

## AGENDA REPORT

TO: Mayor Pat Humphrey and the City Commission  
FROM: Jeremy Howard, City Manager  
DATE: June 29, 2023  
RE: Approve Increase to Authorization Authority – Ferric Chloride Purchases

For the Agenda of July 3, 2023

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*Background.* To improve operational efficiency for the recurring purchase of ferric chloride for the City's Water Department, the City Commission approved a singular exception (*see copy of att'd Resolution 2018-075*) to the City's current purchasing policy, thereby granting Dale Clark, the City's Water Superintendent, the authority to make purchases of this chemical to a limit of \$8,000 without the need to solicit bids or quotations.

Over the last several years the price of ferric chloride has continued to increase significantly again placing us in the same position we were prior to the last request of the Commission to grant an exception to our purchasing policy. Consequently, we ask that the City Commission increase Dale's purchase authorization ceiling for ferric chloride to \$12,000 as an exception to our purchasing policy.

*Issues & Questions Specified.* Should the City Commission approve the City's Water Department Superintendent's authorization authority for the purchase of ferric chloride to \$12,000?

*Alternatives.*

1. Approve the requested increase.
2. Approve an increase in authorization to an amount less than \$12K.
3. Deny the request to increase the authorization level.
4. Defer decision regarding the matter to a subsequently scheduled meeting.

*Financial Impact.* Denial of the request will require that future frequent ferric chloride purchases be approved by the City Commission.

*Recommendation.* I recommend that the City Commission approve the increase of the authorization authority to \$12,000 by adoption of Resolution 2023-049 (*copy att'd*).

*Attachments.*

1. Resolution 2018-075.
2. Resolution 2023-049.

**RESOLUTION 2018-075**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING AN EXCEPTION TO THE CITY'S PURCHASING POLICY IN RESPECT TO THE PURCHASE OF FERRIC CHLORIDE.**

**WHEREAS**, by adoption of its Resolution 2017-134, the Clare City Commission approved an exception to its established purchasing policy to grant the City's Water Superintendent the authorization to approve purchases of ferric chloride for an amount not to exceed \$5,000, thereby significantly improving the efficiency of the process to make said recurring purchases; and

**WHEREAS**, the City has been informed by the region's sole provider of said chemical of a significant increase in the cost of said chemical, thereby rendering said previously approved \$5,000 authorization level to be too low; and

**WHEREAS**, the Clare City Manager has again requested that the City Commission grant an interim exception to the current purchasing policy specifically for the purchase of Ferric Chloride for the City's Water Department, said authorization level be raised to \$8,000.

**NOW THEREFORE BE IT RESOLVED THAT** the Mayor and City Commission of the City of Clare hereby grants an exception to the City of Clare purchasing policy in that the City's Water Superintendent shall be authorized to singularly approve all purchases of ferric chloride so long as no single purchase exceeds \$8,000.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

**The Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:**

**YEAS:**

**NAYS:**

**ABSENT:**

**Resolution approved for adoption on this 18<sup>th</sup> day of June 2018.**

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**Diane Lyon, City Clerk**

**RESOLUTION 2023-049**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING AN EXCEPTION TO THE CITY'S PURCHASING POLICY IN RESPECT TO THE PURCHASE OF FERRIC CHLORIDE.**

**WHEREAS**, by adoption of its Resolution 2018-075, the Clare City Commission approved an exception to its established purchasing policy to grant the City's Water Superintendent the authorization to approve purchases of ferric chloride for an amount not to exceed \$8,000, thereby significantly improving the efficiency of the process to make said recurring purchases; and

**WHEREAS**, the City has continued to see a significant increase in the cost of said chemical, thereby rendering said previously approved \$8,000 authorization level to be too low; and

**WHEREAS**, the Clare City Manager and City Treasurer have again requested that the City Commission grant an exception to the current purchasing policy specifically for the purchase of Ferric Chloride for the City's Water Department, said authorization level be raised to \$12,000.

**NOW THEREFORE BE IT RESOLVED THAT** the Mayor and City Commission of the City of Clare hereby grants an exception to the City of Clare purchasing policy in that the City's Water Superintendent shall be authorized to singularly approve all purchases of ferric chloride so long as no single purchase exceeds \$12,000.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

The Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:

**YEAS:**

**NAYS:**

**ABSENT:**

**Resolution approved for adoption on this 3<sup>rd</sup> day of July, 2023.**

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**Diane Lyon, City Clerk**