by the city council, if the protest is deemed by the council to be a frivolous protest.
- (3) The formal written protest shall contain the following:
  - a. Bid/proposal (RFB, RFP, or RFQ) identification number and title.
  - b. Name and address of the affected party and the title or position of the person submitting the protest.
  - c. A statement of all claimed disputed issues of material fact. If there are no disputed material facts, the formal written protest must so indicate.
  - d. A concise statement of the facts alleged and the rules, regulations, statutes or constitutional provisions which entitle the affected party to relief.
  - e. All information, documents, other materials, calculations and any statutory or case law authority in support of the ground for the protest.
  - f. A statement indicating the relief sought by the affected (protesting) party.
  - g. Any other relevant information that the affected party deems to be material to the protest.
- (4) Upon receipt of a timely filed notice of protest, the purchasing/contracts manager will abate the award of the formal bid/proposal as appropriate until the protest is heard pursuant to the informal hearing process as further outlined below, except and unless the city manager shall find and set forth in writing particular facts and circumstances that would require an immediate award of the formal bid/proposal for the purpose of avoiding a danger to the public health, safety or welfare. Upon such written finding by the city manager, the city manager may authorize an expedited protest hearing and may void the requirement for a formal written protest and bond.
- (5) A dispute committee, comprised of the city manager or designee, finance director or designee, public works director or designee and, as deemed appropriate, the city attorney to provide legal counsel, but not as a voting member, will convene a meeting within seven working days from receipt of the formal written protest with the protesting firm to attempt to resolve the protest. The hearing is to (1) review the basis of the protest; (2) to evaluate the facts and merits of the

protest; and (3) to make a determination whether to accept or reject the protest. If at all possible, the parties will resolve the protest at this first meeting.

- (6) If a resolution to the satisfaction of the dispute committee and the protesting firm cannot be accomplished during the meeting, the dispute committee, with respect to the merits of the protest, shall place the protest on the city council agenda with the staff recommendation and relevant background information.
- (7) City council shall conduct a hearing on the matter at the regularly scheduled city council meeting. Following presentations by the affected parties, the council shall render its decision on the merits of the protest.
- (8) If the council's decision upholds the recommendation by the dispute committee in denial of the protest regarding the award and further finds that the protest was either frivolous and/or lacked merit, the council, at its discretion, may assess costs, charges or damages associated with any delay of the award and any costs incurred with regard to the protest. The bond posted by the party filing the protest may be applied by city council at its discretion to pay in whole or in part said costs, charges, or damages.
- (9) If the council's decision upholds the position of the party filing the protest, the purchasing/contracts manager will cancel any prior award and award the contract to the party filing the protest in the amount of that party's original bid/proposal.

(Ord. No. 11-3, § 3, 2-22-2011)