



Department of Public Utilities  
Public Utilities Administration  
Inter-Office Memorandum

**DATE:** January 26, 2024

**FILE:** PU-24-40

**TO:** George R. Keller, Jr. CPPT  
City Manager

**VIA:**  Adam Reichbach  
Assistant City Manager for Finance and Administration

**VIA:**  Gus Zambrano  
Assistant City Manager for Sustainable Development

 **THRU:**  Steve Stewart  
Director, Procurement and Contract Compliance

 **VIA:**  Vincent Morello, P.E.  
Director, Public Utilities

**SUBJECT:** Recommendation to Approve the Issuance of a Purchase Order to AIRGAS USA, LLC for the emergency provision and delivery of Liquid Oxygen (LOX) to the Southern Regional Wastewater Treatment Plant (SRWWTP) cryogenic production facility in an amount up to \$123,894.72. The Procurement Method used is Emergency.

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**ISSUE:**

On August 28, 2023, the SRWWTP cryogenic facility experienced unanticipated, and unexplained, pressure and purity issues during the oxygen (O<sub>2</sub>) production process. SRWWTP staff responded by securing specialized cryogenics repair services from Ranch Cryogenics, Inc., (Ranch). A functioning cryogenics plant is necessary for proper wastewater treatment. Lack of consistent oxygen generation would also make the SRWWTP noncompliant with their operating permit and jeopardize public health and safety.

The system evaluation by Ranch required the temporary cessation of oxygen production. The SRWWTP, therefore arranged for the emergency delivery of Liquid Oxygen (LOX) from AIRGAS USA, LLC (Airgas) for use while the cryogenic plant was under diagnostic investigation and repair.

LOX expenditures for the diagnostic and repair cessation totaled \$123,894.72 above the previously authorized CM Memo PU-24-09 in an amount of \$500,000.00.

The DPU requests approval for the issuance of a purchase order to AIRGAS USA, LLC for the previously procured emergency LOX, in a total amount of up to \$123,894.72.

**AUTHORITY:**

**§ 38.41 COMPETITIVE SOLICITATIONS REQUIRED; EXCEPTIONS**

**(C)(1) Emergency purchases:**

*In urgent cases of compelling emergency that require the immediate purchase of goods, supplies, materials, equipment or services, the CPO is authorized to secure, when possible, emergency goods, supplies, materials, equipment, or services by open market procedure. **All such emergency purchases must receive prior administrative approval except for the most urgent situations presenting a clear and present substantial threat to life or property where immediate action is required.***

Funding has been provided in the fiscal year 2024 budget for the Department of Public Utilities is available in Account Number 442.400601.53600.552240.000000.000.000.

**RECOMMENDATION:**

The Director of Public Utilities recommends authorization of the issuance of a Purchase Order to AIRGAS USA, LLC., for the emergency supply of Liquid Oxygen (LOX) to the Southern Regional Wastewater Treatment Plant (SRWWTP) cryogenic plant in an amount up to \$123,894.72.

DocuSigned by:

*George Keller*

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1/31/2024

APPROVED BY: George R. Keller, Jr. CPPT  
City Manager

Date:

Attachments: Airgas Invoices  
PU-24-09  
Risk Approved COI