



# CITY OF HUNTINGTON BEACH

## Sole-Source Justification


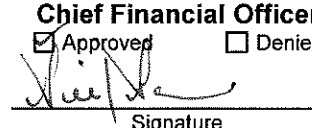
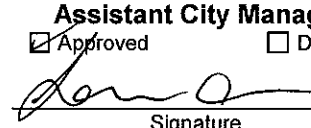
(For use on all goods and services acquisitions.)

RECEIVED

DEC 05 2018

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: November 29, 2018			
Requestor Name: Mike Baumgartner		Division Manager: Mike Baumgartner (Type names. Do not sign.)	
Department: Fire		Department Head: David A. Segura (Type names. Do not sign. Must be same as signature below.)	
Department Contact Information			
Contact Name: Mike Baumgartner		Street Address: 103 Pacific Coast Highway	
Telephone: (714) 536-5489			
Fax: (714) 374-1500		Shipping Address: 103 Pacific Coast Highway	
Cellular phone: (714) 328-0432		Huntington Beach, CA 92648	
Required Contact Information			
Contractor/Supplier Name: Willard Marine, Inc.			
Contractor/Supplier Address: 1250 N. Grove Street, Anaheim, CA 92806			
Contractor/Supplier City/State/Zip:			
Original Contract Amount:*	Amendment Amount:*	New Contract Amount:*	
\$0	\$0	\$0	
(*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:			
This sole source justification will allow for the use of Willard Marine, Inc. for purchase or refurbishment of the City's lifeguard rescue craft. At this time, the Marine Safety Division has three boats, which were all manufactured by Crystaliner Boats. After Crystaliner went out of business, Willard Marine entered into a formal agreement to acquire all of the molds, drawings and intellectual property rights from Crystaliner boats and now is the only vendor who sells and refurbishes them. The FY 2018/19 budget includes the refurbishment one (1) lifeguard rescue boat, including hull, deck, and stringer inspections, repair/replacement of the engines, transmissions, drive shafts, through hull fittings, struts, propellers, sensors, electrical systems, wiring, breaker panel, navigation systems, and control systems. The amount approved in the budget is \$174,800 and the quotation from Willard Marine (attached) is \$173,485. The attached letter from Willard Marine certifies that they are the only authorized vendor of Crystaliner boats.			
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: 1/7/19 End: 1/6/24	Business Unit: 32440217 Object Code: 85300
Required Approvals			
<b>Department Head</b> <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 11/29/18 Date	<b>Fiscal Services Manager</b> <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 12/5/18 Date	<b>Chief Financial Officer</b> <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 12/5/18 Date	<b>Assistant City Manager</b> <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 12/19/18 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.)

Willard Marine, Inc. is an international manufacturer of rescue and military vessels located in Orange County. In addition to the City of Huntington Beach, Chrystaliner Rescue Boats are used by a number of southern California marine safety agencies, including Redondo Beach Harbor Patrol, Long Beach, Seal Beach, California State Parks, Newport Beach, Orange County Harbor Patrol, San Clemente, and Oceanside. This company is the only provider of this type of lifeguard boat.

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

The Marine Safety Division has a long-term equipment replacement plan that identifies the life expectancy of major capital items, including lifeguard rescue boats. This ongoing replacement plan was first adopted in FY 07/08 and the subject boat is scheduled for refurbishment this fiscal year. The replacement or refurbishment of old, deteriorating boats is critical to providing marine safety services on City beaches. This rescue boat was originally warranted for 15 years of surf line operations, but has been in operation for twice that time. It is frequently in need of repairs and parts are often difficult to obtain in a timely manner, compromising Marine Safety rescue operations. Operating in a corrosive marine environment for this long period of time has resulted in the need to replace a majority of components of this watercraft.

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

The supplier was chosen because it is the only manufacturer of Crystalliner rescue boats. All three existing lifeguard rescue boats are from this manufacturer. This company builds to a military level standard, which is the highest level of rescue watercraft produced.

