



Pinellas County

Staff Report

File #: 22-0273A, Version: 1

Subject:

Agreement with Condyl Holdings, LLC d/b/a Carus, LLC for the proprietary corrosion control chemical blend used in the Pinellas County Utilities Water System.

Recommended Action:

Approval of the agreement with Condyl Holdings, LLC d/b/a Carus, LLC for continued purchase of the proprietary corrosion control chemical blend used in the Pinellas County Water System.

- This contract is for the corrosion control chemicals used in the drinking water system to maintain compliance with the federally mandated Lead and Copper Rule.
- This agreement is for a not to exceed amount of \$658,320.00 over a two-year term, through June 30, 2024, and provides three optional one-year term extensions.
- Unit prices are adjustable at six months after the date of award in an amount not to exceed the average of the Producer Price Index (PPI) or 50%, whichever is less. The unit pricing for the three optional one-year term extensions is adjustable at the renewal of each term extension in an amount not to exceed the average of the PPI or 5%, whichever is less.
- This contract replaces the current contract with Condyl Holdings, LLC, d/b/a Carus, LLC Contract No. 167-0239-B(LN) in the amount of \$1,116,000.00 over a five-year duration expiring on June 30, 2022. The new contract is limited to a two-year initial duration due to inflationary market price increases.
- The unit price per gallon for this chemical blend has increased from \$5.05 per gallon to \$9.43 per gallon since the last contract was awarded. This increase is indicative of the current markets' exponential price increases for chemicals.
- Pinellas County has used the current corrosion inhibitor chemicals since 2009 and Carus, LLC is a validated, approved provider of our proprietary blend. Changing the chemical blend requires pre-approval from federal and state agencies and significant testing and sampling to demonstrate regulatory compliance.
- This request was reviewed and approved by the Non-Compete Committee on March 21st, 2022.
- Funding is derived from the annual Water Operating Fund

Contract No. 21-0694-N-BW with a total contract expenditure of \$658,320.00 for a two-year term through June 30, 2024; Authorize the Chairman to sign and the Clerk of the Circuit Court to attest.

Strategic Plan:

Practice Superior Environmental Stewardship

3.3 Protect and improve the quality of our water, air, and other natural resources

Deliver First Class Services to the Public and Our Customers

5.3 Ensure effective and efficient delivery of county services and support

Summary:

This contract is to supply corrosion control chemicals used in the drinking water system to maintain compliance with the Environmental Protection Agency's federally mandated Lead and Copper Rule (LCR).

This agreement will allow Pinellas County Utilities (PCU) to continue to meet federal and state regulatory requirements. Switching corrosion inhibitor products could potentially negatively impact public health and safety. Additionally, switching products would significantly increase sample requirements and costs. Based on the Florida Department of Environmental Protection (FDEP) determination that PCU's current corrosion control treatment is optimized, it has allowed reduced lead and copper sampling and significant savings on sampling efforts. PCU has an extensive corrosion control treatment and sampling program in place and has been compliant with the LCR while using the current corrosion inhibitor product since 2009. Any change in corrosion control chemical would require prior approval from the FDEP and re-optimization of the corrosion control treatment program, at significant cost, to maintain regulatory compliance.

Background Information:

The non-compete committee met on March 21, 2022, and approved the request for a non-compete agreement for the reasons stated above.

The engineering firm AECOM conducted a pre-qualification study in 2008 and again in 2014 to validate approved corrosion control products for the competition and to recommend products and dosages specific to the County's water quality and drinking water system operating conditions. AECOM has validated Carus, LLC, as an approved source since 2008.

The agreement with Condry Holdings, LLC, dba Carus, LLC under Contract No. 21-0694-N-BW with a total contract expenditure of \$658,320.00 for a two-year initial contract duration through June 30, 2024, and provides three optional one-year term extensions.

Fiscal Impact:

Contract expenditure not to exceed: \$ 658,320.00

Estimated average annual expenditure is: \$ 329,160.00

Funding is derived from the Water Operating Fund.

Staff Member Responsible:

Megan Ross, Director, Utilities

Merry Celeste, Division Director, Purchasing & Risk

Joe Lauro, Director, Administrative Services

Partners:

N/A

Attachments:

Agreement