

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

Date: June 10, 2015

File: BIS 15 – 205

File: TMP-2015-00250

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE USE OF THE CITY'S "BEST INTEREST" EXEMPTION TO ISSUE A PURCHASE ORDER TO CHART INDUSTRIES, INC. FOR THE FABRICATION OF A SPARE NITROGEN SUPERHEATER FOR THE CRYOGENIC PLANT AT THE CITY OF HOLLYWOOD, SOUTHERN REGIONAL WASTEWATER TREATMENT PLANT, IN THE AMOUNT OF \$60,500.00; AND TO ISSUE A PURCHASE ORDER TO SOLUTIONWERKS, INC. FOR ENGINEERING SERVICES AND TECHNICAL ASSISTANCE DURING THE PRODUCTION OF THE FABRICATION (OR SHOP) DRAWINGS RELATED TO THE SPARE NITROGEN SUPERHEATER, IN THE AMOUNT OF \$3,000.00; AND TO AMEND THE APPROVED FISCAL YEAR 2015 CAPITAL IMPROVEMENT PROGRAM, AS SET FORTH IN EXHIBIT A.

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:

This resolution seeks authorization for the appropriate City Officials, first, to issue a purchase order to Chart Industries, Inc. from the City of Hollywood for the fabrication and construction of a spare nitrogen superheater unit for the Wastewater Treatment Plant based upon the "best interests of the City" exemption to the City's Purchasing Code and, second, to issue a purchase order to Solutionwerks, Inc. from the City of Hollywood for the provision of certain professional engineering services and technical

assistance during the production of the fabrication or shop drawings for the nitrogen superheater unit.

Previously, in October 2014, the Wastewater Treatment Plant's operations were disrupted by the failure of the plant's only nitrogen superheater unit forcing the shutdown of the treatment plant's cryogenic plant for almost sixty (60) days. With the shutdown of the cryogenic plant, the treatment plant lost its capability to produce liquid oxygen which is critical in the wastewater treatment process. As a result, the City was forced to transport in liquid oxygen to the treatment plant for the length of the shutdown costing approximately \$7,000.00 per day for the supply of liquid oxygen. Furthermore, it was learned that the fabrication of a nitrogen superheater unit took an extended period of time to construct, thirty-two (32) weeks, although expedited construction of a replacement nitrogen superheater in seven (7) weeks could be secured at a prohibitively high cost almost six (6) times the standard cost of a nitrogen superheater.

Although provisions were successful in obtaining a spare nitrogen superheater from another jurisdiction, research by Solutionwerks at the request of the Public Utilities staff indicated that the fabrication of a nitrogen superheater would only be permitted in the United States and further identified Chart Industries, Inc. as the only fabricator of replacement nitrogen superheaters. Public Utilities staff has obtained a proposal from Chart Industries, Inc for the fabrication of a spare nitrogen superheater in the amount of \$60,500.00. Additionally, staff has also obtained a proposal from Solutionwerks, Inc. for engineering services and technical assistance to be provided during the production of fabrication or shop drawing for the nitrogen superheater unit in the amount of \$3,000.00. The City's Purchasing Code in §38.40(C)(8) provides that purchases of, and contracts for, supplies or contractual services, when the Commission declares by a unanimous vote that competitive bidding and competitive proposals are not in the best interests of the City, are exempt from the competitive bidding and competitive proposal requirements of the Purchasing Code.

Funding for the cost to be incurred in producing the spare nitrogen superheater will be provided in two parts, subject to the approval of the City Commission, Funding in the amount of \$1,182.00 was continued from FY 2014 into FY 2015 and is presently available in account #42.4000.85299.536.006302 via Resolution R-2014-301, adopted and approved by the City Commission on October 15, 2014. The second part of the funding, in the amount of \$62,318.00, will be provided through an amendment to the FY 2015 Capital Improvement Plan, subject to the approval of the City Commission, by transferring available funding from a capital improvement project to the above identified account as depicted in the attached Exhibit A to the resolution.

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