



Quote Request: Nutrient Credits

August 12, 2022

The Town of Bridgewater, in the Shenandoah/Potomac watershed, General Permit number VAR040054, solicits quotes from nutrient credit banks for the purchase of perpetual nutrient credits. The credits are to assist the Town in reaching the nutrient reductions in its MS4 Chesapeake Bay Total Maximum Daily Load requirements (the "TMDL Requirements").

For purposes of this Request,

- **Qualifying Credits** are permanent nutrient credits approved by DEQ and applicable to the Town's TMDL Requirements. Note: We might accept credits not yet approved by DEQ, so long as timely approval appears certain.
- The **Target** is based on the Town's 2023 and 2028 TMDL Requirements:

	<u>2023 Reduction</u>	<u>2028 Reduction</u>
Phosphorus.....	50 lbs.	124 lbs.
Nitrogen.....	399 lbs.	999 lbs.
TSS	42,096 lbs.	105,240 lbs.

The **Target** is to purchase credits totaling 100-125% of the 2023 Reduction in one transaction or several transactions with multiple vendors.

- The **Decision Date** will be no later than September 15, 2022. We might act sooner. (The **Decision Date** is intended to make sure that you will hold your price firm for just a bit.)
- The **Contract Date** is October 15, 2022, but if a vendor wants a reasonable extension, we can grant it. (The **Contract Date** is intended to finalize all the details as soon as practicable after the **Decision Date**, mainly for your protection.)

Quotes must state the pounds of phosphorous available and the price per pound. Quotes must include sufficient evidence of (i) DEQ approval and (ii) the corresponding reductions of nitrogen and sediment associated with each pound of phosphorous. Quotes should also describe any required payment terms, else we will assume that payment will occur at transfer which will occur a reasonable period before June 30, 2023.

We will base our decision on five factors:

1. Quoted price.
2. Value, where p is pounds of phosphorous per \$1000, n is the included pounds of nitrogen, and s is the included pounds of sediment, as follows:

$$value = p + \frac{0.75n}{6.2} + \frac{0.4s}{541.5}$$

If you provide the nitrogen and sediment ratios, we will run the calculations.

3. Utility of the credits (with included nitrogen and sediment) toward reaching our **Target**.
4. Trustworthiness of the vendor and apparent verity of the credits.
5. Commercial convenience, meaning, for example, that we will prefer one simple transaction to multiple complicated transactions.

By providing a quote, vendors represent that they possess a sufficient quantity of **Qualifying Credits** and that the quoted price will be valid until the **Decision Date**.¹ If the Town elects to purchase **Qualifying Credits** through a quote, the parties will work to put a more formal contract in place by the **Contract Date**. This transaction is not subject to the Virginia Procurement Act, and this instrument is not an Invitation to Bid. Notwithstanding anything herein to the contrary, the Town may elect to purchase credits (i) from a vendor providing a quote (under quoted or negotiated terms), (ii) some other vendor, or (iii) not at all.

Kindly communicate with the Town by email directed to green@bridgewater.town. If you must speak by telephone, call us (540) 908-4212. If you must hand-deliver documents, please deliver them to 201 Green Street, Bridgewater, Virginia. And if you must use the post, send materials to PO Box 72, Bridgewater, Virginia 22812.

TOWN OF BRIDGEWATER, VIRGINIA

By: _____

Town Manager

¹ Vendors may withdraw a quote before the **Decision Date** by providing the Town with 48 hours' written notice, during which time the Town may accept the quote and bind the vendor.