



Hallandale Beach
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400 South Federal Hwy
Hallandale Beach, FL 33009

City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	October 5, 2016		Item Type: <small>(Enter X in box)</small>	X	Resolution	Ordinance	Other
Fiscal Impact: <small>(Enter X in box)</small>	Yes	No	Ordinance Reading: <small>(Enter X in box)</small>		1st Reading		2nd Reading
	X		Public Hearing: <small>(Enter X in box)</small>		Yes	No	Yes
Funding Source:	Water Fund, Production Division, Chemical and Lab Supplies. 490-3320W-552060		Advertising Requirement: <small>(Enter X in box)</small>		Yes		No
							X
Account Balance:	\$101,000.00 itemized for Sodium Hypochlorite in FY16/17 budget		Quasi-Judicial: <small>(Enter X in box)</small>		Yes		No
							X
Project Number :	N/A		RFP/RFQ/Bid Number:		Bid #ITB No. 2015-293 Sodium hypochlorite, liquid		
Contract/P.O. Required: <small>(Enter X in box)</small>	Yes	No	Strategic Plan Priority Area: <small>(Enter X in box)</small>				
	X		Safety <input type="checkbox"/> Quality <input checked="" type="checkbox"/> Vibrant Appeal <input type="checkbox"/>				
Sponsor Name:	Daniel A. Rosemond, City Manager		Department: Public Works		Steven F. Parkinson, P.E., PWLF, Director		

Short Title:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE CITY MANAGER TO PURCHASE SODIUM HYPOCHLORITE PURSUANT TO CONTRACT ITB NUMBER 2015-293 BETWEEN THE CITY OF STUART, FLORIDA AND ALLIED UNIVERSAL CORPORATION OF MIAMI, FLORIDA IN AN AMOUNT NOT TO EXCEED ONE HUNDRED ONE THOUSAND (\$101,000.00) DOLLARS WHICH WILL INCLUDE THE SURCHARGE TO LEASE BULK STORAGE TANKS; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS TO EFFECTUATE THE PURCHASE AS PROVIDED FOR IN THE FISCAL YEAR 2016-2017 BUDGET; AND PROVIDING AN EFFECTIVE DATE.

Staff Summary:

Background:

The City of Hallandale Beach has historically utilized contracts assembled by local governmental agencies for the purchase of bulk items, such as Sodium hypochlorite, in order to provide cost savings and cost avoidances to the City. Sodium hypochlorite is used as a disinfectant to help maintain bacteria free water for our on-site Water Storage and the City distribution system.

The City of Hallandale Beach has utilized a contract managed by Palm Beach County in order to purchase Sodium hypochlorite from Allied Universal Corporation since 2011 (Exhibit 2). This contract also contains a lease agreement for the bulk tanks that the City uses to store Sodium hypochlorite. However, this year staff will be utilizing the City of Stuart's contract with Allied in order to take advantage of additional cost savings.

Current Situation:

The Stuart City Commission awarded ITB No. 2015-293, Chemicals for Water Treatment/Water Reclamation Facilities, to Allied Universal Corporation on Monday, September 14, 2015. The contract term is for one (1) year, effective October 1, 2015 through September 30, 2016, with two one-year renewal options (Exhibit 3). The contract is now entering its first renewal term (Exhibit 4).

ITB No. 2015-293 includes language under the subheading "Other Entity Use", that allows for the successful bidder (Allied) to convey their bid prices, contract terms and conditions to municipalities or other governmental agencies within the State of Florida (Exhibit 5, Page 14).

Allied Universal Corporation issued a formal letter of confirmation to the City of Hallandale Beach on August 25, 2016 which will allow Hallandale Beach to piggyback on the City of Stuart's ITB No. 2015-293 for Sodium hypochlorite (Exhibit 6). Sodium hypochlorite pricing is listed at \$.568/gal and the City's estimated yearly volume is 85,000 gallons.

The City has an existing agreement with Allied Universal Corporation to lease the three bulk tanks that the City uses to store sodium hypochlorite at the water treatment plant. This lease agreement costs \$30.00/year in total, and exists in conjunction with a surcharge agreement which charges \$0.01 per gallon of sodium hypochlorite (Exhibit 6). This annual surcharge is estimated to be \$850. This brings the cost of leasing the three storage tanks to \$880/year. This overall rate is considered to be a very competitive price. This rate structure necessitates that the City purchase a minimum of 4,800 gallons of sodium hypochlorite per delivery for \$.568/gallon.

The initial cost of leasing these tanks included no capital cost to the City and the lease terms stipulate that Allied Universal Corporation provides maintenance, repairs and replacement of the tanks and pipe manifold – if needed. Two tanks have been replaced since the implementation of the system in 2008, at the sole expense of Allied Universal Corporation.

Fiscal Impact

The Procurement Department is the liaison for the Sodium hypochlorite contract and the Public Works Department manages the contract. The following values represent sodium hypochlorite expenditures from FY14-15 to the present.

- FY15-16: \$51,690 (as of 9/6/2016)
- FY14-15: \$55,127.25

Staff anticipates the FY16/17 expenditure to be \$101,000.00. Accordingly, staff is bringing forth this agenda item for City Commission consideration. The budgeted amount for sodium hypochlorite for FY16/17 is significantly higher than what was actually spent in previous years due to the fact that the City is considering implementing a 4-log disinfection process, which consumes greater quantities of sodium hypochlorite than traditional methods. Staff is being proactive in budgeting for a potential future change to the treatment process. A 4-log disinfection process achieves a 99.99% inactivation rate or removal of viruses from water that is sourced from groundwater, thus has an increased capacity to protect the City water supply in the event of a contamination.

Why Action is Necessary:

Pursuant to Chapter 23, Section 23-8 (6), Exception to Bid Requirements, and Section 23-9 Cooperative Purchasing, the City Manager is authorized to procure supplies, materials, equipment and services from other governmental units, when the best interests of the City would be served subject to the requirement that any purchase in excess of \$50,000 requires City Commission approval.

As the aforementioned purchase will be in excess of the City Manager's purchasing authority, City Commission authorization is required.

Proposed Action:

Staff recommends approval of the attached Resolution authorizing the City Manager to use ITB No. 2015-293 between The City of Stuart, Florida, and Allied Universal Corporation of Miami, Florida, for the purchase of Sodium hypochlorite in the total amount not to exceed \$101,000 dollars, this amount will also include the surcharge to lease the bulk storage tanks.

Attachment(s):

Exhibit 2 – Resolution 2015-112

Exhibit 3 – Resolution 82-2015 City of Stuart Award

Exhibit 4 – Stuart Allied Contract Renewal

Exhibit 5 – City of Stuart Authorization to Piggyback

Exhibit 6 – Allied Authorization to Piggyback, Tank Authorization and Pricing