



**AGENDA ITEM REPORT**

**DATE:** November 5, 2019  
**DEPARTMENT:** Utilities  
**REQUESTER:** Pamela Keyes  
**TITLE:** Approve Contract Renewal for Dechlorination Chemical

**I. MOTION REQUESTED**

- A) Approve the renewal of the annual contract under B180243RJD Sodium Bisulfite 40% Aqueous Solution, through November 12, 2020, in an amount not to exceed \$52,000.00, including a contractual Producer Price Index (PPI) price increase of 1.8% PPI, to Thatcher Chemical of Florida, Inc.
- B) Grant the County Manager or designee the authority to execute any documents associated with the price increase on behalf of the Board of County Commissioners.

**II. ITEM SUMMARY**

Approves a Producer Price Index price increase of 1.8% to Thatcher Chemical of Florida, Inc., for the renewal of the annual contract for supplying sodium bisulfite 40% aqueous solution, on an as needed basis to Lee County Utilities through November 12, 2020, in an amount not to exceed \$52,000. The contract provides for annual price adjustments at the written request of the vendor. The current price per gallon is \$1.4651, the proposed price is \$1.4915, an increase of \$.0264 per gallon. Total expenditures for Thatcher Chemical of Florida, Inc. to provide these services from January 2019 through September 2019 were \$38,602.78. The increase in the estimated annual expenditure includes the total annualized cost for the full twelve months of the contract term, the producer price increase of 1.8%, and an allowance for the potential of increased water treatment during the high flow season. This product is used as a dechlorination agent at the Fiesta Village Wastewater Treatment Plant. This is the first renewal of 3 approved renewals for this contract.

**III. BACKGROUND AND IMPLICATIONS OF ACTION**

A) Board Action and Other History

On August 21, 2018, the Board of County Commissioners awarded B180243RJD Sodium Bisulfite 40% Aqueous Solution, to Thatcher Chemical of Florida, Inc., to provide the annual supply of Sodium Bisulfite 40% Aqueous Solution on an as needed basis to Lee County Utilities. The original term of the contract was for the initial period of one year with an option to renew for up to three additional one-year periods. Board approval will allow for a 1.8% increase, to Thatcher Chemical of Florida, Inc., for the renewal of the annual contract to furnish and deliver sodium bisulfite 40% aqueous solution to Lee County Utilities through November 12, 2020.

Per the contract, the vendor can renew at the same cost or renew with a cost comparison according to the Producer Price Index (PPI). The PPI is the pricing index according to the Bureau of Labor Statistics and used by the County to compare the cost quoted by the vendor at the time of the contract and the current rate if requested in writing at the time of renewal. The quote at the time of the contract was \$1.4651 per gallon and the going rate is currently \$1.4915 per gallon. The County agrees the increase request of \$.0264 to be reasonable.

These products are budgeted annually within the Lee County Utilities operation budget. This product is used as a dechlorination agent at the Fiesta Village Wastewater plant. Compared to the previous contract pricing, there is a price increase of \$.0264 per gallon.

B) Policy Issues

C) BoCC Goals

D) Analysis

The contract was approved and started November 13, 2018. The breakdown of the previous year spend and the new fiscal year request \$52,000 is shown below.

Single non-quote purchase Nov. 2018	\$4341.97
Contract purchases January 2019 – September 2019	\$34,260.81
Total 9 month spend for FY18/19	\$38,602.78
Annualized FY19/20 12 month spend with cost increase of 1.8%	\$49,639.00
One load allowance	\$2,361.00
Total requested not to exceed for FY1920	\$52,000.00

E) Options

**IV. FINANCIAL INFORMATION**

A)	Current year dollar amount of item:	\$52,000.00
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 Operating Project: Fiesta Village Operating Account Strings: OD5362448700.505240	
G)	Fund Type?	Enterprise
H)	Comments:	

**V. RECOMMENDATION**

Approve

**VI. TIMING/IMPLEMENTATION**

**VII. FOLLOW UP**

**ATTACHMENTS:**

Description	Upload Date	Type
<a href="#">Original Contract</a>	10/15/2019	Agreement
<a href="#">Proposed Amendment</a>	10/25/2019	Change Order

**REVIEWERS:**

Department	Reviewer	Action	Date
Utilities	Turner, Nicole	Rejected	10/23/2019 - 8:16 AM
Utilities	Keyes, Pamela	Approved	10/23/2019 - 12:50 PM
Utilities	Turner, Nicole	Approved	10/25/2019 - 5:00 PM
Utilities	Keyes, Pamela	Approved	10/28/2019 - 9:08 AM
Budget Services	Guttery, Angela	Approved	10/28/2019 - 11:50 AM
Budget Services	Winton, Peter	Approved	10/28/2019 - 11:51 AM
County Attorney	Swindle, Amanda	Approved	10/28/2019 - 2:36 PM
County Manager	Brady, Christine	Approved	10/28/2019 - 4:45 PM