



Pinellas County

Staff Report

File #: 19-156A, **Version:** 1

Subject:

Change Order No.1 with Chemtrade Chemicals US, LLC for annual requirements of liquid aluminum sulfate - a Tampa Bay Area Purchasing Cooperative contract.

Recommended Action:

Approval of Change Order No.1 with Chemtrade Chemicals US, LLC (Chemtrade) for annual requirements of liquid aluminum sulfate - a Tampa Bay Area Purchasing Cooperative (Cooperative) contract.

- Contract for supply and delivery of liquid aluminum sulfate.
- A Cooperative contract including requirements of the Cities of St. Petersburg, Tarpon Springs and Hillsborough County.
- This change order requests an increase in price due to governmental tariffs from \$0.4538 to \$0.5484 per gallon.
- The price increase impacts the price per gallon; however, there is no need to increase the contract as adequate funds exist to provide for the price increase.

Contract No. 167-0128-B(JA) in the annual amount of \$628,739.90 for a sixty (60) month term total of \$3,143,699.50. This change order has no impact on the approved award amount pertaining to the contract

Strategic Plan:

Deliver First Class Services to the Public and Our Customers
5.2 Be responsible stewards of the public's resources

Summary:

This is a Cooperative contract containing the requirements of the cities of St. Petersburg and Tarpon Springs and Hillsborough County for supply and delivery of liquid aluminum sulfate. Aluminum sulfate is utilized by the Utilities and Solid Waste Departments for the coagulation of sludge and phosphorous removal at multiple locations throughout the County.

Chemtrade requests a price increase due to governmental tariffs; the increase in price is from \$0.4538 to \$0.5484 per gallon.

The Purchasing Department conducted research as to the impact of government tariffs in this industry. Per the Producer Price Index, production and processing of aluminum sulfate has increased twenty-five (25%) percent since January 2017 in correlation to the impact of tariffs on raw materials, manufacturing and freight costs. Staff contacted two (2) other suppliers who responded to the competitive solicitation for this contract; both stated their pricing was increasing equally due to tariffs. Chemtrade has indicated a loss on each order due to tariffs.

Cooperative participants have been notified and agree that a price increase is necessary due to industrywide price increases pertaining to tariffs.

Background Information:

This contract was awarded by the Board of County Commissioners on May 23, 2017.

Fiscal Impact:

This change order has no impact on the approved award pertaining to the contract.

County estimated sixty (60) month expenditure not to exceed:	\$2,045,503.50
Cooperative estimated sixty (60) month expenditure not to exceed:	\$1,098,196.00
Total estimated sixty (60) month expenditure not to exceed:	\$3,143,699.50

Funding is derived from the Utilities and Solid Waste Departments Operating budgets.

Cooperative agencies are responsible for their respective funding sources.

Staff Member Responsible:

Megan Ross, Director, Utilities
Joe Lauro, Director, Purchasing

Partners:

City of St. Petersburg
City of Tarpon Springs
Hillsborough County Board of County Commissioners

Attachments:

N/A