

**Indian River County, Florida
Department of Utility Services
Board Memorandum**

Date: December 18, 2019

To: Jason E. Brown, County Administrator

From: Vincent Burke, PE, Director of Utility Services

Through: Cindy Corrente, Finance Manager, Utility Services

Prepared By: Terry Southard, Operators Manager, Utility Services

Subject: Request to Waive Bid Process for Caustic Soda Chemicals

Background/Analysis:

Indian River County Department of Utility Services (IRCDUS) has two (2) water production facilities that use caustic soda for the treatment of water. With most chemicals used in water production, staff goes out to bid for an annual locked-in rate. However, the caustic soda market is quite volatile, and the bid process does not yield the best prices. Therefore, staff typically seeks price quotes every six weeks in order to ensure we are getting the lowest cost available for caustic. As a result, we process several purchase orders each year for caustic. IRCDUS typically obtains quotes from the same three vendors: Allied Universal Corp, Brenntag Mid-South Inc., and Harcros Chemicals Inc.

It is staff’s intention to encumber \$50,000.00 each time a quote is obtained. Encumbrances over \$35,000.00 require the County Administrator’s approval.

Funding:

Funds for the caustic soda purchase are available in the Chemicals account within the Utilities Operating Fund. Utilities operating funds are derived from water and sewer sales. A total of \$256,000.00 is budgeted for caustic soda in Fiscal Year 2019/2020, with \$181,000.00 remaining.

<i>Description</i>	<i>Account Number</i>	<i>Amount</i>
219 Water Treatment - Chemicals	47121936-035230	\$181,000.00

RECOMMENDATION:

Staff recommends that the Board of County Commissioners waive the bid process requirements for caustic soda for Fiscal Year 2019/2020 and authorize the Purchasing Manager to approve purchase orders up to the available budgeted amount.