



Staff Report

TO: City Council
FROM: Thaxton Van Belle, General Manager of Utilities
DATE: April 18, 2023
SUBJECT: Approval to Increase Purchase Order 22/231299 to H2O Innovation USA, Inc. in the amount of \$40,000 for Reverse Osmosis Chemicals

Description Increase H2O Innovation approved spending by \$40,000.

Background and Analysis:

Purchases for goods and services from a single firm that will exceed \$25,000 are brought to City Council per section 3.01.050 of the City's Purchasing Ordinance. In the FY 22/23 budget, a line item in the amount of \$24,900 was approved for chemicals related to the operation of the Reverse Osmosis (R.O.) System as provided by H2O Innovation. This amount was only to be used if and when the R.O. system could be brought back online after upstream system improvements. The R.O. system is now up, running, and optimized, allowing staff to properly forecast the chemical consumption for the remainder of the fiscal year, and place a proper request into the next FY budget.

H2O Innovations is the parent company of PWT Chemicals which is the manufacturer of the chemical being purchased which is both proprietary and sole source, meeting the bidding requirements in City Code 3.01.090 D.

The original \$24,900 purchase order has been exhausted, with an additional \$40,000 needed through the end of the fiscal year.

Fiscal Impact:

The estimated cost to prepare this staff report is \$250. There is no fiscal impact to the General Fund. The Wastewater Fund is able to absorb the proposed increase in the approved budget.

Recommended Action:

Increase Purchase Order 22/231299 by \$40,000 to H2O Innovations for a total purchase order amount of \$64,900 allocated to 700-4050-7070-0000.

Attachments:

A. Sole Source Letter