



### Sole Source Justification Form

Complete and submit this form to the Purchasing Division when requesting exception to the competitive procurement process.

Sole source procurement refers to those purchases where there is only one supplier that can provide the product/service to the City. Please be as thorough and detailed with explanations to assist in the evaluation process.

Date:	11/20/2018	Division:	<u>Administration</u>
Department:	Fire	Title:	<u>Admn. Svcs. Manager</u>
Name:	<u>Alia Rodriguez</u>	Vendor ID:	_____
Requisition No:	<u>Y193461</u>		
Vendor Name:	<u>CA Assn. of Env. Health</u>		

Item Description/  
Scope of Work:

Fire Inspectors specifically for CUPA Program Inspections

1. Why is the acquisition restricted to this good/service/supplier? (Explain why the acquisition cannot be competitively bid, and include consequences that would occur from not contracting with this supplier.)

As the administrator of the Certified Unified Program Agreement (CUPA), Riverside County Department of Environmental Health (RCDEH) oversees the 8 hazardous materials programs including the program in the City of Riverside. As such, RFD is required to implement, permit, and inspect the storage of hazardous materials every 3 years. In August 2017, RCDEH conducted an audit on Riverside and determined the inspections were backlogged and required resolve no later than 02/05/19. Considering the amount and complexity of the inspections needed, RFD identified that the workload exceeds the capacity of current fire inspectors staffing and is requesting the on-boarding of the contract experts to complete the inspections within the allotted time-frame.

2. How was the price offered determined to be fair and reasonable? Explain what the basis was for comparison and include cost analyses as applicable. (Compare to vendor's previous or current offer to the City or to another agency/company, market research – or any other method of comparison that will substantiate fair and reasonable pricing in the absence of competition). Attach back-up documentation for reference.

In comparison to 3rd party employee or independent contractor, the California Association of Environmental Health can offer a lower administrative rate than some of its competitors and can secure the resources and expertise of the required inspectors within the time-frame required (see attached).

3. Describe any cost savings realized or costs avoided by acquiring the goods/services from this supplier. Include consequences that would occur from not contracting with this supplier.

By not mitigating the backlog of inspections for hazardous materials, RCDEH Hazardous Materials Branch maintains the full right to relinquish the program from RFD which jeopardizes the State of California legislative statute; and are entitled to request a pay back of all funds collected by the City to implement and administer the program. This payback would include all personnel time, materials and equipment since the program was identified out of compliance. In 2017 \$426,054 was budgeted as anticipated costs to administer the program, in 2018 \$446,456 and for 2019 \$336,068.

**Certification of Responsibility:**

I am aware of the City of Riverside requirements for competitive bidding and the established criteria for justification of single source purchasing. As an authorized Department representative, I have gathered the required technical information and have made a concentrated effort to review comparable/equal vendors or equipment. I hereby certify the validity of the information and feel confident this justification of single source meets the City's criteria and would withstand audit or vendor protest.

  
\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Department Head

11/20/2018  
\_\_\_\_\_  
Date  
11/20/18.  
\_\_\_\_\_

  
\_\_\_\_\_  
Purchasing Manager (Up to \$50,000)  
Over \$50,000 - Must be submitted for City  
Council Approval with Purchasing Manager  
concurrence.

\_\_\_\_\_  
Date  
11/20/18  
\_\_\_\_\_

	Labor Tests ABC: IRS etc.	Taxes, EDD & IRS	* Insurance: General Liability/ Professional Liability	** Payroll Services	Percentage Added to Hourly Rate ***	**** CAEHA Administration Fee
Independent Contractor	IF PASS, OK	0	<1%	0	0	15%
CAEHA Employee	IF FAIL, EMPLOY	Approx 23%	Workers comp. average 1%- 6% based on scope of work	<1%	Total cost Range 16-25% <small>based on Scope of Work and Workers comp rate</small>	15%
3rd Party Employee	IF FAIL, EMPLOY	Approx 15-23% (rates lower because older exisiting business)	Included	Included	Range 65%- 75%	15%

\*Both are bought by CAEHA every year to cover General Liability, Professional Liability and errors and omissions for Board/Executive committee & officers

\*\* CAEHA to hire payroll service/HR Support. \$150 per month plus \$3.50 per employee per month

\*\*\* AllTech Sonoma contract overhead 65%; other quotes range from 65% part-time to 70% full-time. Other administrative fees: CDPH- 24.8% Anaheim Fire 24.1% contract fees

\*\*\*\* Recommend 15% CAEHA Administrative Fee on all contracts as workload is similar. This would include a proposed 5% remuneration to Contract Manager & separate payment to Contract Administrator

## NES, Inc. MASTER SERVICES AGREEMENT for CAEHA

This AGREEMENT effective as of January 1, 2018 is by and between NES, Inc., a California Corporation, herein referred to as 'NES' and The California Association of Environmental Health Administrators, (CAEHA), herein referred to as CAEHA. The period of performance of this AGREEMENT will be from January 1, 2018 to December 31, 2018.

The purpose of this AGREEMENT is to engage NES to assist CAEHA in performing services in accordance with the terms and conditions set forth in the following sections and attachments herein which, together with the acceptance, shall constitute the entire AGREEMENT superseding prior correspondence and arrangements either written or oral.

