




Department of Public Utilities
Public Utilities Administration
Inter-Office Memorandum



DATE: April 27, 2023

FILE: PU-23-78b

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

FROM:  Cassandra Myers
Interim Assistant Director, Public Utilities- Operations

SUBJECT: Recommendation to Approve the Issuance of a Purchase Order to Ranch Cryogenics, Inc. for the emergency repair and system restoration of the Southern Regional Wastewater Treatment Plant (SRWWTP) cryogenic plant in an amount not to exceed \$300,000. The Procurement Method used is Emergency.

ISSUE:

The Department of Public Utilities urgently needs to procure vendor services for the repair and system restoration of the cryogenic plant at the SRWWTP. On Wednesday, April 12, 2023, the City of Hollywood received over 18 inches of rain in less than one day. This extraordinary weather event caused unprecedented amounts of effluent to enter the SRWWTP treatment system, resulting in the shut-down of the cryogenic plant. The cryogenic plant produces liquid oxygen (LOX) essential to the biodegradation of sewage at the SRWWTP. The cryogenics system, once overwhelmed with flow and in emergency

shut-down mode, could not be restarted safely without on-site specialized cryogenics repair services from Ranch Cryogenics, Inc. The necessary system repairs are estimated to be completed in within 15-20 days.

Without a functioning cryogenics plant, the WWTP cannot properly treat influent flows and it will put the facility in permit in noncompliance as well as jeopardizing the public health and safety. The SRWWTP has two 20,000-gallon onsite storage tanks that can provide up to four days of emergency LOX at the average treatment consumption rate. However, the plant will need to procure emergency bulk LOX by the tanker load at a delivery cost of \$13,330 per day for a minimum of 15 days or until the repairs are complete. It is therefore imperative that the repairs be completed and the system is restored to normal condition as soon as possible.

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.

Pursuant to Section 38.38 of the Procurement Code, the City Manager or designee will have authority to approve and execute contracts up to \$100,000.

Funding has been provided in the fiscal year 2023 budget for the Department of Public Utilities in Account Number 442.409903.53600.563020.000704.000.000

RECOMMENDATION:

The Director of Public Utilities and the Chief Procurement Officer recommend authorization of the issuance of a Purchase Order to Ranch Cryogenics, Inc. for cryogenic plant emergency repair and system restoration services in an amount not to exceed \$300,000.

	<small>DocuSigned by:</small>  <small>BB25DB6653647405...</small>	5/3/2023
APPROVED BY:	George R. Keller, Jr. CPPT City Manager	Date:

Attachments: Ranch Cryogenics, Inc. COI
LOX Repair Cost
Cryogenic Plant Timeline



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/3/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER The Horton Group 10320 Orland Parkway Orland Park IL 60467	CONTACT NAME: PHONE (A/C, No, Ext): 708-845-3917		FAX (A/C, No): 866-202-5917
	E-MAIL ADDRESS: Certificates@thehortongroup.com		
	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Cincinnati Insurance Company		10677
	INSURER B : The Cincinnati Specialty Underwriters Insurance Co		13037
	INSURER C : Cincinnati Casualty Insurance		28665
INSURED Ranch Cryogenics, Inc. 32580 N. 1500 E. Road Blackstone IL 61313	RANCCRY-01		
	INSURER D :		
	INSURER E :		
	INSURER F :		

COVERAGES CERTIFICATE NUMBER: 222063317 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
B	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR 5,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	Y	CSU0100331	6/6/2022	6/6/2023	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
							MED EXP (Any one person)	\$ 1,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
							Employee Benefits	\$ 1,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y	Y	EPP 0442283	6/6/2022	6/6/2023	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
B	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000	Y	Y	CSU0100333	6/6/2022	6/6/2023	EACH OCCURRENCE	\$ 5,000,000
							AGGREGATE	\$ 5,000,000
								\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	EWC 0442284	6/6/2022	6/6/2023	PER STATUTE	
							E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
A	Commercial Property Leased/Rented Equipment Excess Auto Only			EPP 0442283	6/6/2022	6/6/2023	Blanket Building/BPP Limit	559,586 300,000 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Additional insured on a primary and noncontributory basis with respect to general liability and auto liability only when required by written contract. Waivers of subrogation apply to general liability, auto liability and workers compensation in favor of the stated additional insureds only when required by written contract. Umbrella follows form.
Additional Insured: City of Hollywood

