



# ***Commodity Purchase Contracts Exceeding Five Hundred Thousand Dollars***

***Presented by  
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# **Commodity Purchase Contracts**

- **October 2017 Board Meeting ratified 9 existing contracts.**
- **Purchasing chemicals and sludge hauling for our Waste Treatment facilities only.**
- **Contracts are by units of measure such as pounds, gallons or tons.**
- **Consumption is dictated by demand and volume.**
- **Most of the contracts are associated with cost reimbursable customers.**
- **Usually written for one year with four one-year options.**
- **The timing and consumption of these types of contracts is difficult.**



# **Commodity Purchase Contracts**

- **Five-year contracts accomplish two goals:**
  - 1) Achieve the best price over a long period for our customers; and
  - 2) Make it easier to educate and manage vendors.
- **Current BRA Operations Policy Manual (Section 2.01) requires board approval on any contract that may expend more than \$500,000 under the life of the contract.**
- **Requesting specific grant of authority for the CEO/GM to execute multi-year contracts exceeding \$500,000 for chemicals and sludge hauling.**
- **Expenditures may not exceed the established annual budgetary limitations set forth by the Board of Directors for these commodity items.**



**“BE IT RESOLVED that the Board of Directors of the Brazos River Authority hereby authorizes the General Manager/CEO to enter into contracts for commodity purchases of chemicals and sludge hauling services, in amounts exceeding the \$500,000 limitation established in Section 2.01 of the Brazos River Authority Operations Policies Manual, to the extent that the contracts and annual expenditures are within the approved annual budgetary expenditures authorized for these items by the Board of Directors.”**



# Brazos River Authority