

AGENDA ITEM REPORT

DATE: March 19, 2024
DEPARTMENT: Utilities
REQUESTER: Pamela Keyes
TITLE: Award Annual Contract to Purchase Carbon Dioxide for Water Treatment Process

I. MOTION REQUESTED

- A) Award Invitation to Bid No. B240124CMR, to Matheson Tri-Gas, Inc. as the primary vendor, and Airgas USA, LLC as the secondary vendor, for the purchase of Carbon Dioxide, on an as-needed basis, for an initial term of three years, as approved in the departments' annual adopted budgets. Singular purchases excess of \$100,000.00 will be presented to the Board for approval.
- B) Authorize the Chairman to execute the contract documents on behalf of the Board of County Commissioners.
- C) Grant the County Manager or designee the authority to renew the contracts for up to three additional years and to execute all associated documents as approved in the departments' annual adopted budgets, if doing so is in the best interest of Lee County and there are no cost increases associated with the renewal(s).

II. ITEM SUMMARY

Awards competitively bid contract for the purchase and delivery of carbon dioxide to Matheson Tri-Gas, Inc. as the primary vendor, and Airgas USA, LLC as the secondary vendor. The initial contract is for a three-year period, with the option to renew for up to three additional years. Carbon dioxide is used at the Corkscrew and North Lee County water treatment facilities to control the acidity of the finished water prior to distribution. The purchase of Carbon Dioxide is budgeted annually within the Utilities' Operating Budget. Total expenditures for the prior twelve-month period were \$263,050.92.

III. BACKGROUND AND IMPLICATIONS OF ACTION

- A) Board Action and Other History
Procurement Management obtained bids for the project known as Invitation to Bid No. B240124CMR, Purchase, and Delivery of Carbon Dioxide. On the bid deadline of February 5, 2024, Procurement Management received two submittals. After the bid submittal, Matheson Tri-Gas, Inc. was determined to be the lowest responsive and responsible bidder.
- B) Policy Issues
- C) BoCC Goals
- D) Analysis
Carbon Dioxide is used at the Corkscrew and North Lee County treatment facilities to control the acidity of the finished water prior to distribution. The current contract for Carbon Dioxide is \$254.00 per ton and the new contract price is \$415.00 per ton, a 63% increase. The vendor indicated the need for unit price increase was due to a nationwide shortage of Carbon Dioxide. This is also the first unit price increase requested in over 5 years. This price increase of 63% is estimated to add an additional \$175,165.21 per twelve-month spend.

Carbon Dioxide- New Annual Contract & Price Increase of 63%						
		Unit Price Comparison		Expenditure History		
ANNUAL CONTRACT	VENDOR	UNIT	UNIT PRICE	FY21	FY22	FY23
B200403 3/20/21 to 3/19/24	Matheson Tri-Gas	TON	\$ 254.00	\$ 106,593.52	\$ 268,054.10	\$ 263,050.92
	AIRGAS	TON	N/A	N/A	N/A	N/A
				Percentage Increase	Annual Estimated Increase	Total Estimate for FY24
B240124 3/20/24	Matheson Tri-Gas	TON	\$ 415.00	63%	\$ 175,165.21	\$ 438,216.13
	AIRGAS	TON	\$ 560.00	120%		

E) Options

IV. FINANCIAL INFORMATION

A)	Current year dollar amount of item:	\$263,051
B)	Is this item approved in the current budget?	Yes
C)	Is this a revenue or expense item?	Expense
D)	Is this Discretionary or Mandatory?	Discretionary
E)	Will this item impact future budgets? If yes, please include reasons in III(D) above.	No
F)	Fund: Utilities Operating Program: Utilities Project: Carbon Dioxide Annual contract Account Strings: OD5361848700 & OD5363148700	
G)	Fund Type?	Enterprise
H)	Comments:	

V. RECOMMENDATION

Approve

VI. TIMING/IMPLEMENTATION

VII. FOLLOW UP

ATTACHMENTS:

Description	Upload Date	Type
Bid Tab	2/28/2024	Backup Material
Airgas Contract B240124CMR OCRd	2/28/2024	Contract
Signature Authority Airgas	3/8/2024	Backup Material
Matheson TriGas Contract B240124CMR OCRd	2/28/2024	Contract
Signature Authority Matheson	3/8/2024	Backup Material
Comparison	3/8/2024	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
Utilities	Tucker, Mary	Approved	3/8/2024 - 10:45 AM
Utilities	Keyes, Pamela	Approved	3/8/2024 - 10:47 AM
Budget Services	Guttery, Angela	Approved	3/8/2024 - 12:32 PM
Budget Services	Winton, Peter	Approved	3/8/2024 - 2:21 PM
County Attorney	Swindle, Amanda	Approved	3/11/2024 - 8:58 AM
County Manager	Mora, Marc	Approved	3/12/2024 - 9:46 AM