



Pinellas County

Staff Report

File #: 23-0973D, Version: 1

Subject:

First Amendment to the Agreement with Interconn Resources LLC for requirements of natural gas; a Tampa Bay Area Purchasing Cooperative (Cooperative) Contract.

Recommended Action:

Approval and execution of the First Amendment (Amendment) to the agreement with Interconn Resources LLC (Interconn) for requirements of natural gas.

- This contract is a Cooperative contract is for annual requirements of natural gas and participants include the City of St. Petersburg and Hillsborough Community College.
- This Amendment increases the contract in the amount of \$2,000,000.00 for a revised contract total not to exceed \$8,293,968.08 for the County.
- On January 12, 2021, the Board of County Commissioners (Board) awarded Interconn the contract for natural gas in the amount of \$6,293,968.08 for the County and a combined County and Cooperative expenditure in the amount of \$6,977,165.46, for a 60-month term.
- The County Administrator has authority under code section 2-184 to increase Board approved maintenance, repair, and operating contracts by 50% of the original Board award amount.
- In addition to natural gas charges for users of this contract there is also a charge from TECO for pipeline transportation. TECO's pipeline transportation charges were not factored into this contract and have been paid separate through the utilities operating account. The price for fuel and transportation are now merged into this contract necessitating the increase to the contract. These transportation charges have total \$1,535,914.60 since January 12, 2021. These amounts are allocated and budgeted for accordingly.
- Cooperative participants are responsible for issuance of their own awards and funding.
- This will be expensed from multiple departments and funding will be derived from multiple funds, centers, programs, and accounts. This contract is administered for Administrative Services and utilized by the following County departments: Sheriff, Solid Waste, Fleet, Utilities, Pinellas Museum, and Medical Examiner.
- Departments have budgeted \$2,215,310.00 specifically for Interconn, which is sufficient to meet the proposed \$2,000,000.00 increase.

Contract No. 21-0063-B increase in the amount of \$2,000,000.00 for a revised total contract value of \$8,293,968.08 for the County and an overall total contract value of \$8,977,165.46.

Strategic Plan:

Deliver First Class Services to the Public and Our Customers

5.2 Be responsible stewards of the public's resources.

Summary:

This Tampa Bay Area Purchasing Cooperative contract is for the annual requirements of natural gas

which is administered by the Administrative Services. Cooperative participants are responsible for issuance of their own awards and purchase authorizations.

This Amendment will add \$2,000,000.00 due to volatile fuel prices and transportation costs not factored into the original contract.

Background/Explanation:

This contract was initially awarded by the Board in the amount of \$6,293,968.08 on January 12, 2021. Cooperative participants, including City of St. Petersburg and Hillsborough Community College are responsible for issuance of their own award in the amount of \$683,197.38.

Fiscal Impact:

Approved expenditure to date:	\$6,293,968.08
First Amendment Increase:	<u>\$2,000,000.00</u>
Revised expenditure not to exceed:	\$8,293,968.08

This will be expensed from multiple departments and funding will be derived from multiple funds, centers, programs, and accounts.

Departments have budgeted \$2,215,310.00 specifically for Interconn, which is sufficient to meet the proposed \$2,000,000.00 increase. Approval for the use of funds and whether budgetary conditions are met will need to be made on a department-by-department basis.

Cooperative participants are responsible for their own funds.

Delegated Authority:

Authority for the County Administrator to approve this Amendment is granted under Code Section 2-184(b).

Staff Member Responsible:

Diana Sweeney, Deputy Director, Administrative Services
Merry Celeste, Division Director, Purchasing and Risk Management
Joe Lauro, Director, Administrative Services

Partners:

City of St. Petersburg
Hillsborough Community College

Attachments:

First Amendment