



DATE: 3/3/22

TO: Robert Gleason, Director of Purchasing

THRU: Ricardo Charlton, Division Direction, Operations Division

FROM: Arnold De La Cruz, Port Maintenance Manager, Operations Division

PROJECT TITLE: Shanghai Zhenhua Heavy Industries Co Ltd. / ZPMC NA EAST COAST INC. for Engineering/Repair/Maintenance/Retrofits/Parts

REQUISITION NO.: PEO0001926

SOLE SOURCE/SOLE BRAND REQUEST

I. REQUEST: Provide a description of the features of the product/service or Scope of Work.

The PORT has procured three new cranes from Shanghai Zhenhua Heavy Industries Co Ltd. which are currently in service. The three are among the most technically advanced container cranes in the world. On September 10, 2021 the PORT exercised the option to procure three additional identical cranes. The additional crane are schedule to arrive September 2023. Due to the 40 year service life of the cranes ZPMC's standardization is required.

II. JUSTIFICATION: Please check all boxes that describe your reason(s) for determining that only one source or brand is reasonably available.

Only Sole Source/Uniqueness

Proprietary Item - this vendor/ source has the only rights to provide this service or commodity. A letter from the manufacturer or authorizing entity is included in this request.

Technology Improvements - updates or upgrades to an existing system, software, software as a service (SaaS), hardware purchases.

- ☒ Engineering Direction - engineering drawing or specification identifies product; "no substitutes or equivalents will be acceptable."

Only qualified supplier - reliability and maintainability of the product or service would be degraded unless specified supplier is used; may void warranty. This request includes a copy of the current warranty information.

- ☒ Other – the County requires this sole source, sole brand purchase for the following reasons:

The Port's (3) NEW cranes that arrived in November 2020 and are currently in service are manufactured by ZPMC in China. Many parts are proprietary, designed and fabricated by the manufacturer, and therefore can only be sourced from ZPMC China/ZPMC USA. Other critical parts may be manufactured by others but are integrated into the crane system assemblies and therefore are logically sourced from ZPMC to maintain the system integrity.

Business Case (One/Most Reasonable Source or One/Most Reasonable Brand)

- Operational Compatibility - replacement parts from alternate suppliers are not interchangeable with original part and causes equipment incompatibility. Previous findings and/or documentation is included with this request.
- Ease of Maintenance - maintenance or retooling prohibits competition. Section III, Comparative Market Research includes estimated costs associated with changing current source and/or brand.

Follow-On - potential for continued development or enhancement with same supplier and eliminates costs incurred by using different supplier. Section III, Comparative Market Research includes estimated costs for replacing current or existing system.

Complies with existing community and safety standards, and/or laws, rules, and regulations.

Exempted from the Procurement Code – per Section 21.5 of Broward County Administrative Code.

Other/or additional information – using this sole source, sole brand purchase benefits the County for the following reasons:

III. COMPARATIVE MARKET RESEARCH: Provide a detailed source or market analysis for justification of sole source/brand or most reasonable source (attach extra sheets as needed).

Estimated project value: Contract length (if applicable):

Expenses to date:

Has this commodity been previously provided to the County? ☒ Yes ☐ No

If yes, when and by whom?

How was item/service procured?

What is the current contract (MA) or purchase order number?

If this is a sole brand, is there an “authorized” dealers list? ☐ Yes ☒ No

Cost/Benefit Analysis: What would the cost be to utilize an alternate vendor or source? This explanation should include the savings and/or additional costs to the County by not using the preferred vendor or source. Attach additional sheets if needed.

ON AVERAGE \$250,000 PER YEAR. The Port is requesting to standardize Shanghai Zhenhua Heavy Industries Co Ltd. / ZPMC NA EAST COAST INC.. A standardization status will maintain parts continuity, interchangeability, and keep the equipment uniform. The ZPMC cranes and its respective spare parts are not interchangeable with other OEMs and cannot be purchased from other vendors. Furthermore any other manufacturer will require extensive impractical modifications to the cranes, at considerable cost and equipment downtime.

CERTIFICATION: I have thoroughly researched the sole source or sole brand justification and fully understand the implications of Section 838.22 of the Florida Statutes:

(2) "It is unlawful for a public servant, with corrupt intent to obtain a benefit for any person or to cause unlawful harm to another, to circumvent a competitive bidding process required by law or rule by using a sole source contract for commodities or services."

(5) "Any person who violates this section commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084"

Arnold Delacruz

REQUESTOR/EVALUATOR
(PRINT)

ARNOLD
DELACRUZ

Digitally signed by ARNOLD
DELACRUZ
Date: 2022.03.03 15:34:54 -05'00'

REQUESTOR/EVALUATOR (SIGN)

3/3/22

DATE

Ricardo Charlton

DEPT./DIV. DIRECTOR OR
DESIGNEE (PRINT)

RICARDO
CHARLTON

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CHARLTON
Date: 2022.03.04 09:37:16 -05'00'

DEPT./DIV. DIRECTOR OR
DESIGNEE (SIGN)

3/4/22

DATE

The Purchasing Agent has reviewed the request and has completed the required due diligence per the Procurement Code Section(s) 21.25 and 21.26. The Purchasing Agent recommends the following:

☒ Sole Source ☒ Sole Brand Reasonable Source ☒ RFI attached Rejected
☐ Request Authorization to Negotiate

Additional Information:

Request for Information (RFI) No. OPN2123790F1 for Container Crane Parts and Maintenance was posted on 01/27/2022 and opened on 02/09/2022 with a single response from the crane manufacturer Shanghai Zhenhua Heavy Industries Co Ltd. / ZPMC NA EAST COAST INC. (ZPMC), stating they are the sole provider of their Ship-To-Shore cranes, related parts, and materials. Per Broward County Procurement Code Section 21.19.(c) - Standardization, the Purchasing Agent recommends approval of the Standardization of the ZPMC cranes and related parts, materials, and maintenance services to ensure uniformity and continuous operations of the ZPMC cranes, plus the three (3) additional cranes on order for delivery in September 2023.

Purchasing Agent Signature:

Jacqueline A.
Chapman

Digitally signed by Jacqueline A.
Chapman
Date: 2022.03.08 10:19:22
-05'00'

Date: 3/08/22

CAROLYN
MESSERSMITH

Digitally signed by
CAROLYN MESSERSMITH
Date: 2022.03.23 15:46:00
-04'00'

Purchasing Manager

APPROVAL AUTHORITY

REASON/SUGGESTED ACTION (IF DISAPPROVED):

Signature:

Robert Gleason

Digitally signed by Robert Gleason
Date: 2022.03.25 14:16:31 -04'00'

Date: 3/25/22