



DATE: January 24, 2020

TO: Brenda J. Billingsley, Director, Purchasing Division

THRU: Alan W. Garcia, P.E., Director, Water and Wastewater Services

FROM: Jonathan K. Allen, Director, Business Operations Division

PROJECT TITLE: Varec Biogas Flame Arrester Units, Assemblies & Parts

REQUISITION NO. TBD

Handwritten notes:
KWA
Active Dir.
AA

SOLE SOURCE/SOLE BRAND REQUEST

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

Water and Wastewater Services (WWS) Business Operations Division requests approval of sole brand procurement of Varec Biogas (Varec) 5000/5010 Series Flame Arrester Units, Parts and Assemblies from sole source provider TSC-Jacobs Inc. (TSC) in the estimated annual amount of \$114,000.

WWS' North Regional Wastewater Treatment Plant (NRWWTP) has 35 Varec 5000/5010 Series Flame Arresters. These units were installed in the late 1980's as part of a capital project and have proven to be a reliable and functional capital investment. The core function of the flame arrester's system is to relieve excessive gas pressure and vacuum generated in the gas lines protecting it from an accidental ignition/explosion that could be catastrophic to public health and safety. The Varec 5000/5010 Series Flame Arrester is a complex system that is critical to WWS operations and is responsible for safely transporting and burning biogas vapors that are emitted from NRWWTP.

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/or Additional information - the County requires this sole source, sole brand purchase for the following reasons:

WWS is requesting sole source because Varec is the original equipment manufacturer (OEM) and TSC is the sole manufacturer's representative in the State of Florida. Provided for review and reference is an authorization letter from Varec stating that TSC is the sole and exclusive representative distributor in Florida for new products, OEM repair and parts.

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 21.18 of Broward County Administrative Code.
- Other/or additional information - using this sole source, sole brand purchase benefits the County for the following reasons:

WWS is requesting sole brand because WWS requires direct replacement parts when repairing the Varec Biogas system. Direct replacement parts are required to ensure the fit, form and function of the gas relief system. Direct replacement parts are required to ensure the exact fit of parts to ensure that there is no catastrophic failure of the gas relief system.

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: \$114,000 annually Contract length (if applicable): 3 years

Expenses to date: \$133,515

Has this commodity or service been previously provided to the County? Yes No

If yes, when and by whom? Moss Kelley Inc. (MKI)

How was item/service procured? Sole brand and sole source

What is the current contract (MA) or purchase order number? Y1403601Q1

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.

The Varec system and parts are patented and are not interchangeable with any other brand. To consider another brand of parts for the sole purpose of being competitive WWS would be required to create a capital project to engineer the design, obtain approval for the construction and hire a general contractor to reconfigure the existing Varec system. The amount of time and cost of installing a different brand would far outweigh the cost of replacing with the original equipment, as well as potentially creating another sole source situation as this type of equipment is proprietary. The estimated cost to replace the existing system, not including engineering drawings and re-configurations, is approximately \$500,000 or greater.

Contract Y1403601Q1 was awarded as sole source and sole brand after due diligence was performed by way of a Request for Information (RFI). RFI No. Y1403601F1 was advertised for seven (7) days starting November 25, 2015. No responses were received. Contract Y1403601Q1 was approved as a sole source, sole brand procurement.

In April 2019, Ovivo USA LLC acquired Varec Biogas. TSC-Jacobs Inc. is Varec Biogas's authorized and exclusive sales representative for wastewater treatment plants in Florida.

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".

Gary Hew

Gary Hew

Digitally signed by Gary Hew
Date: 2020.01.24 10:21:27 -05'00'

January 24, 2020

REQUESTOR/EVALUATOR (PRINT)

REQUESTOR/EVALUATOR (SIGN)

DATE

Keith McCawley
On behalf of Jonathan Allen
DEPT/DIV DIRECTOR OR
DESIGNEE (PRINT)

[Signature]
DEPT/DIV DIRECTOR OR
DESIGNEE (SIGN)

DATE *Jan. 24th 2020*

The Purchasing Agent has reviewed the request and has completed the required due diligence per the Procurement Code Section(s) 21.34 and 21.35. The Purchasing Agent recommends the following:

- Sole Source
- Sole Brand
- Reasonable Source
- RFI attached
- Rejected
- Request Authorization to Negotiate

Additional Information:

The Purchasing Agent along with WWS recommend approval of this sole source/sole brand request for Varec Flame Arresters, Parts and Assemblies from TSC-Jacobs, Inc. TSC-Jacobs, Inc. is the sole authorized representative for Varec Biogas for equipment, parts, and service for wastewater treatment plants in the state of Florida with the exception of the Florida panhandle. In addition, they are the current supplier of this commodity for Broward County. The estimated cost of \$500K to replace the existing system is not beneficial to the infrastructure and operations of WWS system

Purchasing Agent Signature: FELICIA MCRAE
Digitally signed by FELICIA MCRAE
Date: 2020.01.28 13:19:36 -05'00'

Date:

Purchasing Manager:
CHRISTINE CALHOUN
Digitally signed by CHRISTINE CALHOUN
Date: 2020.03.24 18:38:17 -04'00'

Purchasing Agent, Supervisor:
Jacqueline A. Chapman
Digitally signed by Jacqueline A. Chapman
Date: 2020.03.24 17:09:45 -04'00'

APPROVAL AUTHORITY
REASON/SUGGESTED ACTION (IF DISAPPROVED):

Signature: **BRENDA BILLINGSLEY**
Digitally signed by BRENDA BILLINGSLEY
Date: 2020.04.07 09:09:31 -04'00'

Date:



An Ovivo Company

Varec Biogas, Inc.
An Ovivo Water Company
5362 Oceanus Dr. Suite A
Huntington Beach, CA 92649

July 31, 2019

Subject: Sales Representation for Varec Biogas Equipment, Replacement Parts and Service for Biogas Applications

To Whom It May Concern:

This letter will confirm that **TSC Jacobs** is our authorized and exclusive sales representative for Varec Biogas equipment for wastewater treatment plants in Florida.

We appreciate your continued expression of confidence in Varec Biogas products, and request you send all of your inquiries and orders to the following address for proper handling and processing:

TSC Jacobs
11021 Countryway Blvd.
Tampa, FL 33626
Phone: 813-888-5556
Fax: 813-854-2183
Email: info@tscjacobs.com

Should you have any questions or need assistance please contact us.

Yours truly,

A handwritten signature in black ink, appearing to read "Jim Groman".

Jim Groman
Vice President of Sales and Marketing
Varec Biogas
Ph. 714-220-9923
Fax 714-952-2701
Email: jim.groman@ovivowater.com



Toll Free 1-866-4BIOGAS