

**CITY OF HOLLYWOOD  
INTEROFFICE MEMORANDUM**

**TO:** Mayor and Commissioners **DATE:** August 10, 2020

**FROM:** Douglas R. Gonzales, City Attorney

**SUBJECT:** Proposed Purchase Order and Amendment to Purchase with Schwing Bioset, Inc. for the purchase, installation and start-up of lime stabilization equipment and maintenance agreement.

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I have reviewed the above referenced Agreement with the participating Department/Office(s), and the proposed general business terms and other significant provisions are as follows:

- 1) Department/Division involved – Dept. of Public Utilities
- 2) Type of Agreement – Purchase Order and Amendment to Purchase Order
- 3) Method of Procurement (RFP, bid, etc.) – Section 38.41(C)(2) of the City's Purchasing Ordinance provides that, **sole-source** supplies and services, such as unique, patented, or franchised supplies or services, are exempt if the Chief Procurement Officer determines, after conducting a good faith review of available sources, that the particular supply or service is available from only one source.
- 4) Term of Contract:
  - a) initial - Delivery of the equipment shall be by June 7, 2021. Maintenance agreement is five years.
  - b) renewals (if any) – Maintenance agreement may be renewed for two additional five year service and parts on mutual agreement with 3% annual increases.
  - c) who exercises option to renew – mutual, however, if there are major changes to service contract prior to renewal, Vendor will notify City in writing 90 days prior with the new pricing and City has right to accept or decline.
- 5) Contract Amount – (a) Equipment cost, in the amount of \$2,207,800.00; (b) installation cost of \$736,500.00; and (c) for the supply of parts, in the amount of \$350,000.00 – NOTE: If within five years, the \$350,000.00 amount is not reached through the issuance of purchase orders, a credit for the remaining value will be issued to the South Regional WWTP account. Further, if within each year of the five years, the annual portion of \$70,000.00 is not reached in purchase orders, a credit for the remaining value will be issued; and (d) five year maintenance in the amount of \$541,532.00.
- 6) Termination Rights –Yes.

- 7) Indemnity/Insurance Requirements – Yes, pursuant to City Purchase Order.
- 8) Scope of Services – Vendor will supply and install the requisite equipment as well as provide maintenance including the supply of parts.
- 9) Other Significant Provisions: The Amendment to the Purchase Order provides for Liquidated Damages as follows: In the event that Seller fails to complete the required delivery and installation of the equipment in accordance with the schedule attached to this Amendment as Exhibit “A”, Seller shall pay Buyer liquidated damages in the amount of \$500.00 per day for such delays in the installation and completion of the work.

cc: Dr. Wazir Ishmael, City Manager