



Sales Order

CLS Sewer Equipment Co., Inc.
726 S Sherman St
Richardson, Texas
75081-4028

Date	S.O. No.
9/4/2018	26114

Name / Address	Ship To
Austin, City of Purchasing Office PO Box 1088 Austin, TX 78767-1088	Austin, City of Purchasing Office 124 W. Eight St Room 308 Austin, TX 78701-2302

Rep	P.O. No.	Ship Via
DEA	DO 56001808141...	Best Way Gro...

[illegible]

Total	\$186,716.00
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Phone #	Fax #	EMail
972-479-1335	972-479-1336	Sales@SewerTools.com



City of Austin FSD Purchasing Office

Certificate of Exemption

DATE: 04/10/2018

DEPT: Austin Water

TO: Purchasing Officer or Designee

FROM: Bill Ficke

BUYER: Gil Zilkha

PHONE: (512) 972-0435

Chapter 252 of the Local Government Code requires that municipalities comply with the procedures established for competitive sealed bids or proposals before entering into a contract requiring an expenditure of \$50,000 or more, unless the expenditure falls within an exemption listed in Section 252.022.

Senate Bill 7 amended Chapter 252 of the Local Government Code to exempt from the requirements of such Chapter expenditures made by a municipally owned electric utility for any purchases made by the municipally owned electric utility in accordance with procurement procedures adopted by a resolution of its governing body that sets out the public purpose to be achieved by those procedures. The Austin City Council has adopted Resolution No. 040610-02 to establish circumstances which could give rise to a finding of critical business need for Austin Energy.

This Certification of Exemption is executed and filed with the Purchasing Office as follows:

1. The undersigned is authorized to submit this certification.
2. The undersigned certifies that the following exemption is applicable to this purchase. (Please check which exemption you are certifying)

- ☐ a procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality
- ☐ a procurement necessary to preserve or protect the public health or safety of municipality's residents
- ☐ a procurement necessary because of unforeseen damage to public machinery, equipment, or other property
- ☐ a procurement for personal, professional, or planning services
- ☐ a procurement for work that is performed and paid for by the day as the work progresses
- ☐ a purchase of land or right-of-way
- ☒ a procurement of items available from only one source, including: items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies; films, manuscripts, or books; gas, water, and other utility services; captive replacement parts or components for

equipment; books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits

- ☐ a purchase of rare books, papers, and other library materials for a public library
- ☐ paving, drainage, street widening and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements
- ☐ a public improvement project, already in progress, authorized by voters of the municipality, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes as authorized by the voters

- ☐ a payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212
- ☐ personal property sold: at an auction by a state licensed auctioneer; at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; by a political subdivision of this state, a state agency of this state, or an entity of the federal government; or under an interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391
- ☐ services performed by blind or severely disabled persons
- ☐ goods purchased by a municipality for subsequent retail sale by the municipality
- ☐ electricity
- ☐ advertising, other than legal notices
- ☐ Critical Business Need (Austin Energy Only)

3. The following facts as detailed below support an exemption according to Section 252.022 of the Local Government Code for this purchase. Please verify the steps taken to confirm these facts. If you are citing the following exemptions, please provide the additional information requested below. A more detailed explanation of these exemptions is attached.

- **Preserve and Protect the Public Health and Safety** – Describe how this purchase will preserve and protect the public safety of residents.
- **Sole Source** – Describe what patents, copyrights, secret processes, or natural monopolies exist. Attach a letter from vendor supporting the sole source. The letter must be on company letterhead and be signed by an authorized person in company management.
- **Personal Services** – Describe those services to be performed personally by the individual contracted to perform them.
- **Professional Services** – Describe what mainly mental or intellectual rather than physical or manual and/or disciplines requiring special knowledge or attainment and a high order of learning, skill, and intelligence are required to perform this service.
- **Planning Services** – Describe the services primarily intended to guide governmental policy to ensure the orderly and coordinated development of the state or of municipal, county, metropolitan, or regional land areas.
- **Critical Business Need** – Describe the procurement necessary to protect the competitive interests or position of Austin Energy.

Austin Water seeks a Sole Source Exemption for CLS Sewer Equipment Company to acquire highly specialized services for our Pipeline Inspection System, Granite XP. CLS is the sole factory authorized dealership for Texas from the product manufacturer, CUES.

