



CITY OF HUNTINGTON BEACH

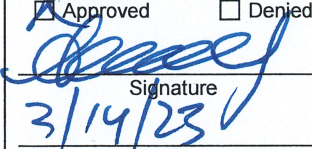
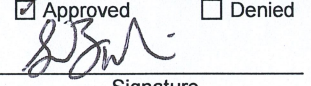
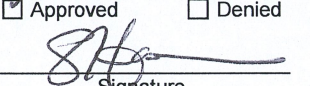

Sole-Source Justification (For use on all goods and services acquisitions.)

RECEIVED

MAR 14 2023

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: February 9, 2023			
Requestor Name: Rafael Suarez		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: Rafael Suarez		Street Address: 19001 Huntington Street	
Telephone: 714-374-1794			
Fax: N/A		Shipping Address: 19001 Huntington Street	
Cellular phone: 714-833-3681			
Required Contact Information			
Contractor/Supplier Name: MurCal Inc			
Contractor/Supplier Address: 41343 12 th Street West			
Contractor/Supplier City/State/Zip: Palmdale, CA 93551-1442			
Original Contract Amount:*		Amendment Amount: (if applicable)	New Contract Amount:*
\$		\$	\$300,000 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:			
Replace obsolete Flood Control Station pump driver control systems			
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: 04/15/2023 End: 04/15/2026	Business Unit: 32440214 Object Code: 83700
Required Approvals			
Department Head <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 3/14/23 Date	Finance Manager - Budget <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 3/14/2023 Date	Chief Financial Officer <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 3/14/2023 Date	Assistant City Manager <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 3/20/2023 Date (Transactions exceeding \$50,000 must be approved by City Council)



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.)

For over 35 years, Murcal Inc. has been the City's trusted vendor of all its programmable logic control (PLC) panels and controllers. In that span, Murcal continuously collected pump data and designed their PLC panels and controllers to meet our flood control and water pump needs. Of the 15 flood control stations, the City has already purchased the updated PLC controllers for six stations and is expecting to purchase more identical controllers for the remaining 9 stations.

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

The City's existing control panels have successfully serviced the City's flood control and water pumps for over 25 years, but are showing signs of failure. Recently when repair services were requested, Murcal noted the panels are no longer supported and recommended replacement. Taking proactive measures to replace the panels now, will avoid potentially costly failures at the City's flood control stations.

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

Murcal's 30-year involvement with the City's flood control systems gave Murcal the institutional knowledge needed to design our control panels to resolve our unique coastal flooding issues. By replacing with Murcal's like-for-like panels, there is virtually no risk of failure and downtime. Additional design, installation, and staff training would cost the City more time and money if we opted for another vendor.

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

If the City chooses another system, it will cost the City additional time and money needed for design and system integration. Downtime of the pumps during installation will also put the City at risk of flooding. Failure of any flood station during storm events threatens the health, safety, and property of our residents.

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.)

Murcal's proprietary software and hardware did not allow for direct cost comparison. However, procurement for materials are consistent with other PLC panels for other applications. In March 2021, The City of Fresno completed a bid process to replace existing PLC panels for their wastewater division. Costs for programmed panels ranged from \$9,000 to \$30,000; which are comparable with Murcal's ranges of \$16,00 to \$22,000. Additionally, in February 2019, the Coachella Valley Water District awarded a project for multiple PLC upgrades, which ranged from \$160,000 to \$250,000 per unit.

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.)

Research from other agencies' public bids gave insight for costs to design and program new panels.

Costs for programmed panels and upgrades ranged from \$30,000 to \$250,000 per unit; significantly more than Murcal's \$22,000 panels.

2. Describe any cost savings realized or costs avoided by acquiring the goods/services from this supplier. **Purchasing Murcal's panels and controllers avoids unnecessary costs for redesign and testing of the PLC panels, which research shows, can range from \$30,000 to \$250,000 per unit.**

Murcal gathered 25-years of invaluable data of our flood control systems. This data allows Murcal to provide a tested and proven system. If we opted for another vendor, it could take years of trial and error as well as more staff training to produce a system that works for us. Murcal also provides the same equipment to other agencies such as Orange County Public Works, Los Angeles County, Texas DOT, City of El Segundo, and Sacramento Area Flood Control Agency.

Remit completed form to:

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