



Department of Public Utilities
Public Utilities Administration
Inter-Office Memorandum

DATE: July 11, 2024

FILE: PU-24-101

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

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VIA: Adam Reichbach
Assistant City Manager for Finance and Administration

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VIA: Gus Zambrano
Assistant City Manager for Sustainable Development

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THRU: Otis Thomas
Interim Director, Procurement and Contract Compliance

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FROM: Vincent Morello, P.E.
Director, Department of Public Utilities

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SUBJECT: Recommendation to Approve the Issuance of a Purchase Order to Cardinal Contractors, Inc. in an amount up to \$1,500,000 for Additional Costs related to the Emergency Repair of the Effluent Pump Station at the Southern Regional Wastewater Treatment Plant due to Unforeseen Circumstances. The Procurement Method used is Emergency.

ISSUE:

The Department of Public Utilities (DPU) is in the process of conducting emergency repairs on the Ocean Outfall Effluent Pump Station at the Southern Regional Wastewater Treatment Plant (SRWWTP). Additional funding is needed for this essential project due to unforeseen circumstances that occurred during the repair work.

EXPLANATION:

On November 17, 2023, one of the two 48-inch discharge pipes for the Ocean Outfall Effluent Pump Station failed. On December 6, 2023, via Memo PU-24-31, the City Manager approved the issuance of a Purchase Order to Cardinal Contractors, Inc., (Cardinal) in an amount up to \$1,000,000.00 to repair the failed pipe.

On December 12, 2023, the motor for Effluent Pump No. 1 also failed, rendering the entire Ocean Outfall pumping system inoperable. On December 16, 2023, via Memo PU-24-38, the City Manager further approved the Issuance of a Purchase Order to Cardinal in an amount up to \$4,250,000.00, for Emergency Responses related to the motor failure.

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On April 17, 2024, pursuant to Resolution No. R-2024-130, the City Commission approved the ratification of City Manager Memo's PU-24-31 and PU-24-38 approving Purchase Orders to Cardinal in a total amount up to \$5,750,000.00.

The estimated total amount of \$5,750,000.00 for this project included the planned refurbishment of two 800 horsepower electrical motors, two diesel pumps with associated engines, check valves, VFD drives, motor actuators, the rental of a temporary effluent bypass pumping system and other associated supplies and services. The total project cost and the repair time were estimated based on key equipment including the effluent pump motors.

On July 5, 2024, Cardinal notified the City that the factory had determined that the damage to Effluent Pump No. 2's motor was much worse than originally anticipated. The attendant repair costs are therefore much higher and the project completion time will be significantly extended. Consequently, the rental of the temporary effluent bypass pumping system will also need to be extended for two to three additional months.

Due to the aforementioned unforeseen circumstances, the DPU recommends that the City Manager Approve the Issuance of an additional purchase order to Cardinal in an amount up to \$1,500,000.00, as estimated in the attached cost breakdown, to complete this essential emergency repair work.

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.***

Funds for this purchase order will be reallocated from account number 442.409903.536000.563010.001368.000.000 to account number 442.409903.536000.563010.000731.000.000 and the FY 2024 Capital Improvement Plan will be amended to incorporate this reallocation.

RECOMMENDATION:

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Approve the Issuance of an additional Purchase Order to Cardinal in an amount up to \$1,500,000.00 to complete emergency repairs of the Ocean Outfall Effluent Pump Station at the SRWWTP. The DPU plans to get this approval ratified by the City Commission at a later commission date.

DocuSigned by:
George Keller
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7/22/2024

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

Date

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