



CITY OF HUNTINGTON BEACH

Sole-Source Justification


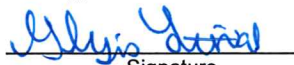


(For use on all goods and services acquisitions.)

RECEIVED

AUG 16 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: August 11, 2021 | | | |
| Requestor Name: Chris Davis | | 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: 714-329-2885 | | | |
| Required Contact Information | | | |
| Contractor/Supplier Name: Hadronex, Inc. (doing business as SmartCover® Systems™) | | | |
| Contractor/Supplier Address: 2067 Wineridge Place, Suite E • Escondido, | | | |
| Contractor/Supplier City/State/Zip: CA 92029 | | | |
| Original Contract Amount:* \$50,000.00 (*Includes original contract and previously approved amendments) | | Amendment Amount:* (if applicable) \$50,000 (*Current amendment only) | |
| New Contract Amount:* \$100,000 (*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: | | | |
| Provides 24/7 user access via a secure web browser and through a dedicated, secure user website. SmartCover® uniquely provides real-time, continuous monitoring the sewage level in a sewer pipe line | | | |
| Contract Type and Term | | | |
| Contract Type: Select One: <input type="checkbox"/> Goods <input checked="" type="checkbox"/> Service <input type="checkbox"/> Goods & Services | | Contract Term: Begin: 07/01/2021 End: 06/30/2022 | |
| What account number will be used to purchase? Business Unit: 51185201 Object Code: 64620 | | | |
| Required Approvals | | | |
| Department Head <input type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 8/16/21 Date | | Fiscal Services Manager <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 8-17-21 Date | |
| Chief Financial Officer <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 8/18/21 Date | | Assistant City Manager <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 8/19/2021 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.)

Hadronex dba SmartCover systems is 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.

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

The City currently has (31) of smartcovers in the system. These have provided warnings of 20 potential SSOs.

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

As noted above, this is a unique tool in the wastewater industry and no other company is providing this 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.

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

Hadronex is the only supplier of 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.

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. There currently is no similar technology available that performs this service.

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 is no comparable technology. Staff believes that the benefits of smartcovers are more important than purchase cost, as the avoided costs can be significant.

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