

Sole Source Waiver Request

Administrative Code Section 21.5(b) provides that commodities or services available only from a sole source shall be procured in accordance with Purchaser's regulations. Purchaser's regulations provide that, "If a department needs a commodity or service which is unique and which is known to be provided by only one vendor, then only one price quotation is solicited from the single vendor. The requesting department must submit documentation to the Purchaser justifying the transaction as a sole source. From time to time, the Purchaser may conduct a formal bid to determine the continuing validity of the sole source determination." (Procurement Instruction 12.06, Exhibit A, Section IX.D, dated April 28, 1989)

Directions: Use this form to justify a sole source transaction. The department requestor must complete the information below and attach a written memo with appropriate supporting documentation to justify this request. The memo must provide specific and comprehensive information that explains why the requested transaction should be considered a sole source. Departments are encouraged to consult with the Human Rights Commission and the City Attorney prior to submitting this request.

Department: Port of San Francisco Date Submitted: February 2, 2017
Contact: Boris Delepine Phone: (415) 571-6626
Vendor Name: Knoxville Locomotive Works Vendor # TBD
Type of Contract: Commodity X Professional Service _____ Non-Professional Service _____
Other
Amount: \$ \$1,886,813 ADPICS Doc #: _____

Describe the product or service:

Tier 4 Locomotive Low Emissions Diesel Locomotive (See Attached Memo)

Has the Human Rights Commission granted a sole source waiver on this transaction? _____
If yes, when was the sole source granted? _____ Please attach a copy of the HRC Waiver.

Check the appropriate statement. Attach a memo and documentation to address the questions following each statement.

Goods or services are available from only one source.

Explain why this is the only product or service that will meet the City's needs. Why is this the only vendor or contractor that can provide the services or products? What steps were taken to verify that the goods or services are not available from another source? Explain what efforts were made to obtain the best possible price. Why do you feel the price to be fair and reasonable? How was this vendor chosen? How long has the vendor been providing goods or services for your department?

Only one prospective vendor is willing to enter into a contract with the City.

Explain why no other vendors are willing to contract with the City. If there are compliance issues, what have you done to get other possible sources to become compliant? Have you contacted HRC? Have you received a waiver from HRC?

Item has design and/or performance features that are essential to the department, and no other source satisfies the City's requirements.

Explain why the design/performance features are essential. Have you contacted other suppliers to evaluate items/services with similar features and capabilities? If no, explain why not. If yes, list the suppliers and explain why their goods or services do not meet the department's needs.

Licensed or patented good or service.

Provide proof that the license or patent limits the availability of the product or service to only one source.

Other: _____

INSTRUCTIONS:

The Sole Source request must be approved before the department makes a commitment to the vendor, and before funds are encumbered. If the Sole Source request is denied, the department will be advised to conduct a competitive process to select the vendor/contractor. If the Sole Source request is to extend an existing professional service contract, attach a copy of the original contract and any prior sole source determinations made by HRC or Purchasing. When processing professional service contracts and modifications for signature, attach the approved sole source waiver form to the contract documents.

This form is required for every transaction, contract, or contract modification that the department wishes to be treated as a sole source. For additional information call the Purchaser assigned to your department.

The Department Head must sign this request before it is sent to OCA-Purchasing.

This Sole Source request is being submitted by:

Department Head Signature: [Signature] Date: 2/2/2017

Name of Department: Port

OCA Review and Approval:

Sole Source Approved: Sole Source Denied:

Reason for Determination

OCA Staff: _____ Date: _____

OCA Staff: _____ Date: _____

for OCA Director: [Signature] [Signature] Date: 2/14/17



Interdepartmental Memorandum

Date: February 2, 2017

To: Jaci Fong, Director
Office of Contract Administration

From: Peter Dailey, Deputy Director of Maritime
Port of San Francisco

RE: **OCA Sole Source Waiver Request**
Knoxville Locomotive Works – “Tier 4” low-emissions diesel locomotive

The Port of San Francisco has regular rail traffic through its railyard situated on Cargo Way in the Southern Waterfront. For more than a decade the Port has contracted with San Francisco Bay Railroad (SFBR) to provide shortline freight railroad services and rail terminal operations. SFBR also leases for their operation the Port's two 60-year old ALCO locomotives. SFBR maintains a clean and environmentally-compliant operation, hires its employees and subcontractors almost exclusively from the local community, and seeks opportunities to improve the environment at the railyard and in the local community.

In January of 2016 the Port submitted a grant application to the Bay Area Air Quality Management District (BAAQMD) on behalf of SFBR for a low-emission locomotive to replace one of the Port's old (1946 vintage) ALCO locomotives to improve the air quality at the railyard and in the Bayview-Hunters Point neighborhood. BAAQMD awarded the Port with two grants worth \$1,371,250 to purchase a new locomotive and for decommissioning of the Port's aging ALCO locomotive engine.

Through the available grant funds the Port is required to purchase a “Tier 4” low-emissions diesel locomotive to meet emissions standards established by the Environmental Protection Agency (EPA) and California Air Resources Board (CARB). There are only two locomotive suppliers with “Tier 4” locomotive availability in the subject horsepower class required for the Port's service operation. One supplier provides multi-engine Gen Sets. SFBR operators and staff do not possess the knowledge and experience to operate multi-engine Gen Set locomotives. Knoxville Locomotive Works is the sole locomotive supplier that offers single engine “Tier 4” low-emissions diesel locomotives that meet emissions standards established by the EPA and CARB and is serviceable by locomotive operators at SFBR .

Based on the requirements describe above the Port of San Francisco respectfully requests the approval of a sole source waiver in an amount not-to-exceed \$1,886,813 to purchase a new "Tier 4" low emissions diesel locomotive from Knoxville Locomotive Works.

If you have any questions, please contact Boris Delepine at (415) 274-0443.

Thank you for your consideration of this request. Below are answers to the questions addressed in the Sole Source Wavier Request Form:

- 1) Explain why the design/performance features are essential.

As mentioned in the memorandum above, the Port won a grant from BAAQMD to decommission an aging diesel locomotive situated on the Port's railyard near Cargo Way on the Southern Waterfront. Through the available grant funds the Port is required to purchase a "Tier 4" low-emissions diesel locomotive to meet emissions standards established by the Environmental Protection Agency (EPA) and California Air Resources Board (CARB). There are only two locomotive suppliers with "Tier 4" locomotive availability in the subject horsepower class required for the Port's service operation. One supplier provides multi-engine Gen Sets. SFBR operators and staff do not possess the knowledge and experience to operate multi-engine Gen Set locomotives. Knoxville Locomotive Works is the sole locomotive supplier that offers single engine "Tier 4" low-emissions diesel locomotives that meet emissions standards established by the EPA and CARB and is serviceable by locomotive operators at SFBR.

- 2) Have you contacted other suppliers to evaluate items/services with similar features and capabilities? If yes, list the suppliers and explain why their goods or services do not meet the department's needs.

Yes, the Port obtained a list of locomotive suppliers from San Francisco Bay Rail. Port Maritime Division staff then contact and/or reviewed the websites of Brookville Equipment Corporation, National Railway Equipment Company, RJ Corman Railroad Group, Pacific West Systems, and Knoxville Locomotive Works. Knoxville Locomotive Works is the sole locomotive supplier that offers single engine "Tier 4" low-emissions diesel locomotives that meet emissions standards established by the EPA and CARB and is serviceable by locomotive operators at San Francisco Bay Rail.