

AGENDA ITEM REPORT

DATE: March 21, 2023
DEPARTMENT: Utilities
REQUESTER: Pamela Keyes
TITLE: Amend Annual Agreement for Corrosion and Scale Inhibitor

I. MOTION REQUESTED

- A) Approve Amendment No. 2 with Carus, LLC, under Solicitation No. B210004BAG, Corrosion/Scale Inhibitor - Annual, increasing the price for the purchase of polyphosphate corrosion/scale inhibitor from \$0.79 per pound to \$1.20 per pound.
- B) Authorize the County Manager or designee to execute the amendment on behalf of the Board of County Commissioners.

II. ITEM SUMMARY

Increases the unit price for the purchase of polyphosphate corrosion/scale inhibitor from \$0.79 per pound to \$1.20 per pound (51.9%). Carus, LLC, submitted the required documentation to Procurement Management substantiating the price increase caused by supply chain issues, the rising cost of imported raw materials, increased demand for phosphorus products in agriculture and industrial markets, and the global transportation crisis affecting the delivery of finished goods. Corrosion/Scale Inhibitor is used at the Corkscrew and Olga Water Treatment Plants as an additive to control the corrosiveness of the finished water prior to distribution. Pricing will be renegotiated or rebid once market conditions change. The total previous twelve-month spend for corrosion/scale inhibitor was \$91,052.99.

III. BACKGROUND AND IMPLICATIONS OF ACTION

A) Board Action and Other History

On April 20, 2021, the Board of County Commissioners awarded B210004BAG, Corrosion/Scale Inhibitor - Annual, to Carus, LLC for the purchase and delivery of Corrosion/Scale Inhibitor on an as-needed basis. The original term of the contract was for three years with an option to renew for three additional, one-year periods.

On March 15, 2022, the Board of County Commissioners approved Amendment No. 1 for B210004BAG, Corrosion/Scale Inhibitor - Annual, to Carus, LLC to increase the unit price for the purchase of polyphosphate corrosion/scale inhibitor from \$0.48 to \$0.79.

Current Board approval will allow for a 51.9% increase for Corrosion/Scale Inhibitor at Corkscrew and Olga Water Treatment Plants.

B) Policy Issues

C) BoCC Goals

D) Analysis

Corrosion/Scale Inhibitor is used at the Corkscrew and Olga Water Treatment Plants as an additive to control the corrosiveness of the finished water prior to distribution. Carus, LLC has submitted all required documentation to Procurement to increase the price from \$0.79 per pound to \$1.20 per pound, or 51.9%. The price increase is due to supply chain issues, the rising cost of imported raw materials, increased demand for phosphorus products in agriculture and industrial markets, and the global transportation crisis affecting the delivery of finished goods. The price increase of 51.9% is estimated to add an additional \$47,256.50 per twelve-month spend, as detailed in the historical pricing summary table below.

E) Options

IV. FINANCIAL INFORMATION

A)	Current year dollar amount of item:	\$47,257
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 Project: Corrosion/Scale Inhibitor for Utilities Corkscrew & Olga WTP Account Strings: OD5360148700, OD5361848700	

G)	Fund Type?	Enterprise
H)	Comments:	

V. RECOMMENDATION

Approve

VI. TIMING/IMPLEMENTATION

VII. FOLLOW UP

ATTACHMENTS:

Description	Upload Date	Type
02 Detailed Expenditure Report84	2/23/2023	Backup Material
04 Approved Packet by Mary for Board B210004BAG	2/23/2023	Backup Material
Vendor Executed Agreement	3/9/2023	Agreement
Signature Authority	3/9/2023	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
Utilities	Tucker, Mary	Approved	3/9/2023 - 8:00 AM
Utilities	Keyes, Pamela	Approved	3/9/2023 - 9:34 AM
Budget Services	Guttery, Angela	Approved	3/9/2023 - 12:08 PM
Budget Services	Winton, Peter	Approved	3/9/2023 - 4:33 PM
County Attorney	Swindle, Amanda	Approved	3/10/2023 - 1:20 PM
County Manager	Salyer, Glen	Approved	3/13/2023 - 3:34 PM