



Legislation Details (With Text)

File #:	17-357	Version:	1	Name:	
Type:	Purchasing	Status:		Passed	
File created:	4/3/2017	In control:		City Commission	
On agenda:	5/16/2017	Final action:		5/16/2017	
Title:	APPROVAL OF AMENDMENT NO. 1 TO THE GAS, CARBON DIOXIDE, (FOOD GRADE) PURCHASE AND DELIVERY TERM CONTRACT WITH AIRGAS USA, LLC				
Sponsors:	Fire Rescue Department, Environmental Services Department				
Indexes:					
Code sections:					
Attachments:	1. 2014-22 Executed Agreement, 2. 2014-22 Assignment and Assumption Agreement, 3. 2014-22 Amend 1 SUPPLIER EXECUTED				

Date	Ver.	Action By	Action	Result
5/16/2017	1	City Commission	approved	

TO: Mayor and Commissioners
FROM: Dale S. Sugerman, Ph.D., Assistant City Manager
Keith Tomey, Interim Fire Chief
THROUGH: Neal de Jesus, Interim City Manager
DATE: May 16, 2017

APPROVAL OF AMENDMENT NO. 1 TO THE GAS, CARBON DIOXIDE, (FOOD GRADE) PURCHASE AND DELIVERY TERM CONTRACT WITH AIRGAS USA, LLC

Recommended Action:

Motion to Approve Amendment No. 1 to the Gas, Carbon Dioxide, (Food Grade) Purchase and Delivery Term Contract with Airgas USA, LLC in an amount not-to-exceed \$135,000 for the purchase and delivery of carbon dioxide and oxygen.

Background:

On June 17, 2014 the 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. The Contract is effective through June 16, 2017. The City and Airgas USA, LLC have mutually agreed to exercise the first renewal option and add the purchase and delivery of oxygen to the Contract. Amendment No. 1 will renew the Agreement through June 16, 2018 in an amount not-to-exceed \$135,000.

Carbon dioxide and oxygen are critical gases to operation of the City's potable water treatment system as well as life-saving oxygen that is purchased for Fire Rescue.

Currently, the Fire Rescue Department pays approximately \$20.75 on each "Medical D" oxygen tank refilled, and \$28.22 on each "Medical M" oxygen tank refilled. Per year, it is estimated that 600 "Medical D" tanks are refilled, and 84 "Medical M" tanks are refilled, equating to an annual

expenditure of \$14,820.48. By adding oxygen to this Contract, the cost to refill each "Medical D" and "Medical M" tank will lower to \$5 and \$15, respectively. This will save the City over \$10,500 on an annual basis.

The Water Treatment Plant (WTP) has notified Purchasing that they are averaging just over \$10,000 per month for the purchase of carbon dioxide, and therefore request an annual spending limit of \$126,000. Because the estimated annual expenditure with Airgas USA, LLC is \$126,000 for the WTP and \$5,000 for the Fire Rescue Department, staff is requesting an annual expenditure amount not-to-exceed \$135,000. A contingency fund of \$4,000 is requested to accommodate the City's fluctuating needs of carbon dioxide and oxygen, and to allow the Fire Rescue Department to rent oxygen tanks, as necessary, for \$.025 per day. The previously approved spending limit with Airgas USA, LLC for FY2017 was \$137,500.

This recommendation complies with the City Code of Ordinances, Section 36.07 (A)(3), "*Termination, Extension and Renewal*".

City Attorney Review:

Approved as to form and legal sufficiency.

Finance Department Review:

Finance recommends approval.

Funding Source:

Funding is available from the following account numbers:

Environmental Services: 441-5122-536.52-21 (Water/Sewer Fund: Operating Supplies - Chemicals)

Fire Rescue Department: 001-2315-526.52-16 (General Fund: Operating Supplies - EMS Supplies)