



May 5, 2016

Mr. John Bullard
Water Plant Manager
City of Delray Beach
200 SW 6th Street
Delray Beach, FL 33444

Re: **PROPOSAL TO SUPPLY BULK SODIUM HYPOCHLORITE TO THE CITY OF DELRAY BEACH UTILITIES DEPARTMENT**

Dear John,

As you know, the City of Delray Beach is currently piggybacking its sodium hypochlorite supply from the City of Eustis contract at a price of \$.74 per gallon which expires June 22, 2016. Eustis has decided not to rebid but instead to piggyback the City of Sanibel recent sodium hypochlorite bid. Because the Sanibel contract starts July 1, 2016, they have administratively extended their existing contract by one week to June 30, 2016. As such, Odyssey Manufacturing Co. agrees to permit the City of Delray Beach to "piggyback" off of the City of Sanibel's recent bid for its Ultra Chlor 12.5% sodium hypochlorite at the unit pricing of \$.74 per gallon for the upcoming three (3) years through June 30, 2019. This price is fixed for three years to the water treatment and wastewater treatment plants and there are no fuel surcharges, delivery fees or other hidden charges. I have attached the supporting documentation including the original bid package, Odyssey's bid and the award letters. Keith Williams is the point of contact with the City of Sanibel @ 239-472-6397. This proposal to piggyback is made with the understanding that Odyssey Manufacturing would supply all of the City of Delray Beach's bulk sodium hypochlorite needs for its Utilities Department only. As part of the chemical supply, Odyssey will continue to provide technical assistance to your facilities as required as we have done in the past at both your Water and Wastewater Treatment facilities.

Unless the customer is purchasing over a 1,000,000 gallons per year, the pricing for sodium hypochlorite is predicated largely on whether or not it is full tankers or partial tankers and not the size of the customer. The City of Sanibel purchases full tankers of sodium hypochlorite and thus gets better pricing. Thus, anyone who purchases 50,000 gallons to 500,000 gallons per year would expect to receive similar pricing if it is full tanker deliveries with similar distances from the manufacturing location. The other factor is driving time from the manufacturing facility. The City of Sanibel allows deliveries between 1:00 AM and 4:00 AM and thus is about two hours from Odyssey's Tampa manufacturing location. Delray Beach requires deliveries during the day and is just under two hours from Odyssey's Miami manufacturing location because of traffic. As you know, sodium hypochlorite is an engineered product and the quality (and thus the usage and O&M expenses) will differ dramatically from manufacturer to manufacturer. For Odyssey's sodium hypochlorite (see attached specification), this proposed piggyback contract is a fair market price for similarly situated customers when factoring in delivery quantities, customer size, travel times and contract length. **Thus, the proposed contract offers Odyssey's lowest pricing available for similarly situated customers.**

Further, Odyssey accepts the risk of price increases (including fuel, energy and inflation costs) over the next three (3) years as we have guaranteed the pricing. On the other hand, the City of Delray Beach can terminate this supply contract for convenience at any time during this period. Over the past seventeen years since we opened our doors, we have honored all of our commitments and never attempted to raise the price in the middle of a contract or impose a fuel surcharge. We understand that cities and counties are struggling in these economic times and have endeavored to maintain our pricing and overall have simply accepted lower margins.

Several key points about Odyssey and its offer to supply of sodium hypochlorite (a.k.a. “bleach”):

- Sodium hypochlorite is the only product that you purchase that has a very short shelf life. The shelf life is greatly impacted by the quality of the sodium hypochlorite. Product impurities such as metals and sludge are a significant source of this decomposition. In fact, one could easily feed twice as much product with poorer quality bleach and a 10% savings in unit cost could be overshadowed by a 50% increase in usage. Thus, differences between manufacturers in their manufacturing and delivery processes can have a dramatic difference on actual consumption. Additionally, the initial delivered strength can also impact the level of consumption. This means cost savings to the customer! Odyssey’s unique manufacturing process results in significantly higher quality sodium hypochlorite that does not breakdown and decompose like other sodium hypochlorite manufacturers. As an example, in FY 2001, the Charlotte County EastPort WWT plant used 101,970 gallons of Odyssey Manufacturing sodium hypochlorite. The previous fiscal year, the facility used about 204,196 gallons with another supplier, despite lower plant flows (Reference: Verne Hall, currently Sarasota County Operations Manager @941-861-0501). In FY 2009, all of their facilities used 234,450 gallons with Odyssey Ultrachlor sodium hypochlorite. The previous fiscal year, the facilities used 428,000 gallons despite lower flows with another sodium hypochlorite supplier (Reference: Steve Bozman, Operations Manager @941-764-4595). Thus, Charlotte County is actually spending more money by not using Odyssey this fiscal year! The City of Jacksonville pools has averaged 355,000 gallons of usage the past two years with Odyssey Ultrachlor. Prior to that, they used 430,000 gallons using another supplier (Reference: Rick Sawyer, 904-630-5401). Last year, the City of Edgewater and Port Orange threw out their previous supplier because of quality issues and is using a lot less bleach. Both of these entities documented a 30% to 35% reduction in hypochlorite usage during FY 2009 when adjusted for flows after switching to Odyssey Manufacturing Co. (Reference: Steve Miller, City of Port Orange, WT Chief Operator, 386-756-5380 and Bob Polizzi, City of Edgewater, WT Chief Operator, 386-424-2490). In the last twelve month period from February 2009 – January 2010, the City of Tampa used 226,477 gallons of Odyssey Ultrachlor. The previous 12 months they used 700,000 gallons per year with their sodium hypochlorite supplier (Reference: John Peckett, Utility Operations, 813-247-3451).
- Sodium hypochlorite is the only product that decomposes by “off-gassing”. High quality sodium hypochlorite will not off-gas which leads to vapor locking of the chemical feed equipment. A high quality sodium hypochlorite will not lock up chemical feed equipment because of sludge. Many water and wastewater treatment plants had some of these problems with other sodium hypochlorite manufacturers prior to using Odyssey!
- Odyssey provides unlimited technical support as demonstrated by the support we have provided the City of Delray Beach with respect to your sodium hypochlorite system.
- We have the lowest bromate levels in the entire United States and are the only sodium hypochlorite manufacturer who has been certified as a Low Bromate Supplier. As you know, bromate is an EPA regulated carcinogen in drinking water.

Thank you for your consideration. We look forward to the opportunity to serve your sodium hypochlorite needs in the future. Please do not hesitate to contact me at (813) ODYSSEY or cellular (813) 335-3444 if I can be of further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Allman', with a long horizontal flourish extending to the right.

Patrick H. Allman
General Manager