

City of San Bernardino
Finance Department, Purchasing Division
JUSTIFICATION OF SINGLE/SOLE SOURCE REQUEST

ITEM Description: Traffic Management Center Licensing

DATE: 10/03/2024

Select Source:

 Sole Source: Item is manufactured and/or only distributed by one vendor.

XX Single Source: Item is available from several vendors, but item is the only one that will work.

Please answer all questions in detail, in order to prevent delays in the evaluation. Please do not provide one sentence answers. If any additional pages are needed to answer all questions, please attach all pages to this document.

1. Why is the acquisition restricted to this good/service/supplier? (Explain why the acquisition cannot be competitively bid). Please enter the answer below:

The project "Implement Advanced Dilemma Zone TC20-008" was put out for competitive bidding on August 1, 2019, and the lowest bidder selected Transparity software for 49 signalized intersections. However, this new Transparity software is currently only compatible with the 49 intersections in the TC20-008 project and does not communicate with the existing 251 intersections in the city. To ensure that all 300 intersections (the 49 from the project and the 251 existing ones) can communicate with each other through the Transparity software, the City needs to purchase additional licensing for the 251 existing intersections. This purchase will allow the entire traffic signal network to be managed under the same system

2. Describe the uniqueness of the purchase (why was the good/service/supplier chosen?) Please enter the answer below:

The uniqueness of this purchase lies in the need to integrate the City of San Bernardino's entire traffic signal network under a single, unified system. The "Implement Advanced Dilemma Zone TC20-008" project went through a competitive bidding process, during which the Transparity software was selected for 49 signalized intersections due to its advanced capabilities. However, the existing 251 signalized intersections are not yet compatible with this new software.

In order to ensure that all 300 intersections (49 from the project and 251 existing ones) can communicate and be managed effectively through the Traffic Management Center (TMC), it is essential to license the remaining 251 intersections. Transparity software was chosen for its advanced real-time monitoring and traffic management features, which will enhance traffic flow and safety across the city once all intersections are integrated. This purchase is critical because it allows the City to standardize its traffic management system, ensuring seamless communication between all signalized intersections.

3. What are the consequences of not purchasing the goods/service or contracting with the proposed supplier? Procurement services provided to the departments/vendors would be delayed.

The consequences of not purchasing the necessary licensing for the existing 251 signalized intersections would be significant. Without this purchase, the City will not be able to integrate the existing intersections into the newly acquired Transparity software, which was selected for the 49 intersections under the "Implement Advanced Dilemma Zone TC20-008" project. This would result in a fragmented traffic management system where only 49 intersections are managed by the Transparity software, leaving the remaining 251 intersections unable to communicate with the system.

This lack of integration would hinder the City's ability to manage its entire traffic signal network effectively, leading to inefficiencies in traffic flow, delayed response times to incidents, and reduced overall road safety. Moreover, without this licensing, the investment made in the Transparency software for the TC20-008 project would be underutilized, as it would not be compatible with the majority of the City's intersections. In short, failure to purchase the necessary licensing would prevent the City from fully benefiting from the advanced capabilities of the Transparency software, leading to ongoing operational challenges and potentially higher long-term costs.

4. What market research was conducted to substantiate the single source, including evaluation of other items considered?

- a. (Please 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, addresses and phone numbers 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.)

During the competitive bidding process for the "Implement Advanced Dilemma Zone TC20-008" project, multiple traffic management software solutions were submitted for consideration. The lowest bidder conducted extensive market research and determined that Transparency software provided the best value in terms of price and functionality compared to other alternatives. Transparency was selected not only for its competitive pricing but also for its ability to meet the project's specific needs, making it the most suitable option for managing the 49 signalized intersections involved in the project.

In addition to the software, the City has already invested in and installed physical equipment that is compatible with Transparency. If the City does not purchase the necessary licensing to integrate the existing 251 signalized intersections into the Transparency system, the current physical equipment would be rendered incompatible. This would necessitate replacing the existing equipment with new hardware, leading to significantly higher costs.

Alternative software solutions were evaluated during the bidding process, but they were either more expensive or incompatible with the City's existing infrastructure. Introducing a different system for the remaining intersections would create operational inefficiencies, increase costs due to the need for new equipment, and prevent seamless communication between the City's intersections. Therefore, the purchase of the additional licensing for the 251 intersections is essential to fully integrate the entire traffic signal network under one system, making Transparency the most cost-effective and practical solution.

5. How was the price offered determined to be fair and reasonable? Explain what the basis was for comparison and include cost analyses as applicable. (I.E. Compared to vendor's previous or current offer to the city or to another agency/company – or any other method of comparison that will substantiate fair and reasonable pricing in the absence of competition)

The price offered by SWARCO McCain for the additional licensing of the 251 signalized intersections was determined to be fair and reasonable based on several factors. Due to the City's existing purchase of the Transparency software for the 49 intersections under the TC20-008 project, SWARCO McCain extended a discounted price for licensing the remaining 251 intersections. This discount was offered as part of a bundled agreement, recognizing the City's prior investment in their software and equipment.

In addition to the discounted pricing, the cost was compared against the original pricing for the 49 intersections, showing a favorable reduction in cost per intersection for the additional licenses. Furthermore, SWARCO McCain's pricing was evaluated against the market rates for similar traffic management software solutions during the competitive bidding process, which confirmed that Transparency was competitively priced. The other manufacturers were not capable of matching the physical hardware equipment that is already installed which would force the purchase hardware for all intersections.

Given that SWARCO McCain's solution was selected as the lowest bidder in the TC20-008 project after an extensive review of other vendors and considering the added benefit of the discount for expanding the

licensing to 251 additional intersections, the pricing is considered fair and reasonable. This ensures that the City will receive a cost-effective solution while maintaining compatibility with the existing infrastructure.

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

By acquiring the licensing for the additional 251 signalized intersections from SWARCO McCain, the City of San Bernardino will realize significant cost savings and avoid potential additional costs. First, this purchase ensures compatibility with the existing Transparity software and physical equipment that has already been installed under the TC20-008 project. If the City were to acquire a different software solution, it would necessitate replacing the existing physical equipment, which would incur substantial costs for hardware replacement and installation.

Additionally, using a single vendor for the entire traffic management system avoids the costs associated with integrating multiple systems from different vendors, which can lead to compatibility issues, higher maintenance costs, and longer response times for troubleshooting. By maintaining one unified system with SWARCO McCain, the City avoids these complications, ensuring smoother operations, reduced downtime, and lower long-term maintenance costs.

1.	<u>Lynn Merrill</u>	<u>10/18/2024</u>
	Department Head	Date
2.	<u></u>	<u></u> Approved <input type="checkbox"/> Not Approved <input type="checkbox"/>
	(Up to \$50,000)	
	Director of Finance & Management Services	Date
3.	<u></u>	<u></u> Approved <input type="checkbox"/> Not Approved <input type="checkbox"/>
	(Up to \$100,000)	
	City Manager	Date

Justification: __ In summary, acquiring the additional licenses from SWARCO McCain avoids the significant expense of new hardware and system integration, while also securing cost savings through the vendor's offered discount. This approach ensures the City's entire traffic signal network operates efficiently under one cohesive system.

4. Over \$100,000 – must be submitted for City Council Approval.