



## AGENDA REPORT

### City Council Meeting

**TODAY'S DATE:** March 6, 2025

**MEETING DATE:** March 19, 2025

**TO:** City Council

**FROM:** Cheryl Hughes, Central Services Director

**SUBJECT:** Declare Sole Source Supplier and Approve Purchase Order 25-1495 to OXARC, Inc.

#### DESCRIPTION/BACKGROUND:

The City purchases specialized industrial gases- Chlorine and Sulfur Dioxide for the Wastewater Treatment Plant and Chlorine gas as well as Soda Ash for the Water Treatment Plant. These are critical chemicals that are required for the disinfection at both the treatment plants. There are two companies – Air Gas and OXARC locally and regionally that can provide these gases. OXARC Inc. is located in Ponderay and Air Gas is located in Spokane Valley. Because of the high dollar amount spent on these gases, which have been and are currently being purchased through OXARC, Inc., due to availability, a procurement process was conducted to obtain pricing and product availability with Air Gas to ensure compliance with procurement policy and laws. On February 10, 2025, a request was sent to Air Gas for information on their ability to supply specific gases as well as their pricing list. No response was received by City staff from Air Gas.

When City staff inquired with Air Gas in 2024, it was discovered that they were unable to store the needed gases at their Spokane Valley location due to safety storage risk. At the time of this Staff Report, it is unknown if their plan is to retrofit their Spokane Valley location to be able to safely store these gases was completed. For the remainder of fiscal year 2025 and fiscal year 2026, this purchase is being considered sole source per Idaho Code §67-2808 – Emergency Expenditures and Sole Source Expenditures due to logistics and the potential public health and safety risk. The following subsections within §67-2808 would apply to this request:

*The governing board of a political subdivision may declare that there is only one (1) vendor if there is only one (1) vendor for the public works construction, services, or personal property to be acquired. For purposes of this subsection, only one (1) vendor shall refer to situations where there is only one (1) source reasonably available and shall include, but not be limited to, the following situations:*

- (i) Where public works construction, services, or personal property is required to respond to a life-threatening situation or a situation that is immediately detrimental to the public welfare or property;*
- (viii) Where competitive solicitation is impractical, disadvantageous, or unreasonable under the circumstances.*

**STAFF RECOMMENDATION:**

Staff asks Council to consider declaring specialty gas purchases for the Wastewater and Water Treatment Plants from OXARC, Inc., as sole source supplier for the remainder of Fiscal Year 2025 and Fiscal Year 2026; and, after the required 14-day advertisement in the legal publications of the Bonner County Daily Bee, with no challenges to this declaration, Purchase Order 25-1495 to OXARC Inc shall be approved in the amount of \$125,000.

**ACTION:**

Staff requests City Council declare specialty gas purchases for the Wastewater and Water Treatment Plants from OXARC, Inc., as sole source supplier for the remainder of Fiscal Year 2025 and Fiscal Year 2026; and, after the required 14-day advertisement in the legal publications of the Bonner County Daily Bee, with no challenges to this declaration, Purchase Order 25-1495 to OXARC Inc shall be approved in the amount of \$125,000.

**WILL THERE BE ANY FINANCIAL IMPACT? Yes HAS THIS ITEM BEEN BUDGETED? Yes**

**ATTACHMENTS:**

Proposed Resolution

OXARC, Inc. PO #25-1495