



## Analysis

This ordinance approves an amendment to a sole source contract between the Metropolitan Government and Southern Sales, a division of Tencarva Machinery. The Council approved the original contract through Resolution No. RS2020-625 on November 5, 2020. The contract term was five years from the date of the filing with the Metropolitan Clerk, and its total value was estimated to be \$20,000,000. The ordinance under consideration would extend the contract term to 10 years and increase the estimated contract value to \$30,000,000.

Sole source contracts may be awarded under the Metro procurement code when it is determined that there is only one source for the supply or services rendered. Section 4.12.060 of the Metro Code requires all sole source contracts having a total value in excess of \$250,000 to be approved by the Council. Sole source contracts are generally approved by resolution, however, contracts with a term exceeding sixty months must be approved by ordinance.

The original contract provided products, parts, and equipment for specific brands of products used by the Department of Water and Sewerage Services within its water treatment system. The amendment under consideration would also allow for additional services and an escalation of rates for that service. A pricing exhibit in the original contract would also be replaced to reflect these rates.

The Department of Water and Sewerage Services has used this contract to purchase products and equipment through Southern Services from other vendors, and at a discount for certain products. According to the sole source justification forms, these parts are not interchangeable, and no other products or parts are compatible with existing equipment. Southern Company is the only authorized representative for these product lines for this region, according to the sole source justification forms provided with this contract amendment.