

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: November 25, 2014

File: BIS 15-059

File: TMP-2014-00669

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA RATIFYING AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF SPRINGFIELD, MISSOURI FOR CONVEYING AND REPLACING THEIR SPARE NITROGEN SUPERHEATER; AND AMENDING APPROVED RESOLUTION NO. R-2014-326 TO AUTHORIZE THE FOLLOWING CHANGES: (1) TO ISSUE AN EMERGENCY PURCHASE ORDER TO CHART INDUSTRIES, INC. IN THE AMOUNT OF \$59,400.00, INSTEAD OF \$398,750.00 FOR THE FABRICATION OF THE REPLACEMENT NITROGEN SUPERHEATER; (2) TO RATIFY THE ISSUANCE OF AN EMERGENCY PURCHASE ORDER WITHOUT FORMAL BIDDING PROCEDURES TO SOLUTIONWERKS, INC. IN AN ESTIMATED AMOUNT OF \$149,500.00, INSTEAD OF AIRSEP PROCESS AND CONTROLS, LLC., IN AN ESTIMATED AMOUNT OF \$198,000.00, FOR THE INSTALLATION OF THE NITROGEN SUPERHEATER AND OTHER REPAIRS TO THE CRYOGENIC PLANT AT THE CITY OF HOLLYWOOD, SOUTHERN REGIONAL WASTEWATER TREATMENT PLANT.

Statement of Budget Impact:

1. ☐ No Budget Impact associated with this action;
2. ☒ Sufficient budgetary resources identified/available;
3. ☐ Budgetary resources not identified/unavailable;
4. ☐ Potential Revenue is possible with this action;
5. ☒ Will not increase the cost of Housing;
6. ☐ May increase the cost of Housing; (CDAB review required)

Explanation:

The City of Hollywood, Department of Public Utilities operates a Cryogenic Plant at the Southern Regional Wastewater Treatment Plant (SRWWTP), located at 1621 North 14th Avenue, Hollywood, Florida.

The Cryogenic Plant has been out of service since October 13, 2014, forcing the City of Hollywood to incur daily expenses for the trucking and supply of liquid oxygen of approximately \$7,000.00.

On November 5, 2014, via Resolution No. R-2014-326, the City Commission ratified and authorized several emergency purchases to expedite the necessary repairs to the Cryogenic Plant.

Resolution No. R-2014-326 authorized the issuance of a purchase order to Chart Industries, Inc., the only qualified company within the USA, for the expedited fabrication of a replacement superheater in an estimated amount of \$398,750.00; however, by using the spare superheater from the City of Springfield, the City of Hollywood would not pay expediting fees, substantially reducing the amount of the purchase order to Chart Industries, Inc. to \$59,400.00.

Solutionwerks, Inc. submitted a proposal for the installation of the superheater and to perform other necessary repairs within the coldbox to bring the Cryogenic Plant back in service, in an estimated amount of \$149,500.00, which is significantly lower than the proposal submitted by AirSep Process and Controls, LLC. in an amount of \$198,000.00.

Section 38.40(C)(1) of the City's Code of Ordinances specifically states that emergency repairs are exempt from the competitive bid requirements of the City's Purchasing Ordinance and authorizes the City Manager to approve such purchases without the prior approval of the City Commission.

The Administration recommends accepting and ratifying the Memorandum of Understanding (MOU) between the City of Hollywood and the City of Springfield, Missouri, for the conveyance to Hollywood and replacement of the spare nitrogen superheater; reducing the amount of the purchase order to Chart Industries to \$59,400.00 for the fabrication of the replacement nitrogen superheater; and ratifying the issuance of an emergency purchase order to Solutionwerks, Inc. instead of AirSep Process and Controls, LLC for the installation of the superheater and other repairs necessary to bring the Cryogenic Plant back in service, in the amount of \$149,500.00.

Funding for emergency infrastructure repairs is available in account number 42.4000.86532.536.006302.

PREPARED BY: Neesha Bajere
Management / Budget Analyst

APPROVED BY: Mirtha Dziedzic
Assistant Director, Budget and Financial Services