



Cover Memorandum/Staff Report

File #: 23-1502

Agenda Date: 11/14/2023

Item #: 6.N.1

TO: Mayor and Commissioners
FROM: Hassan Hadjimiry, P.E., Utilities Director
THROUGH: Terrence R. Moore, ICMA-CM
DATE: November 14, 2023

APPROVAL OF RESOLUTION NO. 210-23 TO AWARD AN AGREEMENT WITH LHOIST NORTH AMERICA OF ALABAMA, LLC., FOR THE PURCHASE AND DELIVERY OF BULK QUICKLIME FOR WATER TREATMENT; UTILIZING THE CITY OF TAMARAC COOPERATIVE AGREEMENT BID NO. 23-36B, IN A TOTAL ESTIMATED AMOUNT NOT TO EXCEED \$12,766,632.

Recommended Action:

Motion to approve resolution No. 210-23, to award an agreement with Lhoist North America of Alabama, LLC., for purchase and delivery of bulk quicklime for water treatment, in a total estimated amount of \$12,766,632 through October 31, 2029.

Background:

On August 16, 2023, the City of Tamarac served as "lead agency" on a cooperative solicitation on behalf of the Southeast Florida Governmental Purchasing Cooperative (Co-op). Lhoist North America of Alabama, LLC., was deemed the lowest and responsible bidder for the City of Tamarac and for the twenty-five (25) members of the Co-op. The City of Delray Beach (City) is a member of this Co-Op. The bid award provides a three (3) year contract term through October 31, 2026, with three (3) additional one (1) year renewal terms. Confirmed price breakout for initial three year term is based upon "Exhibit A" Unit Pricing in Bid, renewal terms 4, 5, 6 are estimated and assumes a 10% increase per year/per ton.

Quicklime is used to adjust the pH of untreated well water, preparing the water for treatment, and to remove hardness which in turn, prevents scaling in pipes. Chemical use at the water treatment plan varies based on the amount of drinking water used by customers.

L'Hoist Pricing Model		
Initial 3 Year	November 14, 2023-October 31, 2024	\$446.95/ton
Price Breakout	November 1, 2023-October 31, 2025	\$491.65/ton
	November 1, 2025-October 31, 2026	\$540.81/ton
Renewal Term 4	November 1, 2026-October 31, 2027	\$594.89/ton
Renewal Term 5	November 1, 2027-October 31, 2028	\$654.38/ton
Renewal Term 6	November 1, 2028-October 31, 2029	\$719.82/ton

Pricing includes rail and truck fuel charges, that may be updated/adjusted (+-) quarterly

L'Hoist Quick Lime		
Initial 3 Years	November 14, 2023-October 31, 2026	\$5,489,998
Renewal Term 4	November 1, 2026-October 31, 2027	\$2,201,098
Renewal Term 5	November 1, 2027-October 31, 2028	\$2,421,208
Renewal Term 6	November 1, 2028-October 31, 2029	\$2,663,328
Total New Value		\$12,766,632

This motion is in accordance with the Code of Ordinances Chapter 36, Commission Approval Required and Purchasing Policies

Attachments:

1. Legal Review Checklist
2. Resolution No. 210-23
3. P2024-003 Agreement
4. Exhibit A Unit Pricing
5. Co-Op ITB
6. Co-Op Contract

City Attorney Review:

Approved as to form and legal sufficiency.

Funding Source/Financial Impact:

441-36-259-536.52-30 Water Treatment & Storage - Operating Chemicals

Timing of Request:

Time sensitive to existing extension on contract to expire on 11/30/23