

## OMB Granicus Review

<b>Granicus Title</b>	Award of bid to Southeast Drilling Services, Inc. for well services for Pinellas County Utilities.				
<b>Granicus ID#</b>	23-1635A	<b>Reference #</b>	23-0884-ITB-C	<b>Date</b>	October 25, 2023

**Mark all Applicable Boxes:**

Type of Review									
<b>CIP</b>		<b>Grant</b>		<b>Other</b>	<b>X</b>	<b>Revenue</b>		<b>Project</b>	

**Fiscal Information:**

<b>New Contract (Y/N)</b>	Y	<b>Original Amount</b>	\$	741,040.00
<b>Fund(s)</b>	4031	<b>Amount of Change (+/-)</b>		N/A
<b>Cost Center(s)</b>	431415	<b>Total Amount</b>	\$	741,040.00
<b>Program(s)</b>	2321	<b>Amount Available (FY24)</b>	\$	15,000.00
<b>Account(s)</b>	5464000	<b>Included in Applicable Budget? (Y/N)</b>	Y	
<b>Fiscal Year(s)</b>	FY24 – FY29			

**Description & Comments**

(What is it, any issues found, is there a financial impact to current/next FY, does this contract vary from previous FY, etc.)

**Summary**

- The proposed contract will have a not-to-exceed threshold of \$741,040.00 for a five-year term.
- This only creates a not-to-exceed threshold, it does not guarantee an exact amount to be paid. Requesting departments may use the full \$741,040.00 or less over the five-year term.
- Pinellas County Utilities (PCU) is currently the only user of this contract and has budgeted \$15,000.00 in FY24, which is expected to meet the demands of FY24.
- Should an unplanned event occur, and higher expenditures are incurred, the department will likely need to use lapse savings or adjust spending in other areas. A budget amendment is not expected from this contract 's approval.

**Background**

Pinellas County Utilities (PCU) is seeking the approval of an award of bid to Southeast Drilling Services, Inc. in the amount of \$741,040.00 for a five-year term for well services. This contract represents an estimated annual average of \$148,208.00. This proposed contract will replace the existing contract (Contract# 1890132-CP(RO)/BPA 436075) with A.C. Schultes of Florida, Inc. (Schultes), which was approved for \$510,900.00 for a contract term from April 22, 2019, to June 4, 2025, with an estimated annual average expenditure of \$85,150.00. The current contract has released \$129,661.54, which leaves \$381,238.46, or 74.6% remaining.

The previous contract has not been heavily utilized given that 74.6% of funds are still available almost three-quarters of the way through the term, however, Utilities needs to have funds available with this vendor in the event of an unplanned event and these services are immediately needed. Should an unplanned event occur, the procurement process could significantly delay progress on a project, so to expedite the process, the County will have this vendor with an agreed upon not-to-exceed threshold in place for those unplanned events. As seen in the existing contract, expenditures have ebbed and flowed as needs arose, but not one year reached or surpassed the estimated annual average expenditure of \$85,150.00 (Table 1).

Current Contract (BPA 436075) Expenditure Summary			
Year	Total	YoY \$ Change	YoY % Change
2019	\$ 35,472.35	-	-
2020	\$ 13,863.55	\$ (21,608.80)	-60.9%
2021	\$ 35,352.39	\$ 21,488.84	155.0%
2022	\$ 15,847.43	\$ (19,504.96)	-55.2%
2023	\$ 29,125.82	\$ 13,278.39	83.8%
Average	\$ 25,932.31	-	-

Table 1: Current Contract (BPA 436075) Expenditure Summary

The proposed contract represents an estimated annual average expenditure increase of \$63,058.00, or 74.1% over the previous contract with Schultes. This increase is due to anticipated need during the life of the contract, which includes aging wells and conveyance piping from nine wells to the augmented wetlands and two lakes that have begun to show signs of failure. This contract is currently only used by PCU and is budgeted at \$15,000.00 in the FY24 Adopted Budget (Water Revenue and Operating Fund 4031). Though this budget of \$15,000.00 is significantly lower than the estimated average annual expenditure of \$148,208.00, it is expected to be sufficient to meet the planned needs of FY24. Should an unplanned event occur, and additional expenses be incurred, it is likely PCU will need to use lapse savings, adjust spending in other areas, or seek a budget amendment in FY24.

Additionally, if expenditures are projected to be higher in future fiscal years due to aging infrastructure and wear, it is recommended that the department reevaluate the budget starting in FY25 and increase it to a minimum of \$50,000.00 per year to account for the increased maintenance needs.

Analyst: Shane Kunze

Ok to Sign:

#### Instructions/Checklist

1. Upon receipt of a request for review and notification in Granicus, review the Agenda and document for language and accuracy. Make sure there are available funds, the dept. is not overextending itself, was it planned, etc.
2. Use the Staff Report section to give a summary of the contract and include your thoughts and pertinent information.
3. Complete the form above using the Granicus attachments and the County's accounting & budgeting systems (i.e., OPUS, Chart of Accounts, Qwestica Budget Software).
4. Include a statement in both the Fiscal Impact section of the Staff Report and the Granicus Review form to indicate if the activity is planned in the current budget.
  - a. Sample language: **"The (contract, agreement, MOU, activity, etc.) is included in the FY23 Adopted Budget and the preliminary FY24 budget submission from the department. The annual amount expected to be spent on the (contract, agreement, MOU, activity, etc.) is approximately the same as has been spent in most recent years (or is \_\_\_ percent higher or lower due to \_\_\_)"**.
5. Save the form with the following naming convention:
  - a. **OMB.Review\_XX-XXXX\_Department\_Subject\_Date)**
  - b. (e.g., OMB Review\_22-529A\_PW\_Sidewalk\_28-DEC-2022).
6. Upload to Granicus as a numbered attachment.
  - a. Upload a copy of the Granicus review into the appropriate department review folder on SharePoint. (OMB/OMB Document Library/GRANICUS.RVW).