

SOLE SOURCE JUSTIFICATION FOR EMISSION REDUCTION CREDIT

1. The supply/material listed on *(insert Purchase Request number)* is available from only one source, and competition is precluded for reasons indicated below. There are no substitutes available for this material.

The Emission Reduction Credit Purchase request number M9373714SUF004 is only available from only one source and completion is precluded for reason indicated below. There is no substitute available.

2. Restricted to the following source: *(provide original manufacturer's name). (If a sole source manufacturer distributes via dealers, also provide dealer information.)*

Manufacturer: Element Markets, LLC
Manufacturer POC and Phone Number: Michael Taylor; Senior Vice President;
281-207-7207

Manufacturer Address: 3555 Timmons Lane, Suite 900, Houston, TX 77027
Manufacturer's Dealer/Representative: Jackie Ferlita
Dealer/Representative Address and Phone Number: 15541 Commerce Lane,
Huntington Beach, CA 92648; 714-397-5508

3. Description of the item required, the estimated cost, and required delivery date.

The following Emission Reduction Credit (ERC) for Oxides of Nitrogen (NOx; and Volatile Organic Compound (VOC) are needed to offset the emission that will be generated for the Dip Tanks Facility project at MDMC in order to process the air permit application.

Estimated cost: Oxides of Nitrogen (NOx), 1.44 tons, \$50,400.00
Volatile Organic Compounds (VOCs), 0.395 ton/790 Lbs., \$10,000.00
Transfer fee of two certificates, \$150.00
Structuring Fee, \$2,114.00
Delivery date: 21 Feb 2014.

4. Specific characteristics of the material that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.

Element Markets, LLC is the only company that submitted the proposal out of the five Emission Reduction Credit Brokers listing from the MDAQMD website. The solicitation went out and the five ERC brokers were invited to participate in the solicitation. The NOx and VOC ERC must be obtained from the ozone non-attainment area and be approved by the MDAQMD. The date of ERC procurement is critical for the approval of the pending air permit application for the Dip Tanks Facility project at MDMC. The air permit application cannot be

processed until Mojave Desert Air Quality Management District (MDAQMD) receives the ERC offset requires for NOx, and VOC. If ERC acquisition is delayed for two weeks the contract will be affected and the dip tanks project will on hold. This will add more cost for the government due to late delivery of the project.

5. Check and fill in all that are applicable:

The material must be compatible in all aspects (form, fit, and function) with existing systems presently installed. Describe the equipment you have now and how the new item must coordinate, connect, or interface with the existing system:

A patent, copyright, or proprietary data limits competition. The proprietary data are described as follows:

These are “direct replacement” parts/components for existing equipment.

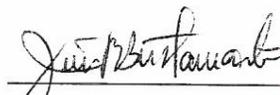
Other information to support a sole-source buy:

Element Markets, LLC is the only company that submitted the proposal out of the five ERC brokers listed from the MDAQMD website. The solicitation period started on January 27 – 31, 2014 and no proposals were received and so got extended for another week and ended 7 February 2014, and received one proposal from Element Markets, LLC. The ERC certificate from Element Markets, LLC for NOx and VOC meet the requirements of MDAQMD and came from the ozone non-attainment area. The ERC for NOx and VOC for ozone non-attainment area are hard to find and the evidence is one out of the five ERC brokers had submitted the proposal. As stated on item 4, the ERC acquisition is critical for having the air permit move forward for approval, and the more days delay, the construction of the dip tanks will be delayed too and will cause government loss of production

I certify that statements checked and information provided above are complete and correct to the best of my knowledge. I understand that the processing of this Sole-Source Justification precludes the use of full and open competition. The required material represents the minimum requirements of the Government.

JIM P. BUSTAMANTE, EPS

Project Officer Name/Title


Signature

2/13/14

Date

Sole Source Justification for Simplified Acquisitions Over \$3,000 and Up To \$100,000—Supplies

Jane Henley
Contracting Officer Name/Title

Jane Henley
Signature

2/21/2014
Date

Donald A. J...
Counsel Name

D.J. THORNLEY
COUNSEL
Signature

13 FEB 14
Date