

OMB Granicus Review

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|-----------------------|--|--------------------|-----------|-------------|-------------------|
| Granicus Title | First Amendment to the Agreement with Ferguson Enterprises d/b/a Ferguson Waterworks for the purchase of industrial plumbing supplies. | | | | |
| Granicus ID# | 23-1828A | Reference # | 22-0123-B | Date | December 13, 2023 |

Mark all Applicable Boxes:

| Type of Review | | | | | | | | | |
|----------------|--|--------------|--|--------------|----------|----------------|--|----------------|--|
| CIP | | Grant | | Other | X | Revenue | | Project | |

Fiscal Information:

| | | | | |
|---------------------------|-------------------|---|----|--------------|
| New Contract (Y/N) | N | Original Amount | \$ | 2,778,285.23 |
| Fund(s) | 4031 and 4051 | Amount of Change (+/-) | \$ | 266,807.82 |
| Cost Center(s) | Multiple Centers | Total Amount | \$ | 3,045,093.05 |
| Program(s) | 2321 and 2421 | Amount Available (FY24) | \$ | 4,698,970.00 |
| Account(s) | Multiple Accounts | Included in Applicable Budget? (Y/N) | Y | |
| Fiscal Year(s) | FY23 – FY24 | | | |

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 First Amendment will raise the not-to-exceed threshold to \$3,045,093.05, for a difference of \$266,807.82, or 9.6%.
- This only creates a not-to-exceed threshold, it does not guarantee an exact amount to be paid. Requesting departments may use the full \$3,045,093.05 or less over the twenty-four-month term.
- Pinellas County Utilities (PCU) is currently the only user of this agreement and has not specifically budgeted for this vendor.
- PCU has budgeted \$4,698,970.00 in FY24 in line items that combine multiple services, including plumbing. This agreement is sufficiently budgeted for, however, PCU risks cannibalizing funds for other services by combining so many services in single line items.
- OMB recommends breaking these combined line items into separate lines in the FY25 Budget for transparency and budget monitoring.

Background

Pinellas County Utilities (PCU) is seeking the approval of First Amendment to the Agreement with Ferguson Enterprises (Ferguson). The agreement with Ferguson was originally approved on August 2, 2022, and included a not-to-exceed threshold of \$384,559.38 for Fortiline Waterworks (Fortiline) and \$2,393,725.85 for Ferguson, for a combined not-to-exceed threshold of \$2,778,285.23 for a 24-month term for industrial plumbing supplies. Currently, this agreement has expensed a total of \$748,957.54 and has \$2,029,327.69, or 73.0% remaining (Table 1).

| BPA Summary (iSupplier) | | | | |
|-------------------------|------------------------|----------------------|------------------------|-------------------------|
| BPA Number | Amount Agreed | Amount Released | Total Remaining | Total Percent Remaining |
| 452009 | \$ 2,393,725.85 | \$ 614,398.16 | \$ 1,779,327.69 | 74.3% |
| 452010 | \$ 384,559.38 | \$ 134,559.38 | \$ 250,000.00 | 65.0% |
| Total | \$ 2,778,285.23 | \$ 748,957.54 | \$ 2,029,327.69 | 73.0% |

Table 1: BPA Summary (iSupplier)

If approved, First Amendment will increase the overall not-to-exceed threshold by \$266,807.82, or 9.6% for a revised not-to-exceed threshold of \$3,045,093.05. This also creates an estimated average annual expenditure of \$1,522,546.53. Despite having nearly three-quarters of the overall not-to-exceed available overall, this increase is needed because it focuses solely on a single line item in the contract, "Group 25 Miscellaneous Parts by Groups." This group has exhausted the original agreed upon amount and this group alone will benefit from the increase of \$266,807.82.

PCU is the only user of this agreement and has not specifically budgeted for this vendor. Instead, PCU has budgeted for plumbing services and parts in multiple GL Strings and has generally combined multiple services into one line. This practice makes it challenging to determine if efficient budget is available and risks cannibalizing funds for other services. For example, PCU has budgeted a line item in the amount of \$325,000.00 for 4031.431240.5529000.2321 and the justification includes numerous items, including backflow parts, plumbing supplies, adhesives, and radio batteries.

In total, the Office of Management and Budget found \$4,661,390.00 available in the FY24 Adopted Budget by reviewing the line-item descriptions and justifications of GL Strings previously used for this contract (data from PO Analysis Report) and by searching for plumbing supplies. \$4,661,390.00 is available, however, as previously stated, this figure is made up of multiple services and needs. PCU is likely sufficiently budgeted to meet the needs of this agreement and increase, however, the department will need to take extra diligence in monitoring spending to avoid cannibalizing funds needed for other services. Additionally, if spending is higher than expected in FY24 on this agreement, the department could utilize lapse savings to absorb those costs. It is not likely that this agreement will force the department to require a budget amendment.

It is strongly recommended that PCU decouple these combined services in the FY25 Budget. This will provide a more transparent budget and greater ease with budget monitoring.

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, Questica 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).