



STATE OF NEW MEXICO SOLE SOURCE REQUEST AND DETERMINATION FORM

A sole source *determination* is not effective until the *sole source request for determination* has been posted for thirty (30) calendar days without challenge, and subsequently approved in writing by the State Purchasing Agent or, for Professional Services Agreements, the Secretary of the Department of Finance and Administration. The foregoing requirement is regardless of whether the *sole source request for determination* has been signed by the Agency and/or the Contractor.

I. Name of Agency: *City of Las Vegas*

Agency Chief Procurement Officer: *Helen Vigil*

Telephone Number: *505-454-1401*

Agency Contact for this request: *Water Treatment Plant*

Telephone Number & Email Address *505-454-3832*
jhathaway@lasvegasnm.gov

II. Name of prospective Contractor: *ChemTrade*

SHARE Vendor Number (must be active): *973-515-1841*

Address of prospective Contractor: *90 East Halsey Road*
Parsippany, NJ 07054

Contact Name, Telephone Number and Email Address: *Michele Schroeher,*
973-515-1841 email:mschroeher@chemtradelogistics.com

Amount of prospective contract before tax: *\$15,000.00*

Estimated tax amount (tax is subject to change): *\$0*

Term of prospective contract: *November 01, 2020 thru October 31, 2021*

Note: For terms longer than one year, Request for Policy Exemption from DFA MUST be included.

III. Agency is required to state purpose/need of purchase and thoroughly list the services (scope of work), construction or items of tangible personal property of the prospective contract (if this is an amendment request to an existing contract, include current contract number issued by SPD):

ChemTrade has been the City's provider of Aluminum Sulfate for drinking water treatment for almost 13 year. During the same period, the City has put out to bid for the product each year with the same results: Chemtrade is lower priced, quicker to deliver, and located closer than any other vendor.

- IV. Provide a detailed explanation of the criteria developed and specified by the agency as necessary to perform and/or fulfill the contract and upon which the state agency reviewed available sources. (Do not use “technical jargon;” use plain English. Do not tailor the criteria simply to exclude other contractors if it is not rationally related to the purpose of the contract.)

The criteria for aluminum sulfate and specified by the agency as mentioned above is the general specification used for liquid aluminum sulfate as indicated in the quote provided by ChemTrade. This is the industry standard for the product when used to treat drinking water.

- V. Provide a detailed, sufficient explanation of the reasons, qualifications, proprietary rights or unique capabilities of the prospective contractor that makes the prospective contractor *the one source* capable of providing the required professional service, service, construction or item(s) of tangible personal property. (Please do not state the source is the “best” source or the “least costly” source. Those factors do not justify a “sole source.”)

The City has put aluminum sulfate out to bid in the past. Without exception, ChemTrade has won the bid for the following reasons:

- 1. ChemTrade is the only vendor that produces the product that is compatible with our water distribution system.*
- 2. The product has consistently met the criteria mentioned in Part IV above.*

- VI. Provide a detailed, sufficient explanation of how the professional service, service, construction or item(s) of tangible personal property is/are *unique and how this uniqueness is substantially related to the intended purpose of the contract.*

The aluminum sulfate provided by ChemTrade is unique in that the company is the only vendor that can produce the chemical that is compatible with the City of Las Vegas system.


- VII. Explain why other similar professional services, services, construction or item(s) of tangible personal property *cannot* meet the intended purpose of the contract.

There are no similar products to aluminum sulfate as specified for drinking water treatment.

- VIII. Provide a narrative description of the agency's due diligence in determining the basis for the procurement, including procedures used by the agency to conduct a review of available sources such as researching trade publications, industry newsletters and the internet;; contacting similar service providers; and reviewing the State Purchasing Divisions' Statewide Price Agreements. Include a list of businesses contacted (*do not state that no other businesses were contacted*), date of contact, method of contact (telephone, mail, e-mail, other), and documentation demonstrating an explanation of why those businesses could not or would not, under any circumstances, perform the contract; or an explanation of why the agency has determined that no businesses other than the prospective contractor can perform the contract.

As previously stated, the City has put this chemical out to bid for the past decade. Each time, ChemTrade has been the sole bid and has consistently been met design criteria. All other bidders were either unable to produce and ship the chemical in a timely manner, or were not able to meet design criteria.

Certified by:



Department Director


Date: 12/8/20



Procurement Officer

Date: 12/8/2020

APPROVED:



Finance Director

Date: 12-8-20



90 East Halsey Road
Parsippany, NJ 07054
Phone: 1-800-631-8050
Fax: 973-515-4461

September 30, 2020

Mr. Jesus Hathaway
City of Las Vegas, NM
Subject: 2020 - 2021 Quote on Liquid Aluminum Sulfate

Dear Mr. Hathaway,

Aluminum Tri Hydrate is one of the key raw materials in the production of Aluminum Sulfate "Alum". There continues to be cost escalation for Aluminum Tri-Hydrate due to unforeseen market changes thereby leading to increased cost in the manufacturing of Alum. Chemtrade has received a significant price increases from our suppliers over the past few years. These increases are driven by the cost increase associated with imported Aluminum Hydrate caused by the sanctions on Rusal and operational issues at a second Brazil based supplier. Though price has flattened, we do expect to see a slight increase for 2021 for freight.

Despite reports in the news about continued weakness in the Fertilizer and Sulphur markets, the demand for Sulphuric Acid remains strong in most industries including Water Treatment and Oil Refining. With the lower supply of volume in the market, suppliers will need to look to import Sulphuric Acid in some markets. We expect to see increased cost for 2021 for this demand.

Additionally, Chemtrade is continues to be captive to our sole carrier in the New Mexico market and our contracted rates. Sadly, we continue to see receive significant increases year over year in our freight costs as the carrier need to cover their costs for retaining drivers and maintaining vehicles.

Please see the updated quote for Liquid Aluminum Sulfate below:

<u>Product Description</u>	<u>Package Configuration</u>	<u>Price /dry ton</u>	<u>Price/wet ton</u>
<i>Liquid Aluminum Sulfate</i>	<i>Truckload – 45,000 LBS</i>	<i>\$557.00</i>	<i>\$270.15</i>

Terms and Conditions:

Freight Terms: Prepaid Delivered – Las Vegas, NM

Payment Terms: Net 30 days.

Expiration: This price is valid November 1, 2020 through October 31, 2021

Minimum Order Quantity: Truckload 45,000 LBS



CHEMTRADE

90 East Halsey Road
Parsippany, NJ 07054
Phone: 1-800-631-8050
Fax: 973-515-4461

Minimum Order Lead Time: 5 days

If you have questions regarding this proposal, please contact me by phone me at 973-515-1841 or by email at mschroeh@chemtradelogistics.com.

Best regards,

Michele Schroeh

Michele Schroeh
Business Manager
Chemtrade
973-515-1841

Cc: Robert Naranjo