



Legislation Text

File #: 20-0657, Version: 1

MOTION TO APPROVE THE PURCHASE OF AN ADDITIONAL \$15,800 OF SODIUM CHLORIDE (SOLAR SALT) DURING THE CONTRACTUAL YEAR MAY 31, 2019, TO MAY 30, 2020, AND TO APPROVE AN INCREASE FROM 600 TONS TO 825 TONS, PER YEAR, OF SODIUM CHLORIDE ON AN AS NEEDED BASIS, UTILIZING THE SOUTHEAST FLORIDA GOVERNMENTAL COOPERATIVE PURCHASING GROUP (CO-OP) BID # ITB 2017-024 IN AN ANNUAL AMOUNT NOT TO EXCEED \$103,125, PURSUANT TO SECTION 35.18(C)(6) OF THE CITY'S CODE OF ORDINANCES.

PROCUREMENT PROCESS TAKEN:

- *Chapter 35 of the City's Code of Ordinance 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:"*
- *Pursuant to Section 35.18(C)(6) of the City's Code of Ordinances, "Cooperative purchasing plans are exempt from this section."*
- *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."*
- *Section 35.28 of the City's Code of Ordinances is titled "Change Orders"*
- *Section 35.28(B) of the City's Code of Ordinance states, "[...] the City Manager is not authorized to approve a change order without authorization of the City Commission where the initial purchase required the City Commission's approval and where the sum of all change orders issued under the contract exceeds 5% of the original contract amount or \$25,000."*

SUMMARY EXPLANATION AND BACKGROUND:

1. The City is responsible for providing chemicals for the operations of the Utilities Division including the Water Treatment Plant and the Wastewater Treatment Plant.
2. The Utility Division utilizes Sodium Chloride (Solar Salt) as part of the Water Treatment process conducted at the Water Treatment Plant.
3. On March 28, 2017, the City of Boca Raton as lead agency for the Southeast Florida Cooperative Purchasing Group (Co-Op) awarded Bid #2017-024 "Solar Salt (Bulk) Delivery & Supply" to Morton Salt, Inc. for a one (1) year period commencing on May 31, 2017 and terminating on May 30, 2018 with the option to renew for three (3) additional one (1) year periods.
4. To date, the Parties have exercised all three (3) renewal options, including the final renewal option, extending the term of the agreement to May 30, 2021, as allowed by the agreement.
5. The Utilities Division was historically estimating an annual usage of 600 tons of Sodium Chloride (Solar Salt). The original Co-Op pricing was \$119.50/ton, however the price was increased to \$125/ton for the second renewal period commencing on May 31, 2019. As a result, the total estimated annual cost for the City increased by 4.6% (\$3,300) from \$71,700 to \$75,000.
6. In an effort to better control the effects of nitrification in the vessels of the ion exchange system, a new quarterly maintenance event called a "Brine Soak" was implemented at the Water Treatment Plant. This process uses more sodium chloride than the historical usage.
7. Due to the new Brine Soak Program implementation, an additional 100 tons of Sodium Chloride equating to a total amount of \$12,500, was purchased during the contractual year May 31, 2019 to May 30, 2020.
8. The new Brine Soak Program at the Water Treatment Plant will be performed twice per year resulting in an estimated additional 225 tons of additional sodium chloride per year.
9. The total increase for the price adjustment from \$119.50/ton to \$125/ton along with the additional 100 tons for the new Brine Soak Program results in an increase of \$15,800 for the May 31, 2019 to May 30, 2020 contract year.
10. Request City Commission to approve the purchase of an additional \$15,800 of Sodium Chloride

(Solar Salt) during the contractual year May 31, 2019, to May 30, 2020, and to approve an increase from 600 tons to 825 tons, per year, of Sodium Chloride (Solar Salt) on an as needed basis, utilizing the Southeast Florida Governmental Cooperative Purchasing Group (Co-Op) Bid # ITB 2017-024 in an annual amount not to exceed \$103,125, pursuant to Section 35.18(C)(6) of the City's Code of Ordinances.

FINANCIAL IMPACT DETAIL:

a) Initial Cost: \$15,800 from contractual time period, May 31, 2019 to May 30, 2020, and an additional annual amount of \$28,125 for contractual time period May 31, 2020 to May 30, 2021.

b) Amount budgeted for this item in Account No: Funding is currently available 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:

	5/31/19-5/30/20	5/31/20-5/30/21	N/A	N/A	N/A
Revenues	\$0	\$0	N/A	N/A	N/A
Expenditures	\$87,500	\$103,125	N/A	N/A	N/A
Net Cost	\$87,500	\$103,125	N/A	N/A	N/A

e) Detail of additional staff requirements: Not Applicable.