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

Willard Marine is the manufacturer of Chrystaliner Resuce Boats, which have a proven track record for surf line rescue operations. They are the only company with all the required expertise in surf line rescue vessels, in-house engineering, original molds, tooling, and other equipment to perform this type of refurbishment. Using another unproven vendor may result in unsatisfactory operational characteristics and less than optimal performance in the surf line resuce operations.

**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.)

As documented in the attached letter, Willard Marine, Inc. is the only firm authorized to manufacturer and refurbish Crystalliner boats, such as are used exclusively by the City of Huntington Beach. As referenced, they entered into a formal agreement to acquire all molds, drawings, and intellectual property rights from the original manufacturer of this type of boat. They are the exclusive owner and manufacturer of Crystalliner and the only company that possesses the required expertise to repair and overhaul these watercraft.

**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 price is consistent with what is charged other agencies for the same work and is similar to the pricing quoted to the City in FY 2017/18.**

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

**This boat is an essential part of the City's marine safety service delivery system. Refurbishment of it provides a long lasting product and a cost savings in the long term.**

Remit completed form to:

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



11/29/2018

To whom it may concern:

This letter is to inform prospective customers that Willard Marine, Inc. (WMI) is the exclusive owner and manufacturer of a boat company formerly known as "Crystaliner". In 2014, WMI drafted a formal agreement to acquire all of the molds, drawings, and intellectual property rights from the original owner. Since the acquisition, WMI has manufactured two new boats and has completed several repair jobs on the original boats. Our services are most beneficial for customers who are seeking to repair and overhaul their boats with the Original Equipment Manufactured parts, systems, and designs.

Since 1957, WMI has served as a global leader in the manufacturing of composite and aluminum boats ranging from 15 - 65 feet in length. WMI is recognized as an industry pioneer in the design and construction of high-performance watercraft. With more than six decades of design, engineering and manufacturing experience, WMI has developed more than 20 types of world-class boats for such discerning customers such as the US Navy, US Coast Guard, Department of Homeland Security, NOAA, Law Enforcement Agencies and foreign governments alike.

If you have any other questions about the Crystaliner line of boats please contact us at [Sales@WillardMarine.com](mailto:Sales@WillardMarine.com) or call (714) 666-2150.

Sincerely,



Ulrich Gottschling  
C.E.O

Willard Marine, Inc.  
1250 N. Grove Street  
Anaheim, CA 92806  
Phone (Direct) 714-948-7327  
Email: [ugottschling@willardmarine.com](mailto:ugottschling@willardmarine.com)



**WILLARD MARINE®**

Quote #	Quote Date	Cust ID #	Page
10262018	10/26/2018	20-HBLG	1 of 1
Cust RFQ#	Quote Expires	Cust Terms	Prices FOB
NA	1/26/2019	SPECIAL	DESTINATION

## REPAIR QUOTATION

Quoted To: Chief Michael Baumgartner  
 Email: mbaumgartner@surfcity-hb.org  
 Phone: 714-536-5489  
 Business: Huntington Beach Lifeguards

Quoted By: Cole Christensen  
 Email: cchristensen@willardmarine.com  
 Phone: 714-948-7337  
 Fax: 714-632-8136

