

**ACTION ITEM
BOARD OF SUPERVISORS**

DATE July 1, 2008

TO Board of Supervisors

FROM Steve Crosby
Interim Director of Utilities

DNA

ISSUE Execute a Contract Extension for the Purchase of Liquid Aluminum Sulfate

STAFF RECOMMENDATION Approval

BUDGET IMPACT \$471,764 from various operating budget accounts

ATTACHMENTS: (2)

[1] Background Report [2] Reso/Ord/Proc # R08-351

[] [] Reso/Ord/Proc #

[] [] Reso/Ord/Proc #

REVIEW [X] County Administrator's Office *[Signature]*

[X] Legal *[Signature]*

[X] Budget Division *[Signature] [Signature] [Signature]*

- [X] Consent Agenda [] Other Business [] Public Hearing
- [] Discussion Item [] Presentation [] Unfinished Business
- [] New Business

PRESENTATION BY N/A

ELECTION DISTRICT: N/A

BACKGROUND REPORT

Liquid Aluminum Sulfate is used by both wastewater treatment facilities and Abel Lake Water Treatment Facility. The original bid specifications provided for renewal of the annual contract for up to four (4) additional one-year periods. The original contract has been extended twice.

Currently, the cost for Liquid Aluminum Sulfate is \$211.30 per dry ton. General Chemical has offered a renewal price of \$314.30 per dry ton effective July 1 - an increase of nearly 49%. The increase is attributed to a significant increase in demand for sulfuric acid which is used in the production of aluminum sulfate and a simultaneous reduction in the output from oil refineries which are the primary source of sulfur for the U.S. This has resulted in an increase in the price of sulfuric acid from about \$75 per ton in September 2007 to about \$330 per ton in March 2008. In addition, increased transportation costs have added to the need for a significant cost increase.

A total of 1,501 dry tons of Liquid Aluminum Sulfate was budgeted for FY2009 at a cost of \$221.87 per dry ton for a total annual expenditure of \$333,027. At \$314.30 per dry ton, the actual annual expenditure for 1,501 dry tons will be \$471,764. Some of this \$138,000 difference will be offset by other chemical costs which came in under the amount budgeted.

Staff recommends that the Board authorize a contract amendment with General Chemical Performance Products, Inc. to extend the contract for an additional 12-month period at a unit cost of \$314.30 per dry ton with an estimated total expenditure of \$471,764.

PROPOSED

BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (the Board) held in the Board Chambers, Stafford County Administration Center, Stafford, Virginia, on the 1st day of July 2008

MEMBERS

VOTE

George H. Schwartz, Chairman
M. S. "Joe" Brito, Vice Chairman
Harry E. Crisp II
Mark Dudenhefer
Paul V. Milde III
Cord A. Sterling
Robert "Bob" Woodson

On motion of , seconded by , which carried by a vote of , the following was adopted

**A RESOLUTION TO AUTHORIZE THE COUNTY ADMINISTRATOR
TO EXECUTE A CONTRACT AMENDMENT TO EXTEND THE
CONTRACT FOR THE PURCHASE OF LIQUID ALUMINUM SULFATE**

WHEREAS, the Board has appropriated funds to be expended in FY2009 for the purchase of Liquid Aluminum Sulfate for use at the Aqua and Little Falls Run wastewater treatment facilities and Abel Lake Water Treatment Facility, and

WHEREAS, the current contract with General Chemical Performance Products, LLC contains provisions for two (2) additional one-year contract renewals, and

WHEREAS, staff has reviewed the per ton unit cost requested by the vendor for contract renewal and has found it to be reasonable given the current market conditions,

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 1st day of July 2008, that the County Administrator be and he hereby is authorized to execute a contract amendment with General Chemical Performance Products, LLC to extend the current contract for Liquid Aluminum Sulfate for an additional one-year period with an estimated expenditure of \$471,764