VILLAGE OF RUIDOSO
SOLE SOURCE CERTIFICATION

A sole source purchase is permissible when there is only one vendor in the overall geographical region that can provide an item or service. (§13-1-126 NMSA 1978, 1997 Repl.) The Department Director, Purchasing Agent or representative shall certify that a good faith effort has been made to contact other vendors in the general overall geographical region that the sole source has been located, and that the item or service is the only source found to be available in the region. The Village Manager or Deputy Village Manager must give final approval for sole source purchases.

The Purchasing Agent shall certify that every effort has been made to determine if there is a Federal Purchasing or State contract for the item or services requested and that negotiations, as appropriate, have been conducted with the sole source vendor to determine that it is the best obtainable price.

Full Description of item or service:
Aluminum Sulfate is needed for the removal of Phosphorous from our Effluent Stream.

Additional Justification Information:
Chameleon Industries is the closest source of bulk liquid Aluminum Sulfate for our facility within our region.

Sole Source Vendor:
Chameleon Industries

Name/Contact Person of Sole Source Vendor: Chino Garza

Address/Telephone# of Sole Source Vendor:
P.O. Box 853027, Mesquite, TX 75185, 972.880.1493

Term of Contract: 1 Year

Price of Sole Source Items or Services: Approximately $179,000/year ($0.14/per pound, 49,000/pounds per truck load, every other week).

CERTIFICATION BY DEPARTMENT:

I hereby certify that a good faith effort has been made to contact other vendors in the general overall Geographical region in which the sole source has been located, and that there is only one source for the required service or item of tangible personal property.

Department Head: _______________________________ Date: 5-16-22

CERTIFICATION OF PURCHASING AGENT:

I hereby certify that there is not a GSA or State Contract for the item or service requested and that negotiations, as appropriate, have been conducted with the sole source vendor to determine this is the best price obtainable.

Purchasing Agent: _______________________________ Date: 5-16-22

Management Approval
Village Manager/Deputy Manager: _______________________________ Date: 5-16-22
Village of Ruidoso - Wastewater Treatment Plant
Attn: Gigi Dixon
313 Cree Meadows Dr.
Ruidoso, NM 88345

Re: Liquid Aluminum Sulfate

Dear Ms. Dixon:

Aluminum sulfate (alum) is the most common coagulant chemical used in water treatment. When applied to raw water, it reacts and releases free ions (Al^{3+}) to form highly charged species that efficiently attract and entangle suspended and colloidal organic impurities in raw water. In the treatment of wastewater, alum has proven to be an effective treatment for municipalities trying to comply with more stringent environmental regulations concerning total organic carbon, turbidity, and phosphorous effluent discharge levels. Alum has been a widely accepted water treatment method because of its chemical efficiency, safe characteristics, and cost effectiveness.

To produce alum, aluminum ore or alumina hydrate (yields higher grade) is mixed with sulfuric acid and water to yield liquid alum, i.e. 48% aluminum sulfate dissolved in water. Liquid alum is then filtered and packaged in drums, totes, or tanker trucks for shipment. Additional processing is required to evaporate the water present in liquid alum to yield dry alum, which is crushed, ground, and screened for particle size. The resulting solid, whether in powder or a more granular form, is either bagged or left in bulk for shipment. Because of additional processing and lower domestic demand, dry alum is sold at a substantial premium: 40-100 percent higher than the liquid form is customary.

The alum industrial base has matured to meet the demand of municipal water/wastewater treatment and industrial consumer markets resulting in numerous manufacturing facilities dispersed across the US. Although alum is marketed in both liquid and dry forms, economics has driven US users to purchase liquid alum from a regional manufacturer and equip their facilities with the requisite receiving, storage, and handling infrastructure. Significant capital costs are incurred if a user decides to shift from one form of alum to another. Liquid alum accounts for over 90 percent of alum shipments made in the US.

<table>
<thead>
<tr>
<th>Typical Handling &amp; Storage Infrastructure</th>
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<tbody>
<tr>
<td><strong>Liquid Alum</strong></td>
</tr>
<tr>
<td>+6,500-gal bulk storage tank</td>
</tr>
<tr>
<td>Liquid transfer pumps</td>
</tr>
<tr>
<td>Liquid feed meters</td>
</tr>
<tr>
<td>Facility Piping</td>
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<tr>
<td>2-in. quick connect (delivery)</td>
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<tr>
<td><strong>Dry Alum</strong></td>
</tr>
<tr>
<td>+7,500-ft³ silo storage tank</td>
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<tr>
<td>Pneumatic blowers</td>
</tr>
<tr>
<td>Volumetric dry feeder</td>
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<tr>
<td>Pressurized pneumatic pipes</td>
</tr>
<tr>
<td>4-in. quick connect (delivery)</td>
</tr>
</tbody>
</table>
Not surprisingly, the number of US facilities producing liquid alum far outnumber those producing the dry form. There are less than 10 known facilities equipped to yield dry alum and they have mostly coalesced in US coastal regions.

Chameleon Industries, located in west Texas, is the only regional alum provider for the Village of Ruidoso Wastewater Treatment Plant. Over the past 10 years Chameleon Industries has solidified a relationship with the treatment facility by dependably delivering the highest-grade liquid alum on the market, hydrate alum. We seamlessly interface with the plant's infrastructure and daily operations with minimal oversight - resulting in a successful business rhythm that has been critical for both organizations.

Respectfully,

Faustino I. Garza
President | Chameleon Industries Inc.