



September 17, 2023

Mr. Ronnie Simms
WTP Supervisor
City of Haines City
426 Claude Holmes Sr. Avenue
Haines City, Florida 33844

Re: **PROPOSAL TO SUPPLY BULK SODIUM HYPOCHLORITE TO THE CITY OF HAINES CITY UTILITIES DEPARTMENT**

Encl: (1) City of Lakes Wales Sodium Hypochlorite Piggyback Package

Dear Mr. Simms,

We are pleased to offer the City of Haines the opportunity to piggyback off the City of Lake Wales, FL recently awarded contract. Odyssey is the proud contract holder for an agreement to supply sodium hypochlorite to the City of Lake Wales dated September 12, 2023, and will honor pricing from Bid# 23-540 which was incorporated into the contract. This contract is in effect from October 1, 2023 through September 30, 2024. The contract has two more one-year renewals. Odyssey is held to the terms of the contract to the rates provided within it and thus, any municipality using this contract in a piggy-back arrangement receives the same terms and conditions for the same duration. Thus, Odyssey will follow all the terms of the aforementioned contract, including the rates, with any municipality or government entity using it in a piggy-back arrangement. I have attached a copy of the original bid package, our bid, the bid tab, contract and award letter. Nancy Hernandez is the point of contact with the City of Lake Wales @ 863-678-4182 (extension 289). This proposal to piggyback is made with the understanding that Odyssey Manufacturing would supply all of the City of Haines City's bulk sodium hypochlorite needs that are tanker accessible. As part of the chemical supply, Odyssey will continue to provide technical assistance to your facilities as required as we have done in the past at both your Water and Wastewater Treatment facilities.

As you know, we continue to be in a period of unprecedented hyper-inflation in this country and in particular the chemical business for the past two plus years. Unfortunately, we have not raised prices fast enough to keep up with our actual cost inflation for the past two years and are suffering financially. Additionally, in the past twelve months, we have had the following cost increases: (1) Large traffic increases in Florida have caused us to hire more drivers to deliver the same number of gallons (our average # of tanker deliveries in a 12-hour day has gone down from 1.33 to 1.20 in the past twelve months); (2) Driver wages have increased about 20% because of the national driver shortage; (3) Odyssey's cost of medical benefits increased by \$1.1 million this past January because we have to have good insurance to be able to hire and keep drivers; (4) The cost of leased tractors from Ryder has gone up 18% in the past twelve months; and (5) The cost of new FRP tankers has increased from \$78,000 to \$128,000 over the past twelve months. Overall, our delivery costs are up 40% and about \$.25 per gallon is the amount of the total price we allocate to delivery. Secondly, we are becoming more dependent on ECU's (i.e., chlorine and caustic railcars) to make our bleach. ECU prices continue to hover between \$1.20 to \$1.30 per gallon (add \$.10 to make it and \$.25 to deliver it

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you can see we are upside down on many of our deliveries). Third, we have a lot of "soft costs" that have gone up significantly and we tend not to focus on things such as liability insurance which is up \$150,000 per year. Our property insurance went up \$150,000 last year and went up another \$350,000 on our renewal in June. Earlier this Spring, we were informed by our raw material suppliers that they will be implementing significant increases in rail freight in the next few months largely spurred by the recent mishap in Ohio (on order of magnitude of \$.05 - \$.10 per gallon). These are some of the reasons you are seeing the significant cost increase in the recent bid by all of the bidders since everyone in the chemical industry is grappling with these same cost issues.

Thank you for your consideration. Please do not hesitate to contact me at (813) ODYSSEY or cellular (813) 335-3444 if I can be of further assistance. Thanks again for your business and continued support.

Sincerely,



Patrick H. Allman
General Manager