



2. Approve a change order to annual Purchase Order No. 230548 for ferric chloride with Kemira Water Solutions, Inc., of Fontana, California, in the amount of \$450,000 for a revised total of \$900,000;
3. Approve a change order to annual Purchase Order No. 231153 for sodium hypochlorite with Pioneer Americas, LLC., of Wilmington, Delaware, in the amount of \$580,000 for a revised total of \$1,399,700;
4. Approve a change order to annual Purchase Order No. 231158 for sodium bisulfite with Univar USA, Inc., of Kent, Washington, in the amount of \$300,000 for a revised total of \$700,000; and
5. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation in the amount of \$740,900 from available Sewer Working Capital to the Sewer Fund, Sewer Systems Treatment, Chemical Supplies expenditure account.

### **BACKGROUND:**

The Public Works Department Wastewater Division is responsible for the collection and treatment of wastewater generated within the City of Riverside and the communities of Edgemont, Highgrove, Jurupa, and Rubidoux at the Riverside Water Quality Control Plant (RWQCP). To satisfy the United States Environmental Protection Agency's (EPA) National Pollution Discharge Elimination System (NPDES) permit, wastewater must be treated to achieve regulatory water quality standards. The RWQCP treatment processes require various chemicals, including citric acid and ferric chloride, to achieve water quality objectives.

### **DISCUSSION:**

Market volatility, temporary supply shortages, and a Consumer Price Index (CPI) increase of 7.3% over the last 12 months, created an unexpected rise in unit costs for chemicals that were budgeted during the current FY 2022/23 budget cycle. Staff conducted a general market analysis comparing current vendor pricing to other businesses who offer similar goods.

To have sufficient funds available for the remainder of the fiscal year, staff is formally requesting City Council approval of the requested change orders, which are necessary to continue to comply with federal, state, regional and local regulatory requirements as part of the water treatment process.

This change order request is in accordance with Purchasing Resolution 23914 Section 602(j) which states, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances: ... (j) When the Procurement is subject to Section 404 of this Resolution, which generally allows for items peculiar to the needs of Riverside Public Utilities (Section 1203 of the City Charter) and Public Works – Sewer to be made through Informal or Negotiated Procurement".

Section 404 further states, "Utilities Exceptions. The Water, Electric and Sewer Utilities have a need for compatibility within their respective systems for uniform operation, maintenance and

replacement, and this need can be met by procuring certain supplies, equipment, and materials supplies through Informal Procurement or Negotiated Procurement.

If it appears to the Manager to be in the best interest of overall economy and efficiency of the City to do so, and it is within existing budget appropriation, the following supplies, equipment, and materials are determined to be peculiar to the needs of the Water Utility, the Electric Utility, and the Sewer Utility and may be acquired by Informal Procurement or Negotiated Procurement, regardless of their estimated Procurement expenditure amounts, provided that the City's Board of Public Utilities or City Council shall have approved the proposed acquisition if required under the provisions of the City Charter, either by approval of the procurement contract or approval of annual purchase orders...".

The Purchasing Manager concurs that the actions to approve are in compliance with Purchasing Resolution No. 23914.

### **STRATEGIC PLAN ALIGNMENT:**

These items support **Strategic Priority 4 – Environmental Stewardship** and **Goal 4.2 – Sustainably manage local water resources to maximize reliability and advanced water reuse to ensure safe, reliable, and affordable water to our community.**

**1. Community Trust** – Conducting regular water treatment routines ensures wastewater discharges do not negatively impact the community and environment. The RWQCP requires chemicals to treat wastewater, such as ferric chloride, hypochlorite, citric acid, sodium bisulfate, and polymer to comply with federal, state, regional and local regulatory requirements.

**2. Equity** – The purchase of these chemicals supports RWQCP efforts in protecting the public's health and environment by ensuring wastewater treatment is performed efficiently in compliance with federal, state, regional, and local regulatory requirements.

**3. Fiscal Responsibility** – The purchase of these chemicals supports RWQCP efforts in minimizing inefficiencies and develop control methods to maximize reliability and ensure efficient wastewater treatment.

**4. Innovation** – The purchase of these chemicals exemplifies a collaborative partnership between Northstar Chemical of Santa Fe Springs, California; Kemira Water Solutions Inc., of Fontana, California; Pioneer Americas, LLC., of Wilmington, Delaware; and Univar USA, Inc., of Kent, Washington, to enhance operational reliability by achieving measurable improvements through proper wastewater treatment.

**5. Sustainability & Resiliency** – The purchase of these chemicals supports the implementation of sustainability to treat wastewater that is generated within the City of Riverside and the communities of Edgemont, Highgrove, Jurupa, and Rubidoux at the Riverside Water Quality Control Plant.

### **FISCAL IMPACT:**

The total fiscal impact of the action is \$1,395,075. Funds are budgeted and available as listed in

the table below. Upon City Council approval, a supplemental appropriation of \$740,900 from the Sewer Working Capital will be recorded in the Sewer Fund, Sewer Systems Treatment, Chemical Supplies account number 4125200-426600, also listed in the table below.

| <b>Fund</b>  | <b>Program</b>                                      | <b>Account</b>        | <b>Amount</b>      |
|--------------|---|-----------------------|--------------------|
| Sewer        | Sewer Systems Collections, Chemical Supplies        | 4125100-426600        | \$80,000           |
|              | Sewer Systems Treatment, Chemical Supplies          | 4215200-426600        | \$574,175          |
|              | <i>Sewer Systems Treatment, Chemical Supplies *</i> | <i>4215200-426600</i> | <i>*\$740,900</i>  |
| <b>Total</b> |   |                       | <b>\$1,395,075</b> |

**\* Supplemental Appropriation**

Prepared by: Gilbert Hernandez, Public Works Director  
 Certified as to availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer  
 Approved by: Kris Martinez, Assistant City Manager  
 Approved as to form: Phaedra A. Norton, City Attorney

Attachment: Presentation