



MEMORANDUM BID WAIVER ACQUISITION APPROVAL

TO: Jennifer Alvarez, Interim City Manager
FROM: Juan Guevarez, P.E. Assistant Utilities Director *JG*
THROUGH: Hassan Hadjimiry, P.E., Utilities Director *HH*
SUBJECT: Bid Waiver for Purchase of Liquid Carbon Dioxide from Airgas USA, LLC
Revised for additional \$36,000
DATE: January 22, 2021

Background: The City of Delray Beach (City) Water Treatment Plant uses liquid carbon dioxide, a critical gas in the operation of its water treatment process. On October 7, 2019, the City of Pompano as lead agency through the Southeast Florida Governmental Purchasing Cooperative Group (SEFLGPCG) Bid T-36-19 established an annual contract for the purchase of liquid carbon dioxide. Airgas USA, LLC was awarded the lowest responsive bidder. The City has been utilizing this contract since initiation. On October 8, 2020, the City was informed that Airgas USA, LLC has pulled out of the contract due to current market conditions and could no longer honor the agreed pricing within the said agreement.

Justification: On October 19, 2020, the Utilities Department received authorization approval under a Bid Waiver Acquisition Memo from Purchasing and Interim City Manager for \$64,000.00. This stop gap measure was a temporary solution until other viable contract options could be reached. Delray Beach Utilities is requesting an additional \$36,000 until the solicitation is finalized. Average invoices total approximately \$12,000 monthly. Current PO# 2021-194 has a balance of \$17,476.42 remaining. This additional request will provide a safeguard until a contract is finalized. Operating without carbon dioxide may trigger a violation to drinking water regulatory standards. We are recommending approval to increase the current purchase order to Airgas USA, LLC by \$36,000 for a new total of \$100,000 and waive the competition at this time. This will allow continuation of current services from Airgas USA, LLC and also give us the necessary time continue with the standard procurement process.

Market Research: This was an unforeseen condition where market conditions forced the current vendor to pull out of the municipal arena. As such, this stop gap measure is to accommodate the immediate situation. Staff, along with our Purchasing Department counterparts, is pursuing our own Solicitation during this interim period.

The total overall expenditure is greater than \$65,000, this waiver will be presented to City Commission for consideration on February 9, 2021 before any value exceeding \$65,000 is expensed.

☐ Need Additional Information ☐ Not Approved

Comments: _____

☐ Approved This Bid Waiver approval is valid for this purchase only.

Funding is available for this request of \$36,000 from account 441-36-259-536.52-30

Purchasing Director	Date	Information Technology (IT) Director N/A	Date
City Manager	Date		