



COUNCIL AGENDA STATEMENT

Meeting Date: September 13, 2022
To: Honorable Mayor and City Councilmembers
From: Dan Saus, Utilities Director
Through: George Garrett, City Manager

Agenda Item: **Resolution 2022-102**, Ratifying A Change To The Agreement Between The City Of Marathon, Florida And Hawkins Authorizing The City Manager To Execute The Agreement On Behalf Of The City; And Providing For An Effective Date.

BACKGROUND & JUSTIFICATION:

The attached contract and Resolution was made into agreement on October 23, 2018. Since that time Hawkins has been required to increase the costs of the chemicals for the wastewater treatment plants to go into effect on October 1, 2022.

The increase is due to the pandemic, trucking shortage, supply chain crisis, labor shortage, and global fuel increase. Staff recommends approval.

CONSISTENCY CHECKLIST:

	Yes	No
1. Comprehensive Plan	_____	_____
2. Other _____	_____	_____
3. Not applicable_____		

FISCAL NOTE:

Funding for this agreement is included in the proposed FY23 Wastewater Utility Budget.

RECOMMENDATION:

Sponsored by: Garrett

**CITY OF MARATHON, FLORIDA
RESOLUTION 2022-102**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, RATIFYING A CHANGE TO THE AGREEMENT BETWEEN THE CITY OF MARATHON, FLORIDA AND HAWKINS, AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Marathon, Florida (the “City”), and Hawkins (the “Contractor”) entered into a Contract on October 23, 2018; and

WHEREAS, on July 28, 2022 the City received a letter from the Contractors stating the increase cost of goods effective October 1, 2022 due to circumstances beyond their control; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THAT:

Section 1. The above recitals are true and correct and incorporated herein.

Section 2. The letter from the contractor, a copy of which is attached as Exhibit “A,” is hereby approved and ratified. The City Manager is authorized to execute the agreement on behalf of the City.

Section 3. This resolution shall take effect upon its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THIS 13TH DAY OF SEPTEMBER 2022.

THE CITY OF MARATHON, FLORIDA

John Bartus, Mayor

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Diane Clavier
City Clerk

(City Seal)

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR THE USE
AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY:**

Steve Williams, City Attorney

September 7, 2022



Libby Frazier and Dan Saus

City of Marathon, Florida

9805 Overseas Highway

Marathon, FL 33050

Libby and Dan,

Hawkins Inc. would like to inform you that we will not be able to continue the pricing for a renewal year beginning in October 2022. The chemical markets continue to build, and we have seen increases of 60 to 100% in past year. All expectations are that this will continue for next 9 months at least. We would be open to an alternative pricing for your products and would suggest a quarterly price for three months with 30-day notice of any increases. This will allow us to move with the market and not have to anticipate the scenario that current market is in. Please feel free to contact William Thompkins or myself with questions or supply concerns. We appreciate the partnership we have had with Marathon and will do our best to continue.

Thank you and let us know how we can further assist,

Chuck Pool

Hawkins Inc.

September 7, 2022



Libby Frazier and Dan Saus

City of Marathon, Florida

9805 Overseas Highway

Marathon, FL 33050

Libby and Dan,

Hawkins Inc. would like to amend your pricing for the next year due to chemical market conditions. We would like to suggest the following price increases to begin on October 1, 2022, when bid would renew. The following increases are due to continued increases in the chemical industry as well as increases in transportation and labor. In addition, Hawkins has strived to maintain our supply to make sure our accounts are taken care of and secured volume to keep up with our customer needs. The other product, Aluminum Sulfate would stay at those same bid prices though we have also had increases on this product also. Hawkins would also be open to a quarterly pricing quote to allow room to adjust both up and down with current market conditions, this would also have a 30 day notice of any change before end of quarter.

Caustic Soda 50% from \$3.39 per gallon to \$5.39 per gallon

Sodium Hypochlorite from .99 per gallon to \$1.45 per gallon

Micro C Glycerin from \$3.39 per gallon to \$5.50 per gallon

Thank you and let us know how we can further assist,

Chuck Pool

Hawkins Inc.