

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

ITEM Description: Used Modular Office Building (60' x 60')

DATE: 08/07/2024

Select Source:

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

 X 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 attached 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 answer below:

The vendor is offering a used modular building that has the office space needed already built in and only minor modifications would be needed to the building. The used space will satisfy the department's needs while limiting the amount of money we would have to spend ordering a new building with the offices built to suit.

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

This is a used building that already has offices included which meet the needs of the Department. When reaching out to modular building suppliers, this vendor advised us about this building, which was ready for occupation, reducing the length of time needed to construct the building as well as the cost of purchase.

3. What are the consequences of not purchasing the good/service or contracting with the proposed supplier?

The Department would need to go out to bid for a new building, resulting in an increased cost to the City for the final purchase. Additionally, we have staff in need of office space right now. Delaying this purchase would have an impact on the Department's ability to meet the needs of the public.

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 alternative are either inappropriate or unavailable. The names, addresses and phone numbers of suppliers contacted and the reasons for

not considering then must be included or an explanation of why the survey or effort to identify other goods/services was not performed.)

The Department started contacting Modular Building vendors that had previously worked with the City to supply prefabricated buildings. This was the first company to respond with options, including the used building. Once staff determined the building would be ideal for the needs of the Department and staff, they did not proceed with other vendors. This project has an extremely short timeline needed for the structures to be in place. Because this building is already completed and ready for delivery, and it is a used building, reducing the overall cost for the project, the department did not continue to look for new buildings. The estimated cost for a new building this size is \$666,110.88

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)

Staff compared the cost of purchase for this building to a new build of the same size with similar specifications. The cost for the purchase of a new building from the same company would be over \$650,000.00 or \$250,000 more than the used building.

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

By purchasing a used building that suits the needs of the Department, the City is saving approximately \$250,000.00.

1.

Kristine Watson

Department Head

07/25/2024

Date

2.

(Up to \$50,000)

Director of Finance & Management Services

Date

Approved

Not Approved

3.

(Up to \$100,000)

City Manager

Date

Approved

Not Approved

Justification: _____

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