



Legislation Text

File #: 18-1061, **Version:** 2

MOTION TO APPROVE AN INCREASE TO THE ESTIMATED ANNUAL AMOUNT OF CARBON DIOXIDE PURCHASED FROM AIRGAS USA, LLC, UTILIZING THE SOUTHEAST FLORIDA GOVERNMENTAL COOPERATIVE PURCHASING GROUP (CO-OP) BID # L-43-26 TO AN ANNUAL AMOUNT NOT TO EXCEED \$179,600 (\$224.50 X 800 TONS).

SUMMARY EXPLANATION AND BACKGROUND:

1. Since July 11, 2017, a temporary Carbon Dioxide Injection System has been up and running at the City's Water Treatment Plant, which replaces the Chlorine Gas that was being used. In addition, on August 2, 2017, the City Commission approved to purchase a Permanent Carbon Dioxide Injection System at the City's Water Treatment Plant from TOMCO2 Systems, Inc. As a result, the City needed to purchase Carbon Dioxide for the operation of the new system.
2. On October 18, 2017, the City Commission approved the purchase of carbon dioxide on an as needed basis from Airgas USA, LLC, utilizing the Southeast Florida Governmental Cooperative Purchasing Group (Co-Op) Bid #L-43-16 for an estimated amount of \$94,290 per year.
3. The Utilities Division estimated the usage to be approximately 420 tons of carbon dioxide per year at an estimated annual cost of \$94,290 per year (420 tons x \$224.50).
4. The Utilities Division has requested an increase in the amount of carbon dioxide needed as more carbon dioxide is being used in order to keep the pH level decreased when processing the water through the Ion Exchange to prevent an odor.
5. The Utilities Division is requesting to increase the annual amount by an additional 380 tons of carbon dioxide, which equates to an additional \$85,310 per year (\$224.50 x 380 tons).
6. On July 26, 2016, the City of Pompano Beach as lead agency for the Southeast Florida Cooperative Purchasing Group (Co-Op) awarded Bid # L-43-26 "Carbon Dioxide, Liquid, Bulk Delivery" to Airgas USA, LLC with a unit price per ton delivered of \$224.50 for a one year period commencing on September 10, 2016 and terminating on September 09, 2017 with the option to renew for two (2) additional one year periods. The first and second one-year renewal terms have been executed at no price increase, and the agreement now expires on September 09, 2019.
7. On May 2, 2018, the City Commission approved the recommendation from the Utilities Department via the Contract Database Report to continue utilizing the Co-Op agreement with Airgas USA, LLC for "Carbon Dioxide, Liquid, Bulk Delivery" for an additional one (1) year term, commencing on September 10, 2018 and expiring September 9, 2019, as allowed by the agreement.
8. Pursuant to Section 35.28(B) of the City's Procurement Code, the City Manager is not authorized to approve a change order without authorization of the City Commission where the sum of all change

orders issued under the contract exceeds 5% of the original contract amount or \$25,000.

9. Request Commission to approve an increase to the estimated annual amount of carbon dioxide purchased from Airgas USA, LLC, utilizing the Southeast Florida Governmental Cooperative Purchasing Group (Co-Op) Bid # L-43-26 to an annual amount not to exceed \$179,600 (\$224.50 x 800 tons).

FINANCIAL IMPACT DETAIL:

a) Initial Cost: \$85,310 increase from the original estimated amount of \$94,290.

b) Amount budgeted for this item in Account No: Funds are currently budgeted in account # 471 -533-6031-52430 (Operating Chemicals)

c) Source of funding for difference, if not fully budgeted: Not Applicable.

d) 5 year projection of the operational cost of the project: The current agreement will expire on September 09, 2019.

	10/1/17 - 9/30/18	10/1/18 - 9/30/19	Year 3	Year 4	Year 5
Revenues	\$0	\$0	N/A	N/A	N/A
Expenditures	\$179,600	\$179,600	N/A	N/A	N/A
Net Cost	\$179,600	\$179,600	N/A	N/A	N/A

e) Detail of additional staff requirements: Not Applicable.