



Legislation Text

File #: 23-0334, Version: 1

MOTION TO AUTHORIZE THE PURCHASE OF SODIUM HYDROXIDE 50% (CAUSTIC SODA) BY WEIGHT ON AN AS-NEEDED BASIS FROM UNIVAR SOLUTIONS USA, INC. UTILIZING PRICING ESTABLISHED BY THE SOUTHEAST FLORIDA GOVERNMENTAL COOPERATIVE PURCHASING GROUP (CO-OP) BID # 2023-006, RETROACTIVELY COMMENCING APRIL 19, 2023, FOR AN ESTIMATED YEARLY AMOUNT NOT TO EXCEED \$30,090.00, 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 Ordinance 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)(6) states that "Cooperative purchasing. 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."***

SUMMARY EXPLANATION AND BACKGROUND:

1. The Utilities Department Wastewater Treatment Plant requires the use of sodium hydroxide (caustic soda) as part of the treatment process for odor control. The City's East Air Scrubber uses Sodium Hydroxide 50% by weight while the City's Dual Stage Central Air Scrubber uses Sodium Hydroxide 25% by weight.
2. The Department previously utilized the existing Southeast Florida Governmental Cooperative Purchasing Group (Co-Op) Agreement with Allied Universal Corp. for the procurement of Sodium Hydroxide 50%. This agreement was approved for its final renewal by the City Commission on February 16, 2022, and naturally expired on April 16, 2023. The agreement provided for the

purchase of Sodium Hydroxide 50% by weight at a cost of \$3.04 per gallon for deliveries greater than, or equal to 3,500 gallons, and \$3.67 per gallon for deliveries less than 3,500 gallons.

3. On March 30, 2023, the City of Margate, as lead agency for the Co-Op, initiated Invitation to Bid (ITB) # 2023-006 "Furnish and Deliver Sodium Hydroxide 50% by Weight".

4. The Invitation to Bid included two bid items:

- Total cost per gallon of sodium hydroxide delivered - truck loads greater than, or equal to, 3,500 gallons.
- Total cost per gallon of sodium hydroxide delivered - truck loads less than 3,500 gallons.

5. On April 21, 2023, the City of Margate issued three (3) award letters approving a one (1) year contract with Univar Solutions USA, Inc., Allied Universal Corporation, and Brenntag Mid-South, Inc. commencing on April 19, 2023 and terminating on April 18, 2024, with an option to renew for up to four (4) additional one (1) year terms. Below are the awarded rates from the Co-Op:

	Univar Solutions	Allied Universal	Brenntag Mid-South
Truckloads Per Gallon > 3,500 Gal.	\$ 2.93	\$ 3.55	\$ 2.99
Less than Truckload < 3,500 Gal.	\$ 3.54	\$ 4.44	\$ 4.98

6. The Department uses approximately 8,500 gallons of Sodium Hydroxide 50% per year, in deliveries less than 3,500 gallons.

7. Staff recommends City Commission authorization to purchase Sodium Hydroxide 50% (caustic soda) by weight on an as needed basis from Univar Solutions USA, Inc., utilizing pricing established by the Southeast Florida Governmental Cooperative Purchasing Group (Co-Op) Bid # 2023-006, retroactively commencing April 19, 2023, for an estimated yearly amount not to exceed \$30,090.00, pursuant to Section 35.18(C)(6) of the City's Procurement Code.

FINANCIAL IMPACT DETAIL:

a) Initial Cost: Approximately \$30,090.00 per year to be utilized on an as needed basis (8,500 gallons x \$ 3.54 per gallon).

b) Amount budgeted for this item in Account No: \$11,602.33 in account 471-535-6022-552430-0000-000-0000 (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: This is a one (1) year contract with an option to renew for four (4) additional one (1) year renewals.

	Current FY (4/19/23-9/30/23)	Year 2 (10/1/23-4/18/24)	Year 3	Year 4	Year 5
Revenues	\$0	\$0	N/A	N/A	N/A
Expenditures	\$13,791.25	\$16,298.75	N/A	N/A	N/A
Net Cost	\$13,791.25	\$16,298.75	N/A	N/A	N/A

e) Detail of additional staff requirements: Not Applicable.

