



CITY OF HUNTINGTON BEACH

Sole-Source Justification


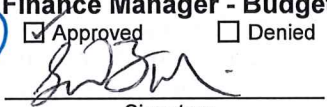

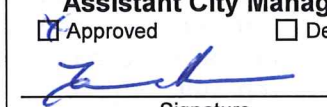
(For use on all goods and services acquisitions.)

RECEIVED

OCT 26 2022

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: October 10, 2022			
Requestor Name: Bryan Arnado		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: Mark Birchfield		Street Address: 19001 Huntington Street, 92648	
Telephone: 714-375-5041			
Fax: 714-847-1067		Shipping Address: 19001 Huntington Street, 92648	
Cellular phone:			
Required Contact Information			
Contractor/Supplier Name: Hadronex, Inc., (dba Smartcover Systems)			
Contractor/Supplier Address: 2067 Wineridge Place, Suite E, Escondido			
Contractor/Supplier City/State/Zip: 92029			
Original Contract Amount:*		Amendment Amount: (if applicable)	New Contract Amount:*
\$70,000		\$	\$75,000 annually
(*Includes original contract and previously approved amendments)		(*Current amendment only)	(*Includes original contract and all amendments, including current amendment)
Provide a brief description of the acquisition, including all goods and/or services the contractor will provide:			
Sole Source requested for the service of the City's existing Smartcovers, including purchase of replacement parts for the existing units			
Contract Type and Term			
Contract Type:		Contract Term:	What account number will be used to purchase?
Select One: <input type="checkbox"/> Goods <input type="checkbox"/> Service <input checked="" type="checkbox"/> Goods & Services		Begin: 07/01/2022 End: N/A	Business Unit: 51185201 Object Code: 64620
Required Approvals			
Department Head <input type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 10/24/22 Date	Finance Manager - Budget <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 10/26/2022 Date	Chief Financial Officer <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 10/26/2022 Date	Assistant City Manager <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 10/28/2022 Date (Transactions exceeding \$50,000 must be approved by City Council)



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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.)

In 2016, the City's Wastewater Section of Utilities purchase Smartcovers to monitor sewer flows in the system. In 2016, Hadronex dba SmartCover systems was the only supplier of manhole covers that provide remote data collection on the wastewater system via manhole cover or hatch antenna. The smartcovers can be located at strategic points throughout the system and can mitigate potential Sanitary Sewer Overflows (SSOs) by providing warnings before the system overflows. While another vendor now provides a similar product, this sole source is requested for the service of already purchased goods.

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

The City currently has (31) of smartcovers in the system. These smartcovers were purchased to provide advanced warning of potential sanitary sewer overflows at locations in the city. These smartcovers have provided warnings of 20 potential SSOs.

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

Smartcovers are a unique tool in the wastewater industry and the City purchased these goods before any other vendors offered the product. Smartcovers provide warning of potential SSO to allow City staff to proactively correct the problem before it can impact the public health and safety. The City purchased these 31 smartcovers before another vendor offered the product. Any future purchases will go through the bid process.

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

Hadronex is the only vendor who can service the City's smartcovers. Without smartcovers, staff would be forced to respond to an SSO after it has already occurred. SSOs pose a significant threat to public health and safety, can cost tens of thousands of dollars in staff time and city resources for clean up and state reporting requirements, and have major economic impacts to neighboring businesses and potential citywide economic impacts if an SSO causes a beach closure, and could generate a negative story in the local newspaper. Additionally, the City's wastewater permit does include language recommending the placement of smartcovers in the City's sanitary sewer system.

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.)

Wastewater section staff keep abreast of industry standards and emerging technologies via networking with peers, industry conferences and journals.

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.)

As noted, there was no comparable technology at the time of the purchase. Smartcover is the only vendor who can provide service to the product already in the City's system. Replacing these smartcovers with a different product would be more costly than servicing the existing smartcovers in the system.

2. Describe any cost savings realized or costs avoided by acquiring the goods/services from this supplier.

- Avoids costly clean up, mitigation & reputation damage by preventing SSO's, and CSO's
 - Protects the public and the environment by avoiding SSO's and CSO's
- Reduces employees' risk by avoiding sending personnel to sites when not necessary**
- Protects collection system and cable vault asset life

Remit completed form to:

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