




Department of Public Utilities
Public Utilities Administration
Inter-Office Memorandum

DATE: June 27, 2023

FILE: PU-23-78a

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 plant in an amount up to \$300,000.00. The Procurement Method used is Emergency.

ISSUE:

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 influent to enter the SRWWTP treatment system, resulting in the shutdown of the cryogenic plant (which produces oxygen). Liquid Oxygen (LOX) is critical to the treatment process and essential for permit compliance.

The Department of Public Utilities (DPU) urgently needed to procure LOX for use at the SRWWTP while the cryogenic plant was under repair.

City Manager memorandum PU-23-78 had authorized the repair of the cryogenic plant at the SRWWTP. However, the repairs were estimated to take between 15 and 25 days.

During the repair process, bulk LOX was procured, from AIRGAS USA, LLC, by the tanker load, two to three times daily at a cost of \$6,665 per load. At the time of the emergency AIRGAS USA, LLC was the intended Awardee for Solicitation IFB-050-23-JJ 2023, an open competitively bid contract.

The Award for Solicitation IFB-050-23-JJ 2023 was awarded on 06/07/2023; This contract would be used for non-emergency oxygen supply.

The DPU requests approval for the emergency procurement of LOX and the issuance of a purchase order to AIRGAS USA, LLC for the oxygen which has already been supplied during the outage, which is \$300,000.00.

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 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 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 \$300,000.00.

DocuSigned by:

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6/29/2023

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

Date:

Attachments: Air Gas LLC, COI
COI Risk Email Approval
LOX Delivery Cost
Temporary Bulk Supply Agreement
Cryogenic Plant Timeline