



AGENDA ITEM REPORT

DATE: February 21, 2023
DEPARTMENT: Utilities
REQUESTER: Pamela Keyes
TITLE: Award Annual Contract for the Purchase of Anhydrous Ammonia

I. MOTION REQUESTED

- A) Award Invitation to Bid No. B220494CMR, Anhydrous Ammonia - Annual to Tanner Industries, Inc. for the purchase of Anhydrous Ammonia on an as-needed basis, for an initial term of one (1) year, as approved in the departments' annual adopted budget. Singular purchases in excess of \$100,000.00 will be presented to the Board for approval.
- B) Authorize the Chair to execute the contract documents on behalf of the Board of County Commissioners.
- C) Grant the County Manager or designee the authority to renew the contracts, not to exceed three (3) additional year totals, and to execute all associated documents, as approved in the departments' annual adopted budgets, if doing so is in the best interest of Lee County, and there are no cost increases associated with the renewals.

II. ITEM SUMMARY

Awards competitively bid contract for the purchase of Anhydrous Ammonia to Tanner Industries, Inc. The initial contract is for a three-year period, with an option to renew for up to three additional years. Anhydrous Ammonia is used in the water treatment disinfection process for chloramination. Total expenditures for the prior 12 month-period were \$74,169.17. The purchase of anhydrous ammonia is budgeted annually and included in the FY23 Utilities Operating Budget.

III. BACKGROUND AND IMPLICATIONS OF ACTION

- A) Board Action and Other History
 Procurement Management obtained bids for the project, known as Invitation to Bid No. B220494CMR, Anhydrous Ammonia - Annual. On the bid deadline of December 7, 2022, Procurement Management received one bid. After analyzing the bid submittal, Tanner Industries, Inc. was determined to be the lowest responsive and responsible bidder.

 Current Board approval will award Annual contract to Tanner Industries for a unit price of \$2,680 per ton.
- B) Policy Issues
- C) BoCC Goals
- D) Analysis
 Anhydrous Ammonia is used in the water treatment disinfection process for chloramination. The current contract for Anhydrous Ammonia is \$1,470.00 per ton and the new contract price is \$2,680.00 per ton, an 82% increase. The vendor cited that they are receiving cost increases in energy and fuel used to produce Anhydrous Ammonia. Other energy market related-increases include diesel, additives, and transportation. This price increase of 82% is estimated to add an additional \$60,819.17 per twelve-month spend, as detailed in the Historical Pricing Summary table.
- E) Options

IV. FINANCIAL INFORMATION

A)	Current year dollar amount of item:	\$135,000
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: Anhydrous Ammonia for Water Treatment Plants Account Strings: Various Operating	
G)	Fund Type?	Enterprise
H)	Comments:	

V. RECOMMENDATION

Approve

VI. TIMING/IMPLEMENTATION

VII. FOLLOW UP

ATTACHMENTS:

Description	Upload Date	Type
2 Procrmnt Comparison for Board B220494CMR - RJD	1/26/2023	Contract
3 B220494CMR Tanner Industries Inc Contract OCRd	1/26/2023	Contract

REVIEWERS:

Department	Reviewer	Action	Date
Utilities	Tucker, Mary	Approved	2/9/2023 - 1:35 PM
Utilities	Keyes, Pamela	Approved	2/9/2023 - 2:24 PM
Budget Services	Henkel, Anne	Approved	2/10/2023 - 8:10 AM
Budget Services	Winton, Peter	Approved	2/10/2023 - 10:19 AM
County Attorney	Swindle, Amanda	Approved	2/10/2023 - 2:11 PM
County Manager	Salyer, Glen	Approved	2/14/2023 - 9:16 AM