

AGENDA ITEM REPORT

DATE: February 7, 2023
DEPARTMENT: Utilities
REQUESTER: Pamela Keyes
TITLE: Approve Contract Amendment for Quicklime for Corkscrew Water Treatment Facility

I. MOTION REQUESTED

- A) Approve Amendment No. 1 with Lhoist North America of Alabama, LLC, under Solicitation No. B220105CMR, Quicklime - Annual, to increase the price for the annual purchase of Quicklime as provided on the Amendment Fee Schedule.
- B) Authorize the County Manager or designee to execute the amendment on behalf of the Board of County Commissioners.

II. ITEM SUMMARY

Increases prices for Quicklime from Lhoist North America of Alabama, LLC, to \$420.83 per ton from \$365.94. The price increase is due to increased production and shipping costs. Quicklime is used at the Corkscrew Water Treatment Plant for a coagulation process that removes hardness ions through precipitation. Total expenditures for the prior 12 month-period were \$966,546.89.

III. BACKGROUND AND IMPLICATIONS OF ACTION

A) Board Action and Other History

On April 5th, 2022, the Board of County Commissioners awarded B220105CMR, Quicklime -Annual, to Chemrite, Inc. as the primary vendor and Lhoist North America of Alabama, LLC as the secondary vendor for the purchase and supply of Quicklime on an as-needed basis. The original term of the contract was for one (1), three (3) year period with an option to renew for up to three (3) additional years.

On May 5th, 2022, Chemrite Inc. withdrew from the agreement stating they could no longer provide the product as agreed upon.

Current Board approval will allow for the price increase of 15% to Lhoist North America of Alabama.

B) Policy IssuesC) BoCC GoalsD) Analysis

Lhoist originally submitted a request for a price increase of 17%, and Procurement Management negotiated a 15% price increase for a 2% savings to the county. Vendor cited that they are receiving increases in energy and fuel used to produce lime products. Other energy market related-increases include subcontracting, diesel, additives, and railroad shipping. A price increase of 15% is estimated to add an additional \$144,982.03 per twelve month spend, as detailed in the Historical Pricing Summary table. This product is used at the Corkscrew Water Treatment Plant for lime softening as the primary treatment process. Lime is used in the coagulation process to remove hardness ions through precipitation.

Vendor	Contract No.	Unit Price (per ton)	Expenditure History		Notes
			Dec. 20 - Nov. 21	Dec. 21 - Nov 22	
Lhoist	B180434BAW	\$272.28	\$803,198.91	\$ -	Lhoist only vendor under old contract
Chemrite	B220105CMR	\$339.00	\$ -	\$7,472.64	Vendor withdrew from contract May 2022
Lhoist	B220105CMR	\$365.94	\$ -	\$966,546.89	Lhoist becomes the primary vendor
LHoist Amendment I (15% price increase)	B220105CMR	\$420.83	\$ -	\$ -	17% requested, negotiated to 15%
Total Expenditures:			\$803,198.91	\$974,019.53	
Anticipated Additional Expense from Increase				\$144,982.03	

E) Options

IV. FINANCIAL INFORMATION

A)	Current year dollar amount of item:	\$144,982
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: Quicklime for Corkscrew WTP Account Strings: OD5361848700	
G)	Fund Type?	Enterprise
H)	Comments:	

V. RECOMMENDATION

Approve

VI. TIMING/IMPLEMENTATION

VII. FOLLOW UP

ATTACHMENTS:

Description
[B220105CMR - Quicklime - Lhoist - Am 1 - Price Increase - 12.22.22](#)
[Price Increase Chart](#)

Upload Date	Type
1/13/2023	Agreement
1/25/2023	Backup Material

REVIEWERS:

Department	Reviewer	Action	Date
Utilities	Tucker, Mary	Approved	1/25/2023 - 1:28 PM
Utilities	Keyes, Pamela	Approved	1/25/2023 - 1:30 PM
Budget Services	Guttery, Angela	Approved	1/27/2023 - 9:28 AM
Budget Services	Winton, Peter	Approved	1/27/2023 - 10:44 AM
County Attorney	Swindle, Amanda	Approved	1/27/2023 - 11:11 AM

