



## City of Richmond Sole Source Justification

**THIS FORM MUST BE COMPLETED AND APPROVED PRIOR TO ANY PURCHASE**

**Contact the Purchasing Division and discuss your rationale before completing this form. If Purchasing can help you make this a competitive purchase, then this form will not be required.**

Attach this completed/approved form to requisitions when competitive quotes/bids/proposals are not solicited. (Required for requisitions > \$3,000)

**Requested Sole Source Supplier:**

**Company Name:** Bartel Associates **Contact Name:** Bianca Lin

**Address:** 411 Borel Avenue, Suite 620 □

**City:** San Mateo **State:** CA **Zip Code:** 94402

**Phone Number** ( 650 ) 377-1600 **E-Mail** Bianca Lin <blin@bartel-associates.com>

**Duration of Contract:** 1-year

**Estimated Cost:** \$ 30,000 **Funding Source (Account String)**

**Is the product/service IT related?** Yes  No X **If Yes, please attach the approved IT Authorization Form**

**For Product: Is the recommended company the manufacturer of the product?** Yes  No X

**For Product: Does the manufacturer sell the item(s) through distributors?** Yes  No X

**Description of Product or Service:**

*Describe the full scope of work or service contemplated including installation if required; items should include brand, model and part number if applicable; (if additional space is needed, include them in a separate page)*

An actuarial analysis related to the City's pension tax override is needed for the disclosure to potential bond investors. In 2005, The City of Richmond retained Bartel Associates to calculate what percentage of its annual CalPERS costs for the unfunded actuarial liability were for employee benefits in place on or before July 1, 1978. This analysis was necessary so that potential investors in the 2005 POB's would know the maximum share of debt service on those bonds that could be paid from the pension tax override revenues. Bartel Associates calculated at that time that the percentage of debt service that could come from the pension tax override revenues was approximately 86%.

**Sole Source Rationale:** PLEASE ANSWER ALL THE FOLLOWING QUESTIONS: Explain why the recommended company is the only company that can meet the requirement. Address the following: Are there any other companies who can do this job? What condition (e.g. technological superiority, or performance risks, etc.) exists so that the recommended company has a significant advantage over any other company who can do this job? It is important to sufficiently address the key reason for awarding an order/contract without soliciting competitive bids. The rationale must be clear and convincing, avoiding generalities and unsupported conclusions.

While there are other actuarial firms experienced in CalPERS matters, Bartel Associates remains the only firm with direct experience in calculating the percentage of debt service for a pension obligation bond that can be paid from pension tax override revenues under the 2003 Huntington Beach decision. They have done the same analysis for 14 other CalPERS members with pension tax overrides since 2018. Equally important, bond investors trust the Bartel Associates analysis.

*(if additional space is needed, include them in a separate page)*

## Complete the following checklist

A specific contractor is the only source of the required item because (check all that apply):

- ☐ The required items are **proprietary to the Contractor**, and contractor solely transacts (sells) direct to the customer. (There are no dealers or distributors for contractor).
- ☐ The required items are **proprietary to the Contractor**, and **contractor does not sell direct to the customer**. Contractor solely distributes the item or service through only one dealer or distributor in the United States. (There are no dealers or distributors for contractor).

**Note:** If item or service is available from more than one source, the item or service may be treated as proprietary, but must be competitively solicited from multiple (two or more) sources.

- ☐ A specific item is needed:
  - ☐ To be compatible or interchangeable with existing hardware
  - ☐ As spare or replacement hardware ☐ For the repair or modification of existing hardware
- ☐ Federal or state grant names vendor as condition of funding. (Attach copy of grant that names vendor)
- ☒ There is a **substantial risk** in contracting with any other contractor, (e.g., only one contractor has been successful to date in implementing a difficult manufacturing process or the **services sought**). *In a brief explanation, provide supporting evidence of why other contractors are considered to be unable to overcome the substantial risk.*

While there are other actuarial firms experienced in CalPERS matters, Bartel Associates remains the only firm with direct experience in calculating the percentage of debt service for a pension obligation bond that can be paid from pension tax override revenues under the 2003 Huntington Beach decision. If the City's total eligible CalPERS costs drop below the "Huntington Beach percentage" the City would most likely need to lower the actual tax levy, reducing overall City revenues. This projection will better enable the City's finance team to structure the proposed 2005 POB refinancing to optimize availability of future pension tax override revenues.

- ☐ **Continuation of prior Work** – Additional item, service or work required, but not known to have been needed when the original order was placed with vendor, and it is not feasible or practicable to contract separately for the additional need. *Provide brief explanation and supporting evidence.*

(if additional space is needed, include them in a separate page)

I acknowledge the City's requirements for soliciting competitive quotes/bids for purchases over \$3,000.00 and the criteria for justification for Sole Source purchases. I have gathered the required information, have made a concerted effort to review comparable/equal equipment/services (e.g., market research), and further affirm that there is no conflict of interest involved in the selection made.

Department: Human Resources

Requester Name and Title: Anil Comelo, HR Director

*Note: Requester must be able to defend this justification.*

Date: May 4, 2022

Phone: 510 620-6609

Department Director (Print) Anil Comelo

(Sign)

Anil Comelo

Digitally signed by Anil Comelo

Date: 2022.05.04  
16:30:41 -07'00'

**Submit completed form to the Purchasing Division (Prior to submission to City Manager)**

**Finance Director:**

APPROVED: [Signature]

DATE: 5/9/22

NOT APPROVED: \_\_\_\_\_

COMMENTS:

\_\_\_\_\_  
City Manager  
(Under \$10,000.00)

\_\_\_\_\_  
City Clerk Attesting to Council Approval  
(Over \$10,000.00) (Copy of Minutes may be substituted)

**Note: Richmond Municipal Code Section 2.52.326 Sole Source Procurement requires final approval by the City Manager and/or City Council. Sole Source must be approved by Finance Director, PRIOR to Council Approval.**

### **PROCEDURE**

Sole Source purchase/service are exceptions to the normal bidding process and require a detailed justification. In processing Sole Source requests for supplies, services and/or equipment, the Purchasing Division adheres to and is governed by the principles set forth in City of Richmond Municipal Code Section 2.52.326 Sole Source Procurement.

If you are requesting a particular vendor, brand or product, you must make this fact clear on your Sole Source form. Your request will then be restrictive and non-competitive, and will fall into a sole source category. If the sole source justification is approved, the requisition can be expedited without the normal bidding requirements.

Such a request should not be made unless you are confident that your request is reasonable and appropriately justified to meet the City's requirements and withstand any possible audit. The City's requirements and the format for submitting such requests are contained herein. Sole Source form must be signed by authorized department representative(s). The certification will remain on file for audit purposes.

The following factors **DO NOT** apply to sole source requests and should not be included in your sole source justification. They will not be considered and only tend to confuse the evaluation process.

1. Personal preference for product or vendor.
2. Cost, vendor performance, and local service (these are generally considered award factors in competitive bidding).
3. Features which exceed the minimum department requirements.