



CITY OF HUNTINGTON BEACH

Sole-Source Justification (For use on all goods and services acquisitions.)

This justification document consists of two (2) pages. All information must be provided and all questions must be answered. The "Required Approvals" section must include a date for each signature, as appropriate for the transaction.

Requesting Department Information			
Date: July 7, 2022			
Requestor Name: Rudy Ocampo		Division Manager: Alvin Papa (Type names. Do not sign.)	
Department: Public Works		Department Head: Sean Crumby (Type names. Do not sign. Must be same as signature below.)	
Department Contact Information			
Contact Name: Chris Davis		Street Address: 19001 Huntington Street	
Telephone: 1641		Shipping Address: 19001 Huntington Street	
Fax:			
Cellular phone:			
Required Contact Information			
Contractor/Supplier Name: Ferguson Waterworks 1083			
Contractor/Supplier Address: PO Box 740827			
Contractor/Supplier City/State/Zip: Los Angeles, CA 90074			
Original Contract Amount:* \$N/A <small>(*Includes original contract and previously approved amendments)</small>		Amendment Amount:* (if applicable) \$N/A <small>(*Current amendment only)</small>	New Contract Amount:* \$250,000 <small>(*Includes original contract and all amendments, including current amendment)</small>
Provide a brief description of the acquisition, including all goods and/or services the contractor will provide: <i>SEE ATTACHED</i>			
Contract Type and Term			
Contract Type: Select One: <input checked="" type="checkbox"/> Goods <input type="checkbox"/> Service <input type="checkbox"/> Goods & Services		Contract Term: Begin: 7/6/2022 End: N/A	What account number will be used to purchase? Business Unit: 50685805 Object Code: 84300
Required Approvals			
Department Head <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied Signature 07/06/22 Date	Finance Manager - Budget <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied Signature 7/13/2022 Date	Chief Financial Officer <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied Signature 7/12/2022 Date	Assistant City Manager <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied Signature 7/19/2022 Date (Transactions exceeding \$50,000 must be approved by City Council)



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Sole Source Justification

(For use on all goods and services acquisitions.)

Complete responses must be provided for all of the following items.

A. THE GOOD/SERVICE REQUESTED IS RESTRICTED TO ONE SUPPLIER FOR THE REASONS STATED BELOW:

1. **Why is the acquisition restricted to this goods/services/supplier?**

(Explain why the acquisition cannot be competitively bid.)

The City has approximately 55,000 water meters in the water distribution system. The Water Meter section of Public Works is undergoing a 15 year replacement program of the water meters in the system. It would be extremely expensive to train staff and store different sets of parts for different meter types. Per the attached letter from Neptune Technology Group, Inc. Ferguson Waterworks has exclusive rights in California to the Neptune product line.

2. **Provide the background of events leading to this acquisition.**

The City must systematically replace water meters in the system in order to accurately measure and bill customers for water usage. Systemwide replacement can be done on a 15 year cycle. It would be impractical to bid every three years and risk a vendor with a different type of meter winning the bid, resulting in multiple types of meters in the system.

3. **Describe the uniqueness of the acquisition (why was the good/service/supplier chosen?).**

It would be impractical, if not impossible to risk having a vendor with a different type of meter winning the bid, resulting in multiple types of meters in the system.

4. **What are the consequences of not purchasing the goods/services or contracting with the proposed supplier?**

Multiple types of vendors would require additional staff to maintain different meters rather than the economy of scale created by having only the one. Additionally, different parts would be needed if multiple types of meters were used.

5. **What market research was conducted to substantiate no competition, including evaluation of other items considered?**

(Provide a narrative of your efforts to identify other similar or appropriate goods/services, including a summary of how the department concluded that such alternatives are either inappropriate or unavailable. The names and addresses of suppliers contacted and the reasons for not considering them must be included OR an explanation of why the survey or effort to identify other goods/services was not performed.)

The Water Meter section has tested all meter types in the industry.

B. PRICE ANALYSIS

1. **How was the price offered determined to be fair and reasonable?**

(Explain what the basis was for comparison and include cost analyses as applicable.)

N/A

- 2. Describe any cost savings realized or costs avoided by acquiring the goods/services from this supplier. The cost of switching to another type of meter has not been researched, but would require a large investment in materials and staff time to replace 55,000 meters.**

Remit completed form to:

City of Huntington Beach – Purchasing Division
2000 Main Street, Huntington Beach, CA 92648-2702



NEPTUNE
TECHNOLOGY GROUP

July 7th 2022

To: City of Huntington Beach; Attn: Rudy Ocampo
Re: Sole Source California Distribution; Products and Systems Support

Dear Rudy:

Neptune Technology Group continues to value the longstanding relationship with utilities in the Southern California market. To meet procurement requirements and provide the City of Huntington Beach with optimum sales and customer experience, Neptune utilizes Ferguson Waterworks, our exclusive distributor for California. Neptune takes a single distributor approach to cover hardened territories set forth in our distribution agreements. Ferguson is a Level One distributor of Neptune which is the highest rank meaning they commit extra time to training to our portfolio of solutions. They have a certified sales and support team to meet and exceed the support needs of our customer base. Their services not only support Neptune water meters, but our parts, software, network, and extended maintenance services.

If you have any questions, please feel free to contact me at any time. My contact information is provided below. Otherwise, we look forward to being your most valued partner in assisting you meet the needs of your customers in Huntington Beach.

Sincerely,

Andy Bohn
District Manager CA/NV
abohn@neptunetg.com
Cell: 415-710-2046

