



CITY OF HUNTINGTON BEACH

Sole-Source Justification





(For use on all goods and services acquisitions.)

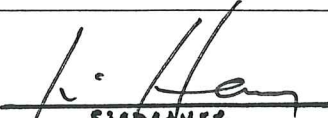
RECEIVED

NOV 02 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: October 27, 2021			
Requestor Name: Ken Dills		Division Manager: Denny Bacon (Type names. Do not sign.)	
Department: Public Works		Department Head: Julian Harvey/Sean Crumby (Type names. Do not sign. Must be same as signature below.)	
Department Contact Information			
Contact Name: Cody Jahn		Street Address:	
Telephone: 5047			
Fax:		Shipping Address:	
Cellular phone:			
Required Contact Information			
Contractor/Supplier Name: Tesla			
Contractor/Supplier Address:			
Contractor/Supplier City/State/Zip:			
Original Contract Amount:*	Amendment Amount:*	New Contract Amount:*	
\$	\$	\$104,880	
(*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 purchase is for two (2) electric Tesla Model Y vehicles to be used as PD squad cars.			
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:	Business Unit: 20185201.85050
		End:	Object Code:
Required Approvals			
Department Head <input type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 10/28/21 Date	Principal Finance Analyst <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 11/4/2021 Date	Chief Financial Officer <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 11/4/21 Date	Assistant City Manager <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied  Signature 11/4/2021 Date (Transactions exceeding \$50,000 must be approved by City Council)


 Signature
 10-28-21
 Date



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.)

The City wishes to transition its fleet to electric vehicles where practical. Tesla is the only manufacturer to offer the size of SUV needed to convert into a patrol car. Other models do not offer sufficient room for equipment or prisoner area. In addition the Tesla Model Y provides more power and a battery system that lasts longer than any other manufacturers. The Tesla's have an unobstructed view with minimal blind spots. Other models had big blind spots.

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

The City is transitioning the City's fleet to electric vehicles where possible and will be installing a number of charging stations with the next six months.

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

Please see #1.

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

The City would be restricted to gas-fueled patrol cars until another manufacturer develops one of sufficient size, which is still a number of years away.

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.)

The City was allowed to demo 2 Tesla's for 48 hours. Both the Model "3" and the Model "Y" were tested. The Model "3" was too small in the rear seat area for prisoners and also too small in trunk for the electronics area and Patrol Equipment. The Model "Y" turned out to have a larger back seat and a larger cargo area to accommodate the electronics and patrol equipment. The City has investigated other electronic vehicles and paid a visit to Huntington Beach Ford to consider the Mach E. Unfortunately, that vehicle and others do not meet the needs of the Police Department.

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 FY 2021/22 Equipment Replacement Budget provides \$45,000 as the replacement cost of gas-powered squad cars. The quote for the two Tesla's is \$104,860 or \$52,430 per vehicle. It is estimated the difference in cost will be more than made up by fuel and maintenance.

2. Describe any cost savings realized or costs avoided by acquiring the goods/services from this supplier. This has been determined to be the only supplier making a vehicle of sufficient size, power and battery life. Fuel cost for these two vehicles will be zero. In addition, maintenance and repairs will be reduced.

Remit completed form to:

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