



Legislation Details (With Text)

**File #:** 18-171      **Version:** 1      **Name:**

**Type:** Purchasing      **Status:** Passed

**File created:** 3/16/2018      **In control:** City Commission

**On agenda:** 4/17/2018      **Final action:** 4/17/2018

**Title:** APPROVAL OF AMENDMENT NO. 2 TO THE GAS, CARBON DIOXIDE, (FOOD GRADE) PURCHASE AND DELIVERY TERM CONTRACT WITH AIRGAS USA, LLC

**Sponsors:** Utilities Department, Fire Rescue Department, Purchasing Department

**Indexes:**

**Code sections:**

**Attachments:** 1. Agenda Cover Report, 2. 2014-22 Amendment No. 2, Vendor Executed, 3. Legal Review Checklist form v. 4 Agreement for CO and Oxygen 2nd amendment, 4. 2014-22 Amendment No. 1 FULLY EXECUTED, 5. 2014-22 Executed Agreement

Date	Ver.	Action By	Action	Result
4/17/2018	1	City Commission	approved	

**TO:** Mayor and Commissioners  
**FROM:** Marjorie Craig, P.E., Utilities Director  
 Neal de Jesus, Fire Chief  
**THROUGH:** Mark R. Lauzier, City Manager  
**DATE:** April 17, 2018

APPROVAL OF AMENDMENT NO. 2 TO THE GAS, CARBON DIOXIDE, (FOOD GRADE) PURCHASE AND DELIVERY TERM CONTRACT WITH AIRGAS USA, LLC

**Recommended Action:**

Motion to approve Amendment No. 2 to renew the Gas, Carbon Dioxide, (Food Grade) Purchase and Delivery Term Contract with Airgas USA, LLC in an amount not-to-exceed \$140,000 for the purchase and delivery of carbon dioxide and oxygen through June 16, 2019.

**Background:**

On June 17, 2014, the City of Delray Beach (City) issued a contract for Gas, Carbon Dioxide, (Food Grade) Purchase and Delivery (Contract), with Airgas Carbonic, Inc. On January 24, 2017, the City executed an Assignment and Assumption Agreement delegating the Contract responsibilities to Airgas USA, LLC. On May 24, 2017, the City executed Amendment No. 1 to renew the Agreement through June 16, 2018 and to add the purchase and delivery of oxygen to the contract.

Carbon dioxide is a critical gas in the operation of the Utilities Department's water treatment process. Similarly, oxygen is a critical gas used by the Fire Rescue Department to supply fire personnel and patients with clean oxygen.

Per year, it is estimated that 600 "Medical D" tanks and 84 "Medical M" tanks are refilled. The cost to refill each "Medical D" and "Medical M" tank is \$5 and \$15, respectively. The Fire Rescue Department requests an annual spend of \$5,000, which includes a contingency of \$740 to

accommodate changing oxygen needs and rent oxygen tanks, as necessary, for \$.025 per day.

The Utilities Department's water treatment plant purchases an average of approximately \$11,000 per month of carbon dioxide, and therefore requests an annual spending limit of \$135,000, which includes a \$3,000 contingency for additional purchase of carbon dioxide.

This recommendation complies with the City Code of Ordinance 21-17, Section 36.02 and the Purchasing Policies and Procedures Manual, Change Orders and Amendments.

**City Attorney Review:**

Approved as to form and legal sufficiency.

**Funding Source/Financial Impact:**

Funding is available from the following account numbers.

Utilities: 441-36-259-536.52-30 - Operating Supplies Chemicals

Fire Rescue Department: 001-22-150-526.52-15 - Operating Supplies EMS Supplies