

INDIAN RIVER COUNTY
OFFICE OF MANAGEMENT AND BUDGET
PURCHASING DIVISION

DATE: June 28, 2019

TO: BOARD OF COUNTY COMMISSIONERS

THROUGH: Jason E. Brown, County Administrator
Kristin Daniels, Director, Office of Management and Budget

FROM: Jennifer Hyde, Purchasing Manager

SUBJECT: Authorization to Increase Blanket Purchase Orders

BACKGROUND:

Blanket Purchase orders are issued at the request of using departments to enable as needed purchases over the course of the fiscal year. The Purchasing Manager may approve purchase orders up to \$25,000 (not associated with a bid or contract), and the Administrator is currently authorized in Chapter 105 of the County Code to approve purchase orders up to \$50,000.

DISCUSSION:

The needs of some departments may exceed the Administrator's approval authority during the course of a fiscal year. Many of these purchases reflect needs that are not easily addressed through the bid process.

The Road and Bridge Division owns 17 pieces of Caterpillar equipment: seven Motor Graders, four Large Excavators (2 Wheel, 2 Track), two Mini Excavators, two Front End Loaders, one Skid Steer Loader and one Vibratory Roller. Maintenance and as needed repairs are completed by the Fleet Division, with common parts kept on hand and other parts ordered as necessary. Kelly Tractor is the authorized Caterpillar Dealer for parts and service for our area.

The need for non-OEM parts to maintain and repair County vehicles has increased. Staff is working to ensure available cooperative contracts for parts are utilized.

The price of some chemicals used by the Department of Utility Services fluctuates greatly, making it difficult to lock in pricing via bid for more than a few months at a time. As such, the department obtains a minimum of three quotes for those materials, which the vendors will honor for a specific period (typically 90 days). A blanket Purchase Order is issued to the lowest quoting vendor and utilized until the quote is no longer valid.

The Department of Utility Services has been utilizing directional boring, rather than pavement cutting, in the last few years to connect new, or replace existing water service in cases where

the main is located across the street from the service address. This method is quicker, protects the pavement, and eliminates the requirement to restrict access to the road. Utilization of this service has increased and the Department intends to go out to bid to establish firm fixed pricing for this work going forward.

The Fire Rescue Division needs to maintain a sufficient supply of medications and supplies to treat a variety of needs; however, the Division must carefully monitor the shelf life of each item.

As additional funds are needed on each Purchase Order, a request is made through the department director to the Budget Office. The Budget Office verifies funds are available and forwards the request to Purchasing. If all required approvals are in place, the Purchasing Division adds the requested funds to the Purchase Order.

Pre-authorization by the Board for these requested increases will ensure the increases can be made expeditiously, after confirmation of the availability of funds by the Budget Office.

FUNDING:

Funds are or will be made available as indicated in the tables below.

Fleet Division Requests

PO#	Vendor and Material	Current Amount Encumbered on PO	Maximum amount requested for this FY	Amount spent with this vendor for this material last FY	Total amount spent on this product/service last FY
81808	Kelly Tractor; Caterpillar Equipment Parts and Oil Testing	\$50,000	\$100,000	\$84,913	\$149,704
81835	Cole Auto; Non OEM parts	\$50,000	\$75,000	\$40,980	\$52,277
Account Number			Additional funds currently available in account		
501-141024 – Inventory Parts			\$125,983		

Department of Utility Services Requests

PO#	Vendor and Material	Current Amount Encumbered on PO	Maximum amount requested for this FY	Amount spent with this vendor for this material last FY	Total amount spent on this product/service last FY
83348	Allied Universal Corp.; Caustic Chemicals for Water Treatment Plants	\$50,000	\$75,000	\$59,135	\$200,518
Account Number			Additional funds currently available in account		
47121936-035230 – Water Production Chemicals			\$82,500		

CONSENT AGENDA

PO#	Vendor and Material	Current Amount Encumbered on PO	Maximum amount requested for this FY	Amount spent with this vendor for this material last FY	Total amount spent on this product/service last FY
82694	Eastern Pipeline Construction; Directional boring for new and replacement water service	\$46,700	\$67,200	\$37,588	\$37,588
Account Number			Additional funds currently available in account		
47126936-033190 – Water Distribution Other Professional Services			\$24,012		

Fire Rescue – Medical Supplies

PO#	Vendor and Material	Current Amount Encumbered on PO	Maximum amount requested for this FY	Amount spent with this vendor for this material last FY	Total amount spent on this product/service last FY
81536	Cardinal Health – glucose, atrophine, sodium, albuterol, glucometers, and glucometer strips	\$50,000	\$75,000	\$44,523	\$44,523
Account Number			Additional funds currently available in account		
11412022-035270 – Medicine and Medical Supplies			\$48,324		

RECOMMENDATION:

Staff recommends the Board of County Commissioners authorize increases to the listed Purchase Orders as approved by the Budget Office, up to the maximum amount requested for the current fiscal year.