

EXECUTIVE SUMMARY

Recommendation of \$500,000 or Greater 18-211T - Water Treatment Chemicals

This request is to approve the recommendation to award Invitation to Bid (ITB) 18-211T - Water Treatment Chemicals for a three (3) year period from July 1, 2018 through June 30, 2021, with a renewal option for two (2) additional one (1) year periods. ITB 18-211T was issued to replace the previous bid 17-223T – Water Treatment Chemicals. This ITB will be utilized by Physical Plant Operations (PPO), as part of the preventive maintenance program, to provide water treatment for all chemically treated Heating, Ventilation, and Air Conditioning (HVAC) systems throughout the District (one hundred and twenty-three (123) water-cooled chiller systems, one hundred and twenty-five (125) air-cooled chiller systems, and five (5) closed loop heat pump systems). Water treatment prevents scale, corrosion, mold, and micro-biological growth; therefore, this service is essential to avoid endangering public health and safety, increase the life expectancy of equipment, and to reduce repair costs and downtime of the HVAC systems.

Procurement & Warehousing Services (PWS) received three (3) bid responses for this ITB on April 12, 2018, which is recommended for award to a primary and an alternate vendor who met all specifications, terms, and conditions of the bid. The bidders recommended to be the Primary and Alternate awardees in the contract are Premier Water & Energy Technology, Inc. and SWE, Inc. D/B/A Southwest Engineers., respectively. Including an alternate awardee allows for continuity of services if the primary vendor cannot comply with the delivery requirements, specifications, or in emergency cases.

Procurement Method

For the past years, the District has only been receiving one (1) responsive and responsible bid. This year, the specifications were reduced with the objective of being able to receive more responsive from prospect vendors. Additionally, PWS outreached to six (6) companies, one (1) of them the current service provider of West Palm Beach. Moreover, the District added a new group to account for water treatment equipment parts that in the past the District would purchase using Purchasing Policy 3320.

Financial Impact

With this new bid, the District will have savings of eighteen (18) percent for the water treatment monthly cost. Over the term of the contract, this represents \$235,011.79 in savings.

The total spending authority requested is based on the fixed amount the District will pay monthly for the water treatment for next three (3) years (Group 1), plus variable expenses for equipment parts (Group 2).

Group 1 – water treatment monthly cost		\$	29,937.98
Number of months	*		36
<u>Group 1 – water treatment total</u>	=		<u>\$1,077,767.45</u>
*Group 2 – equipment parts annual cost		\$	73,000
Number of years	*		3
<u>Group 2 – water treatment total</u>	=	\$	<u>220,000</u>
<u>Total spend authority (rounded)</u>		\$	<u>1,300,000</u>

*Equipment Parts estimate is based on historical purchases made over the past three (3) years through the issuance of Purchase Orders as per Purchasing Policy 3320 General Provisions, Section B.