



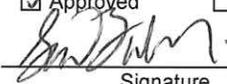
CITY OF HUNTINGTON BEACH

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

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JUL 15 2021

Finance Department

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: June 17, 2021			
Requestor Name: Sgt. Jeff Goodspeed		Division Manager: Lt. Chris Nesmith <small>(Type names. Do not sign.)</small>	
Department: Police		Department Head: Chief Harvey <small>(Type names. Do not sign. Must be same as signature below.)</small>	
Department Contact Information			
Contact Name: Sgt. Jeff Goodspeed		Street Address: 18401 Gothard St., Huntington Beach, Ca 92648	
Telephone: 714-536-5997		Shipping Address: Same	
Fax:			
Cellular phone:			
Required Contact Information			
Contractor/Supplier Name: Helimart Inc.			
Contractor/Supplier Address: 17811 Mitchell N.			
Contractor/Supplier City/State/Zip: Irvine CA 92614			
Original Contract Amount:* \$300,000 per year for 3 years <small>(*Includes original contract and previously approved amendments)</small>		Amendment Amount:* (if applicable) \$330,000 in 2020 <small>(*Current amendment only)</small>	New Contract Amount:* \$340,000 per year for the next 5 years <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:			
Helicopter parts			
Contract Type and Term			
Contract Type:		Contract Term:	What account number will be used to purchase?
Select One: <input checked="" type="checkbox"/> Goods <input type="checkbox"/> Service <input type="checkbox"/> Goods & Services		Begin: 7-1-21 End: 7-1-26	Business Unit: Object Code:
Required Approvals			
Department Head	Principal Finance Analyst	Chief Financial Officer	Assistant City Manager
<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied	<input type="checkbox"/> Approved <input type="checkbox"/> Denied
 Signature	 Signature	 Signature	 Signature
7/14/21 Date	7/19/2021 Date	 Date	 Date
<small>(Transactions exceeding \$50,000 must be approved by City Council)</small>			



CITY OF HUNTINGTON BEACH

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.)

Helimart is a local aviation parts supplier that the HBPD has had a sole source agreement with for the past six years. Helimart provides the Air Support Unit with the majority of all parts ordered to maintain the readiness of the three Police Helicopters. Helimart maintains the largest parts inventory of any other supplier to include the manufacturer. Helimart is located in Irvine, which allows them to deliver parts within hours upon being ordered. Multiple times in the recent past, the Air Support Unit has ordered parts from Helimart that no other supplier had access to. Without these parts, the aircraft would not have been able to fly. The next two closest vendors, (Ro-Wing Aviation and Sea Side Helicopters), are in Camarillo CA, and Oceanside, Ca. Due to their distance, orders placed with these suppliers would take an extended period to deliver. These vendors also have smaller inventories, which would cause back orders on parts. Using these two vendors would also incur large shipping charges which are not incurred when ordering From Helimart.

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

The HBPD Air Support Unit maintains a fleet of three MD helicopters. With the responsibilities of providing Air Support Services to Huntington Beach, the city contracts Air Support to the Cities of Newport Beach, Costa Mesa, and Irvine as well. This requires the aircraft to be ready on a moment's notice. To accomplish this, Helimart was chosen as a vendor due to their close proximity and discounts they provide due to our long-standing history. Helimart is also on call for the HBPD 24 hours a day, which no other vendor can do.

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

Helimart provides parts at a lower rate than other vendors do. They provide shipping at no cost and when necessary they can deliver within 30 minutes. Helimart also maintains an FAA Repair Station certification which allows them to overhaul certain parts which is an overall cost savings. Helimart is the only vendor that can be on call 24 hours a day for our emergency needs.

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

If Helimart is not used as the vendor, the overall cost of the maintenance effort will rise along with cancellation of flights due to lack of supplies. This would also reduce revenue generated from the contract cities.

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.)

Prior to submitting this justification the ASU contacted the two closest competitor vendors, (Ro-Wing Aviation and Sea Side Aviation), and requested a quote for several random parts that would be needed in the next fiscal year. We requested a price, whether the parts were currently in stock or needed to be ordered from the manufacturer, the date and time of delivery, and any associated costs related to the delivery of the parts. The manufacturer was also contacted with the same request.

Helimart's quote was the lowest from all of the vendors contacted and was the only one to offer free shipping. Helimart had four of the five parts in stock with the fifth part being an overhaul with a cost savings. This is possible due to their status as a Repair Station, otherwise this part had an extended delivery time. The other two vendors did not have any requested parts in stock. One competitor listed delivery times of one day to 2 weeks and had a cost of \$200 for delivery. The other competitor listed delivery times of 1 week to 3 weeks, and one part being 110 weeks out, with a delivery cost of \$800.

The manufacturer had every item in stock. However, their price was 10% - 20 % higher than Helimart and a shipping fee from Mesa Arizona.

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.)

The requested quotes of the five random parts from three vendors and the manufacturer was used to determine a fair and reasonable comparison.

2. Describe any cost savings realized or costs avoided by acquiring the goods/services from this supplier. The largest area of savings would be in shipping. Orders are made on a continual basis and shipping charges would be in the tens of thousands of dollars yearly if Helimart is not used. Helimart is 2%-10% cheaper than the two closest vendors as well as the manufacturer. Additionally if the ASU was required to wait on parts shipped from other vendors, flight time would be lost and public safety would suffer as well as revenue from the contract cities.

Remit completed form to:

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