Line	Description	Qty	Extended Price
<b>100</b>	<b>Engine &amp; Engine Equipment</b>		
101	Remove current engines and store on pallet to return to customer	0.00	\$ 98,175
102	Inspect Stringers and Engine Foundations - Provide Report to Customer	1.00	\$ 89,903
103	Install New Mercruiser 8.2 HO DTS ECT w/ ZF Transmission	2.00	Included
104	Remove and Replace Exhaust System w/ Centek Mufflers	2.00	Included
105	Remove and Replace Raw Water Cooling System	1.00	Included
106	Remove and Replace Drive Shaft	2.00	Included
107	Remove and Replace New Dripless Shaft Seals and Shaft Logs	2.00	Included
108	Install Buck Algonquin Motor Coupler	2.00	Included
109	Remove and Replace New Custom Shaft Struts and Bearings	2.00	Included
110	Remove and Replace Propellers	2.00	Included
111	Install Dual SeaStar (Twin S) Throttle Model CH5200P	2.00	Included
112	Replace Tachometer with MerCruiser Analog/Digital Tachometer	2.00	Included
113	Install MerCruiser SmartCraft Display	1.00	Included
114	Install Cole Hersee M-485 Push Button Start/Stop Button	2.00	Included
115	Install Blower System	2.00	Included
<b>200</b>	<b>Electrical Equipment</b>		
201	Remove and Dispose of Current Electrical System	1.00	\$ 39,843
202	Install IEEE Low-Smoke Military-Grade Wiring Labeled at both ends	1.00	\$ 31,343
203	Install New Custom Blue Seas Breaker Panel, DC Distribution	1.00	Included
204	Install AGM Dual Purpose Batteries (SLI31AGMDPM)	4.00	Included
205	Remove and Replace Battery Charger - 2 banks ProMariner 20A	1.00	Included
206	Install Blue Sea Systems e-Series Battery Switches (5511E)	1.00	Included
207	Install Blue Sea Systems e-Series Dual Circuit Battery Switch (5510)	1.00	Included
208	Install AC power Distribution System	1.00	Included
209	Install Shore Power System	1.00	Included
210	Install RULE 3700 Bilge Pumps	2.00	Included
<b>300</b>	<b>Hull &amp; Outfit Equipment</b>		
301	Complete Cosmetic Work on Hull and Deck	1.00	\$ 2,158
302	Strip Current Bottom Paint and Apply Fresh Bottom Paint - 2 Coats of Epoxy and 2 Coats of Anti-Fouling Paint	1.00	\$ 7,100
303	Remove Current Radar Arch, Fiberglass Patch Over Foundation Holes, Install New Stainless Steel Radar Arch with Whelen PA Speaker, 2x LED Floodlights, Whelen Round Blue Flashing Light	0.00	\$ 24,675

Line	Description	Qty	Extended Price
305	Remove and replace Fuel Tank with Aluminum 100 Gallon Tank with new fuel lines, vents, and filters	1.00	\$ 8,706
306	Install Zincs on Hull and Shafts, Cathodic Protection	6.00	\$ 850
400	<b>Command &amp; Control Equipment</b>		
401	Install Electronic Equipment	1.00	\$ 5,800
402	<b>Provide New Electronic Equipment Listed Below:</b> - Furuno TZTL-12F Multifunction Display 12" Display - Furuno DRS4DNXT 24 Mile Dome Radar w/ 5" Radar Mount Top Plate - Furuno Radar Power Supply PSU017 - Furuno GP330B NMEA 2000 GPS Antenna - Furuno HUB101 Network Hub - Furuno 556TID-LTD20 Bronze 1KW Flush Mount Stainless Transducer - Furuno DST-800 Smart Transducer - Furuno FA50 Class B AIS *Send/Receive - Icom IC-M506 VHF Radio *NMEA 2000 - Comrod av60-8b 8' VHF Antenna with SS Ratchet Mount - NMEA 2000 Cables, tees, terminators - Coax Cable for VHF and AIS - Misc Installation Materials: tie wraps, lugs, connectors, wire, fasteners, etc.	1.00	\$ 15,147
500	<b>Miscellaneous</b>		
501	Sea Trials	1.00	\$ 700
502	Shipping from HB to Anaheim (Roundtrip)	0.00	\$ 800
		<b>Subtotal</b>	\$ 161,007
		<b>Tax 7.75%</b>	\$ 12,478
		<b>Total</b>	\$ 173,485

**Notes:**

1. Mechanical equipment removed prior to boat being delivered to WMI
2. Electrical equipment removed prior to boat being delivered to WMI
3. Customer responsible for delivery and pick-up of vessel
4. Payment terms: 30% Upon receipt of Order, 30% Upon receipt of Engines, 30% Upon Completion of Repair Work, 10% Upon Customer Acceptance
5. Sea Trials will be conducted free of charge - WMI will require support from customer to haul boat to launch