CERTIFICATE HOLDER

CANCELLATION

City of Hollywood 2600 Hollywood Blvd Hollywood FL 33020	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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From: [Mike Duffy Jr.](#)
To: [Vincent Morello](#)
Cc: [Trey Duffy](#); [Josh Donaldson](#); [Feng Jiang](#); [Kassandra Myers](#); [Jean Joinville](#); [Monique Sharkey](#); [Daniela Behm](#)
Subject: RE: [EXT]Coy Mathis Retirement
Date: Monday, April 24, 2023 11:48:37 AM
Attachments: [image001.png](#)
[image002.jpg](#)

Budgetary number for coldbox emergency project:

Coldend check valve refurbishment 26,000.

Perlite removal and reinstallation 81,740.00.

Ranch Cryo coldbox crew for swapping checkvalves, replacing thaw heater valves, relocating cooldown RTD and leak checking the coldbox internals 101,260.00.

Ranch Cryo project supervision and operations personnel for thaw, cooldown and into production 38,000.

Instrument technicians for calibrations 15,000.

Total 262,000.00

I am on site today if we need to discuss anything.

Thanks, Mike.

From: Mike Duffy Jr. <mduffyjr@ranchcryogenics.com>
Sent: Monday, April 24, 2023 10:45 AM
To: 'Vincent Morello' <VMORELLO@HollywoodFL.org>
Cc: Trey Duffy <mduffy3@ranchcryogenics.com>; Josh Donaldson <jdonaldson@ranchcryogenics.com>; 'Feng Jiang' <FJIANG@hollywoodfl.org>; 'Kassandra Myers' <KMYERS@hollywoodfl.org>; 'Jean Joinville' <JJOINVILLE@hollywoodfl.org>; 'Monique Sharkey' <MSHARKEY@hollywoodfl.org>; 'Daniela Behm' <DBEHM@hollywoodfl.org>
Subject: RE: [EXT]Coy Mathis Retirement

Hi Vin and all.

The check valves have arrived at the shop in Houston and they are awaiting a purchase order before beginning inspection. Coy wanted to go direct on the check valve rebuild and the perlite removal/replacement.

The cost estimate is 26,000, no freight included.

BO-GE Assembly Inc.
1123 Church Street

Crosby, TX 77532
281.462.0073

steve.snyder@bo-ge.com

Perlite work is estimated at 81,740.00:

1428 Mauch Chunk Rd, Bethlehem, PA 18018
610-868-0992
Jose.Abud@PennPerlite.com

Thanks, Mike.

From: Vincent Morello <VMORELLO@HollywoodFL.org>

Sent: Monday, April 24, 2023 10:25 AM

To: mduffyjr@ranchcryogenics.com

Cc: mduffy3@ranchcryogenics.com; jdonaldson@ranchcryogenics.com; Feng Jiang <FJIANG@hollywoodfl.org>; Cassandra Myers <KMYERS@hollywoodfl.org>; Jean Joinville <JJOINVILLE@hollywoodfl.org>; Monique Sharkey <MSHARKEY@hollywoodfl.org>; Daniela Behm <DBEHM@hollywoodfl.org>

Subject: RE: [EXT]Coy Mathis Retirement

Mr. Duffy,

By way of introduction, I am Vin Morello, the Director of the utility.

Coy Mathis was arranging work with Ranch Cryogenic at my direction. I am authorizing you to continue the work posthaste.

Kassandra Myers (cc'd here) will be assuming leadership on this effort. I have also cc'd my Procurement staff.

Please also be advised that the award of the Ranch Cryogenic contract is scheduled for the May 3rd City Commission meeting.

