



## Legislation Text

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File #: 20-0654, Version: 1

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MOTION TO APPROVE THE LEASE AGREEMENT, IN THE BEST INTEREST OF THE CITY, WITH BURNETT LIME COMPANY, INC. FOR A TEMPORARY LIME FEED SYSTEM BY CAL~FLO SYSTEMS, PROVIDING FOR THE LEASE OF THE SYSTEM AND THE PURCHASE OF CAL-FLO LIME SLURRY IN AN AMOUNT NOT TO EXCEED \$95,360, PURSUANT TO SECTION 35.18(C)(8) OF THE CITY'S CODE OF ORDINANCES.

### PROCUREMENT PROCESS TAKEN:

- *Chapter 35 of the City's Code of Ordinances is titled "PROCUREMENT PROCEDURES, PUBLIC FUNDS."*
- *Section 35.18 of the City's Code of Ordinances is titled "COMPETITIVE BIDDING OR COMPETITIVE PROPOSALS REQUIRED; EXCEPTIONS."*
- *Section 35.18(C) states that "Only the following situations are exempt from the competitive bid and competitive proposal requirements of this section:"*
- *Section 35.18(C)(1) states that "In urgent cases of compelling emergency that require the immediate purchase of commodities or services, the City Manager is empowered to waive competitive bidding or competitive proposals and authorize the Chief Procurement Officer to secure by open market procedure any commodities or services, notwithstanding the estimated cost of the commodities or services."*
- *Section 35.18(C)(8) states that "Purchases of and contracts for commodities or services are exempt from this section when the City Commission declares by a simple majority affirmative vote that the process of competitive bidding and competitive proposals is not in the best interest of the City. The City Commission shall make specific factual findings that support its determination, and such contracts may be placed on the City Commission consent agenda."*
- *Section 35.21 of the City's Code of Ordinances is titled "AWARD OF CONTRACT."*
- *Section 35.21(A) of the City's Code of Ordinances is titled "City Commission approval."*
- *Section 35.21(A)(1) states, "An initial purchase of, or contract for, commodities or services, in excess of \$25,000, shall require the approval of the City Commission, regardless of whether the competitive bidding or competitive proposal procedures were followed."*

## **SUMMARY EXPLANATION AND BACKGROUND:**

1. The Water Treatment Plant operates three (3) lime mixing and feed systems (Slakers) for the treatment of water hardness, two (2) of which have reached their useful life.
2. The Utility Division has recently refurbished one (1) of the three (3) Slakers and is currently in the process of a long-term study, design, and construction of a replacement system that should be completed by Fiscal Year 2020-21.
3. The Utilities Division has been faced with a situation where it is at risk of losing redundancy in the system due to the current conditions of the units. In an abundance of caution, the Utilities Division is recommending this temporary substitute system be continued for utilization as a contingency.
4. The length of time necessary for the lease of the CAL~FLO lime feed system will depend on the amount of time it will take for the permanent Lime Feed System to be fully installed. However, the Utilities Division is estimating approximately a 12 month period.
5. Should the Water Treatment Plant have a complete failure without redundancy, the result would be a significant need for the purchase of large quantities of wholesale water from the City's interconnects for a lengthy period of time.
6. On February 6, 2019, the City Commission Ratified the City Manager's approval of the emergency lease agreement with Burnett Lime Company, Inc., for the lease of a temporary lime feed system, and the purchase of Cal-Flo Lime Slurry in an amount not to exceed \$95,360.
7. On December 4, 2019, the City Commission Approved the First Amendment with Burnett Lime Company, Inc. for a one (1) year renewal term commencing February 12, 2020 and ending February 11, 2021.
8. The Utilities Division has determined that it would be in the best interest of the City to continue the lease of the Lime Feed System with Burnett Lime Company, Inc. until completion of the construction of a replacement lime feed system.

9. Below are factual findings:

- Burnett Lime Company, Inc. is still onsite with the current lease agreement that extends until February 11, 2021.
- Burnett Lime Company, Inc. has presented a proposal that the Utilities Division feels is fair and reasonable.
- The Utilities Division is recommending the continued utilization of the temporary lime feed system due to the risk of losing redundancy.

10. The new agreement will be for a one year period commencing on February 12, 2021 and expiring on February 11, 2022.

Description	Cost	Estimated Qty.	Annual Amount
Monthly Lease Payment	\$3,000	12	\$ 36,000
Annual Maintenance	\$930	1	\$ 930
Repair Cost, and Parts (\$45/hr)			\$ 2,000
Lime Slurry	\$0.085/liquid lb.	663,882.36	\$ 56,430
<b>Total:</b>			<b>\$ 95,360</b>

10. Request City Commission to approve the Lease Agreement, in the Best Interest of the City, with Burnett Lime Company, Inc., for a temporary Lime Feed System by CAL~FLO Systems, providing for the lease of the system and the purchase of CAL~FLOW Lime Slurry in an amount not to exceed \$95,360, pursuant to Section 35.18(C)(8) of the City's Code of Ordinances.

**FINANCIAL IMPACT DETAIL:**

- a) **Initial Cost:** \$95,360
- b) **Amount budgeted for this item in Account No:** \$95,360 in Account No. 471-533-6031-44200 (Rents - Machinery & Equipment) in FY2020-2021
- c) **Source of funding for difference, if not fully budgeted:** Not Applicable
- d) **5 year projection of the operational cost of the project:** Not Applicable
- e) **Detail of additional staff requirements:** Not Applicable