



Public Works Department – Water and Wastewater Services
Water and Wastewater Operation Division

2555 West Copans Road • Pompano Beach Florida 33069 • PHONE: 954-831-0960

DATE: October 13, 2020

TO: Brenda J. Billingsley, Director, Purchasing Division

THRU: Alan W. Garcia, P.E., Director, Water and Wastewater Services **ALAN GARCIA** Digitally signed by ALAN GARCIA
Date: 2020.10.13 10:16:32 -0400

FROM: Mark Darmanin, Director, Water and Wastewater Operations Division **MARK M. DARMANIN** Digitally signed by MARK M. DARMANIN
Date: 2020.10.13 10:04:52 -0400

SUBJECT: Request for Co-operative Contract, Multi-Year Contract Term & Price Adjustments – Provide, Deliver & Discharge Chemical Quicklime

Water and Wastewater Services (WWS) requests approval to participate in Southeast Florida Governmental Purchasing Cooperative (Co-op) contract which includes the use of a Multi-Year Contract Term and Price Adjustments for the establishment of an open-end contract for Chemical Quicklime, Provide, Deliver & Discharge.

The Co-op is an organization of various Southeast Florida cities, counties and governmental agencies that provides for co-operative purchasing in which quantities for the same items are combined to achieve economies of scale through volume discount pricing. The City of Tamarac is the lead agency for this Co-op contract and facilitated the solicitation. Annual usage quantities were obtained from each participating agency prior to the bid solicitation. The County is a participating agency and the County's annual usage quantities were included in the bid solicitation. Each participating agency concurred with the bid specifications utilized by the City of Tamarac.

The City of Tamarac awarded Co-op Bid No. 20-21B on September 23, 2020 for an initial term of three years and three one-year renewals for a potential contract total of six years. The initial term will begin on November 1, 2020.

The Co-op contract also contains allowable price adjustments to be effective on a quarterly basis on January 1, April 1, July 1 and October 1 of each year. The contract includes price adjustment consideration subject to verification of actual cost changes for labor, raw materials (lime), production materials (coal) and fuel pricing. The awarded Contractor is required to submit sufficient documentation to the lead Agency (City of Tamarac) for consideration of a price increase and must pass-on price decreases when the Contractor's costs are reduced.

Chemical Quicklime is used in the treatment of potable water at District 1 and District 2 Water Treatment Plants. WWS estimates the contract value to be \$2,093,280 annually, with an estimated potential six-year value of \$12,559,680 (inclusive of potential price adjustments).

The current contract for Chemical Quicklime (OPN2115562G1) is also a Co-op contract, which was awarded by the Board as a six-year contract (inclusive of renewals) and included quarterly price adjustments. The current contract will expire on October 31, 2020.

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Request for Co-operative Contract, Multi-Year Contract Term & Price Adjustments – Chemical Quicklime, Provide, Deliver & Discharge – Cont'd.

WWS is requesting approval to participate in the Co-op contract inclusive of the multi-year contract term and price adjustments for the following reasons:

- The product being procured has a very narrow vendor base and is considered a 'niche' market item. Participating with local governmental agencies not only provides economy of scale but provides a continuing pipeline of product into our geographic area.
- Serves in the best interest of Broward County as a longer-term contract will reduce processing and administrative time and costs.
- Acknowledging the need for potential price adjustments (increases and decreases) and including such in the contract terms ensures a competent contract is available to provide the critical chemical lime, and provides substantial continuity of performance minimizing the impact to the County.

Attached for review as needed are the award documents and WWS's bid tab worksheet.

If additional information is needed, please contact John Kay, Assistant Director, Water and Wastewater Operations Division at 954-831-0877.