Regards,

Vin

Vin Morello, P.E.
Director, Public Utilities

www.hollywoodfl.org



Office: 954-967-4455

P.O. Box 229045
Hollywood, FL 33022-9045
vmorello@hollywoodfl.org

From: Feng Jiang <FJIANG@hollywoodfl.org>
Sent: Monday, April 24, 2023 11:06 AM
To: Vincent Morello <VMORELLO@HollywoodFL.org>
Subject: FW: [EXT]Coy Mathis Retirement

Vin:
Please let me know if I need to be involved.
Thanks,
Jeff Jiang

From: Mike Duffy Jr. <mduffyjr@ranchcryogenics.com>
Sent: Monday, April 24, 2023 11:04 AM
To: Feng Jiang <FJIANG@hollywoodfl.org>
Cc: William Blue <WBLUE@hollywoodfl.org>; Trey Duffy <mduffy3@ranchcryogenics.com>; Josh Donaldson <jdonaldson@ranchcryogenics.com>
Subject: [EXT]Coy Mathis Retirement

Hi Jeff and Bill.

We need to discuss this project regarding Coy's sudden retirement. We are currently not under contract and doing a pretty significant emergency project with no PO.

We need to come to an understanding very quickly.

Please advise.

Thanks, Mike.

Michael Duffy, Jr.
CEO
Ranch Cryogenics, Inc.
32580 N 1500 East Road
Blackstone, IL 61313
Cell: 815-474-6798
Office: 815-584-9161
[Check out RCI's emergency response team in action!](#)

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Vincent Morello

Director, Public Utilities
City of Hollywood
Public Utilities

P.O. Box 229045
Hollywood, FL 33022-9045

Office:

E-mail: VMORELLO@HollywoodFL.org



Notice: Florida has a broad public records law. All correspondence sent to the City of Hollywood via e-mail may be subject to disclosure as a matter of public record.

Daniela Behm

From: Mike Duffy Jr. <mduffyjr@ranchcryogenics.com>
Sent: Monday, April 24, 2023 2:11 PM
To: Cassandra Myers
Cc: Vincent Morello; Joel Blanco; Henry Wilson; Trey Duffy; Josh Donaldson
Subject: [EXT]RE: Cryogenic Plant timeline

Hi Kasandra.

The instrument calibrations have just finished. Right now the main thing to move ahead is to get a purchase order to Bo-Ge Assembly to begin inspecting and refurbishing the replacement check valves. They have arrived at their shop in Houston. They say it will take approximately 1 week to refurbish them after the go ahead PO. After that they have to be shipped back, installed and the coldbox has to be heated up and cooled down to operating temperature, which together takes about 8 additional days.

So, it will take approximately 16 days after the purchase order is received by Bo-Ge. Also, PA. Perlite should start traveling to site tomorrow from North Carolina to remove the insulation after they receive a PO.

The coldbox mechanical crew is supposed to begin travel to site from Illinois tomorrow AM and be here on Site Thursday.

We have already lost a few days due to the check valves shipping Saturday instead of Friday, so now we are at May 10th if all goes well.

Thanks, Mike.

From: Cassandra Myers <KMYERS@hollywoodfl.org>
Sent: Monday, April 24, 2023 12:54 PM
To: mduffyjr@ranchcryogenics.com
Cc: Vincent Morello <VMORELLO@HollywoodFL.org>; Joel Blanco <JBLANCO@hollywoodfl.org>; Henry Wilson <HWILSON@hollywoodfl.org>
Subject: Cryogenic Plant timeline

Hello Mike,

I am in the loop regarding all the plans for this repair/ PM and progress. I just need an estimate of return to service time to share with out LOX suppliers. I had gotten from Coy and some point a target of May 7th. Please inform if that is correct for now.

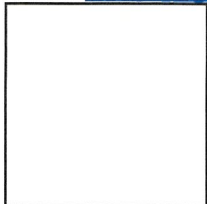
In Advance

KM

Sent via the Samsung Galaxy S22+ 5G, an AT&T 5G smartphone
Get [Outlook for Android](#)

Kassandra Myers
Water Quality Manager

City of Hollywood
Public Utilities
1621 N 14 Ave Hollywood FL
P.O. Box 229045
Hollywood, FL 33022-9045
Office: 954-921-3414
E-mail: KMYERS@hollywoodfl.org



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