

Agenda Report

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FROM: Robert Thompson, General Manager
Originator: Riaz Moinuddin, Director of Operations & Maintenance

SUBJECT:

LIQUID OXYGEN (LOX) PURCHASE, SPECIFICATION NO. C-2023-1398BD

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Approve a Chemical Supplier Agreement to Airgas USA, LLC for the purchase of liquid oxygen, Specification No. C-2023-1398BD for the period beginning August 21, 2023 through August 20, 2024, for a unit price of \$0.53 per centum cubic feet (ccf) delivered, plus applicable sales tax, for a total estimated annual amount of \$912,000; with four one-year renewal options; and
- B. Authorize unit price adjustment of up to 15% annually using mutually acceptable price indices for subsequent agreement renewal periods.

BACKGROUND

Orange County Sanitation District's (OC San) Plant No. 2 facility requires liquid oxygen for the secondary treatment process. OC San purchases liquid oxygen to reduce shipping volume and lower overall costs. The liquid oxygen is vaporized on site and feeds as a gas to the activated sludge plant to remove biodegradable organic matter and suspended solids.

RELEVANT STANDARDS

- Comply with environmental permit requirements
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

PROBLEM

The current liquid oxygen agreement will expire on August 20, 2023.

PROPOSED SOLUTION

Approve an agreement with Airgas USA, LLC for the purchase of liquid oxygen.

TIMING CONCERNS

OC San requires a new agreement to be in place before the existing agreement expires on August 20, 2023.

RAMIFICATIONS OF NOT TAKING ACTION

If the new vendor is not in place before the expiration of the existing contract, OC San would not be able to provide effective secondary treatment for Plant No. 2's non-reclaimable flow.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

A Notice Inviting Bids was issued on March 24, 2023 via PlanetBids. Bids were due on April 25, 2023. OC San received three (3) bids valid for 180 calendar days from the bid opening date. Linde Inc. has been determined as Non-Responsive due to taking exceptions to a number of items. The following is a list of the firms that submitted a bid:

Company Name	Bid	Determination
AIRGAS USA, LLC	\$0.53 Delivered Cost per CCF@STP = \$912,000.00	Responsive
LINDE INC.	\$0.98 Delivered Cost per CCF@STP = \$1,680,000.00	Non-Responsive
WESTAIR GASES & EQUIPMENT	\$1.00 Delivered Cost per CCF@STP = \$1,728,000.00	Responsive

The bids which were evaluated in accordance with OC San's Purchasing Ordinance. Staff recommends approving an agreement to Airgas USA, LLC, the lowest responsive, responsible bidder.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item will be funded by the FY 2022-23 and 2023-24 approved budget for Plant No. 2 Operations Division. (Line item: Repairs and Maintenance, Section 6, Page 88).

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Chemical Supplier Agreement