1. **RELATIONSHIP OF PARTIES:** Relationships between the parties of this AGREEMENT shall be limited to the performance of services set forth in this AGREEMENT and shall not constitute a joint venture, or a partnership, or an employer-employee relationship. Neither party may obligate the other to any expense or liability outside of this AGREEMENT except upon written consent of the other.
2. **SERVICES:** NES shall provide professional services in accordance with this AGREEMENT and in accordance with the agreed upon Scope of Services as described in each approved Work Order. Each approved Work Order becomes a part of and is applicable to this AGREEMENT.
3. **EXECUTION:** This AGREEMENT becomes effective upon signatures by authorized representatives of NES and CAEHA and upon receipt of a fully executed original by both NES and CAEHA. Electronic signature or facsimile transmittal is acceptable and upon receipt and execution by NES, a signed original will be provided to CAEHA for record as soon as practicable. This AGREEMENT may be amended or modified by written instrument, but such instrument is valid only upon signature by both parties. CAEHA shall not assign, transfer, and encumber any rights, duties, or interests accruing from this AGREEMENT without the express prior written consent of NES.
4. **INITIATION/COMPLETION:** NES shall provide and complete these services in accordance with the terms and conditions of this AGREEMENT and in accordance with the Scope of Services as described in each approved Work Order. Established completion time shall not be extended because of unwanted delays attributed to CAEHA but shall be extended by NES in the event of delays attributed to NES or because of Unavoidable delays caused by any governmental/client action or other conditions beyond the control of CAEHA.
5. **TERMINATION:** This AGREEMENT shall remain in force until completion and acceptance of the services or can be terminated in 30 days by written instrument by mutual AGREEMENT or by NES for convenience, or if CAEHA fails to provide services in accordance with the AGREEMENT. In the event of termination, NES shall immediately discontinue any and all work. If terminated for cause, NES shall be paid for services performed in accordance with the Scope of Services.

6. **COMPENSATION:** Total compensation is limited to the amount specified on each approved Work Order. And will be billed as follows:

- Work Orders will be used to identify and authorize tasks. CAEHA will provide the contact information for each employee needing to be hired by NES. NES will provide employee with all applicable employment paperwork. All employment paperwork will remain the property of NES.
- **Part Time Employees hired by NES:**  
Salary or costs times 55% (1.55).
- **Full Time Employees hired by NES without benefits:**  
Salary or costs times 60% (1.6).
- **Full Time Employees hired by NES with benefits ( Medical, Dental, Vision, Participate in 401(k), PTO , and Holiday Pay:**  
Salary or costs times 70% (1.7).
- All employees will have to agree to a background check. Background checks will be billed separately at cost. If employee has had a background check in the last 12 months they can provide a copy of that background check. NES will not submit an additional background check and there will be no fee for the background check if a copy is provided.

7. **Reimbursable Expenses:** Reimbursable Expenses such as but not limited to lodging, per diem and mileage will be either paid by CAEHA or as a pass through without markup. This additional incurred expense and mechanism of payment shall be identified on each CAEHA work order.

8. **EQUAL OPPORTUNITY EMPLOYMENT:** CAEHA will comply with applicable local, state, and federal regulations pertaining to Equal Opportunity Employment. CAEHA's equal opportunity employment policy shall apply to all phases of employment, including recruiting, hiring, job assignment, supervision, training, upgrading, transfer, compensation, benefits, promotion, education, recreation, layoff and termination, and shall ensure equal treatment without regard to race, creed, sex, age, color, religion, veteran status, ancestry, citizenship status, national origin, marital status, sexual orientation, or disability. CAEHA expressly assures employees, applicants, and the community, of its commitment to equal opportunity and fair employment practices.

9. **INDEMNIFICATION AND HOLD HARMLESS:** CAEHA shall indemnify, defend and hold NES, and its officers, directors, employees, subsidiaries, parents and affiliates ('Indemnified Persons'), harmless from and against claims, suits, damages, losses, expenses, costs, obligations, liabilities, recoveries and deficiencies, including interest, penalties and reasonable attorneys' fees, that any Indemnified Person shall incur or suffer in connection with or relating to this AGREEMENT arising from CAEHA's gross negligence, wrongful act or willful misconduct during the performance of services. NES shall indemnify, defend and hold CAEHA harmless from and against claims, suits, damages, losses, expenses, costs, obligations, liabilities, recoveries and deficiencies including interest, penalties and reasonable attorneys' fees, that shall occur in connection with or relating to this AGREEMENT arising from NES' gross negligence, wrongful act or willful misconduct during the performance of CAEHA's services.
10. **DISPUTES:** Any action for claims arising out of or relating to this AGREEMENT and/or respective services shall be governed by the Laws of the State of California. Venue shall be in Sacramento County Superior Court. Mediation is an express condition precedent to the filing of any legal action. Unless the parties agree otherwise, the mediation shall be conducted pursuant to the Construction Mediation Rules of the American Arbitration Association.

Both parties have read the foregoing, understand the terms and conditions, and willingly enter into this AGREEMENT.

NES, INC.

CAEHA

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)