

**INDIAN RIVER COUNTY  
OFFICE OF MANAGEMENT AND BUDGET  
PURCHASING DIVISION**

**DATE:** April 26, 2022

**TO:** Board of County Commissioners

**THROUGH:** Jason E. Brown, County Administrator  
Kristin Daniels, Budget Director

**FROM:** Jennifer Hyde, Purchasing Manager

**SUBJECT:** Amendment to Annual Award for Sulfuric Acid (Bid 2022004)

**BACKGROUND:**

On September 21, 2021, the Board awarded bid 2022004 to Shrieve Chemical Company, LLC for sulfuric acid, which is used to treat water before it is fed into the RO membranes at the County’s water treatment plants. The period of the award was October 1, 2021 through September 30, 2022, with two one-year renewal options available.

**ANALYSIS:**

Shrieve has approached staff with a request to increase the contract price, due to a significant increase in the cost of sulfur since the time of the bid. The most recent increase is in large part due to sanctions against Russia, one of the largest exporters of sulfur.

Index Release Date	Tampa Contract Price	Change		
July 16, 2021	\$195/liquid ton	N/A	<b>Bid price</b>	\$1.83/gal
September 17, 2021	\$183/liquid ton	-6.15%		
January 7, 2022	\$282/liquid ton	54.10%		
April 1, 2022	\$481/liquid ton	70.57%	<b>Requested adjusted price</b>	<b>\$2.33/gal</b>

Shrieve is asking for a standing adjustment to the price, whether an increase or decrease, based on the Green Markets Tampa Sulfur contract posting. Their request is for a change equal to 1/3 of the price change be made (as one ton of liquid sulfur is used to produce three tons of sulfuric acid).

Calculations for the change requested to be effective May 3, 2022 are shown below.

New Sulfur Price	Previous Sulfur Price	Sulfur Price Change	Acid Price Change (Sulfur price Change x.33)	surcharge (acid price change/130.72 gal/ton)	New Price per gallon
\$481/lt	\$282/lt	\$199/lt	\$65.67	\$0.50	\$2.33

The requested new price is \$0.05 per gallon more than the other bid originally received (\$2.28) in response to Bid 2022004 and will result in a total increase of \$36,524 over the remaining term of the contract. Shrieve has efficiently provided sulfuric acid to Utilities plants for several years, and staff believes their request to be moderate, considering existing supply chain issues. Furthermore, staff anticipates the alternative of terminating the contract with Shrieve and rebidding would result in much higher prices than the price increase requested.

Staff has drafted an amendment to the award to facilitate the quarterly modifications. Annual extensions to the agreement will be brought to the Board for consideration, with a history of escalations during the previous term.

Contract Spend to Date at \$1.83/gal (73,047 gal)	Anticipated cost for remainder of current term (73,047 gal)	Updated Total Annual Cost for current term
\$133,676	\$170,200	\$303,876

**FUNDING:**

Funds for sulfuric acid will be made available in the Water Production Chemicals account in the operating fund. Operating funds are derived from water and sewer sales.

Account Number	Account Name	Available Amount
47121936-035230	Utilities Fund/Water Production/Chemicals	\$170,200

**RECOMMENDATION:**

Staff recommends the Board approve the amendment to the award, allowing for quarterly price modifications, and authorize the Purchasing Manager to approve an August amendment, after review and approval by the County Attorney as to form and legal sufficiency.

**Attachment**

Notice of Amendment to Award