




Public Works Department – Water and Wastewater Services


Water and Wastewater Operation Division

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DATE: October 10, 2017

TO: Brenda J. Billingsley, Director, Purchasing Division

THRU: Alan W. Garcia, P.E., Director, Water and Wastewater Services 

FROM: Mark Darmanin, Director, Water and Wastewater Operations Division 

SUBJECT: Request for Co-operative Contract, Multi-Year Contract Term & Price Adjustments – Chemical Quicklime, Provide, Deliver & Discharge

Water and Wastewater Services (WWS) requests approval to participate in South Florida Governmental Purchasing Cooperative (Co-op) contract which includes the use of a Multi-Year Contract Term and Price Adjustments for the establishment of an open contract for Chemical Quicklime, Provide, Deliver & Discharge.

The Co-op is an organization of various South Florida cities and counties that provides for co-operative purchasing in which quantities for the same items are combined in order to achieve economies of scale through volume discount pricing. The City of Tamarac is the lead agency for this Co-op contract and facilitated the solicitation. Annual usage quantities were obtained from each participating agency prior to the bid solicitation. The County is a participating agency and the County's annual usage quantities were included in the bid solicitation. Each participating agency concurred with the bid specifications utilized by the City of Tamarac.

The City of Tamarac awarded Co-op Bid No. 17-22B on August 23, 2017 for an initial term of three years and three one-year renewals for a potential total of six years. The initial term will begin on November 1, 2017.

The Co-op contract also contains allowable price adjustments to be effective on a quarterly basis on January 1, April 1, July 1 and October 1 of each year. The contract includes price adjustment consideration for both raw material and transportation costs. The awarded Contractor is required to submit sufficient documentation to the lead Agency (City of Tamarac) for consideration of a price increase and must pass-on price decreases when the Contractor's costs are reduced.

Chemical Quicklime is used in the treatment of potable water at District 1 and District 2 Water Treatment Plants. WWS estimates the contract value to be \$2,729,000 annually, with an estimated potential six year value of \$17,650,000 (inclusive of estimated potential price adjustments).

The current contract for Chemical Quicklime (F0985113G1) is also a Co-op contract, which was awarded by the Board as a five year and ten month contract and included quarterly price adjustments. The current contract will expire on October 31, 2017.

WWS is requesting approval to participate in the Co-op contract inclusive of the multi-year contract term and price adjustments for the following reasons:

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- The product being procured has a very narrow vendor base and is considered a 'niche' market item. Participating with local governmental agencies not only provides economy of scale but provides a continuing pipeline of product into our geographic area.
- Serves in the best interest of Broward County as a longer term contract will reduce processing and administrative time and costs.
- Acknowledging the need for potential price adjustments (increases and decreases) and including such in the contract terms ensures a competent contract is available to provide the critical chemical lime, and provides substantial continuity of performance minimizing the impact to the County.

Attached for review as needed is the solicited bid, bid tab and award documents.

If additional information is needed, please contact John Kay, Assistant Director, Water and Wastewater Operations Division at 954-831-0877.