4. Please attach any documentation that supports this exemption.
5. Please provide any evaluation conducted to support the recommendation. Include the efforts taken to ensure the selected vendor is responsible and will provide the best value to the City (Ex: evaluation of other firms, knowledge of market, etc).

As the current solution has reached end-of-life with the vendor, an evaluation was completed by SMEs at Austin Water to identify current products available to perform pipeline asset inspection. After SMEs selected the incumbent vendor's newer technology it was determined they only sell products and services through their authorized dealership as documented in the included letter.

6. Because the above facts and documentation support the requested exemption, the City of Austin intends to contract with CLS Sewer Equipment Company, Inc. which will cost approximately \$ 438,188.00 (Provide estimate and/or breakdown of cost).

Recommended
Certification

W. [Signature] 4/10/2018
Originator Date

Approved
Certification

[Signature] 4/12/2018
Department Director or designee Date

[Signature] 4/24/18
Assistant City Manager / General Manager Date
or designee (if applicable)

Purchasing Review
(if applicable)

[Signature] 5/22/18
Buyer Date Manager Initials

Exemption Authorized
(if applicable)

[Signature] 5/22/18
Purchasing Officer or designee Date

02/26/2013

January 17, 2018



3600 Rio Vista Avenue
Orlando, Florida 32805
(407) 849-0190
(407) 425-1569 (Fax)
(800) 327-7791

RE: CLS Sewer Equipment Company

To Whom It May Concern:

This letter is for the purpose of confirming that CLS Sewer Equipment is the sole CUES factory authorized dealership for the State of Texas for CUES spare parts, service, repairs, trouble shooting, and major unit equipment purchases. Contact information is as follows:

CLS Sewer Equipment Company – North Texas

Contact: Jerry Sonnier
726 S. Sherman Street
Richardson, TX 75081
Office: 972-479-1335
Fax: 972-479-1336
jerry@sewer-tools.com

CLS Sewer Equipment Company – South Texas

Contact: Paul Baomy
800 N. Loop East
Houston, TX 77028
Office: 281-440-1881
Fax: 281-440-1879
paul@sewer-tools.com

CLS Sewer Equipment Company is the sole authorized facility in the State of Texas to supply loaner equipment to operate on CUES systems. CUES spare parts are stocked at their facility. CLS service and parts personnel have received training on parts and repairs related to CUES equipment. This letter is valid through December 31, 2018.

I can be reached at 800-327-7791, for further information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'David Doolittle'.

David Doolittle
Vice President



STATE OF FLORIDA
COUNTY OF ORANGE

Sworn to and subscribed before me this 17th day of January 17, 2018, by David Doolittle, who is personally known to me.

NOTARY

Corporate Office:

3600 Rio Vista Avenue, Orlando, FL 32805 • Telephone (407) 849-0190 / (800) 327-7791 • Fax (407) 425-1569

GOAL DETERMINATION REQUEST FORM

Buyer Name/Phone	Gil Zilkha 512-974-2696	PM Name/Phone	Bill Ficke (512)972-0435
Sponsor/User Dept.	Austin Water	Sponsor Name/Phone	Bill Ficke (512)972-0435
Solicitation No	27933	Project Name	GraniteNet Inspection System
Contract Amount	\$438,188.00	Ad Date (if applicable)	N/A
Procurement Type			
<input type="checkbox"/> AD – CSP <input type="checkbox"/> AD – Design Build Op Maint <input type="checkbox"/> IFB – IDIQ <input type="checkbox"/> Nonprofessional Services <input type="checkbox"/> Critical Business Need <input checked="" type="checkbox"/> Sole Source* <input type="checkbox"/> AD – CM@R <input type="checkbox"/> AD – JOC <input type="checkbox"/> PS – Project Specific <input type="checkbox"/> Commodities/Goods <input type="checkbox"/> Interlocal Agreement <input type="checkbox"/> AD – Design Build <input type="checkbox"/> IFB – Construction <input type="checkbox"/> PS – Rotation List <input type="checkbox"/> Cooperative Agreement <input type="checkbox"/> Ratification			
Provide Project Description**			
Upgrade for the legacy pipeline video inspection system from GraniteXP to GraniteNet.			
Project History: Was a solicitation previously issued; if so were goals established? Were subcontractors/subconsultants utilized? Include prior Solicitation No.			
No			
List the scopes of work (commodity codes) for this project. (Attach commodity breakdown by percentage; eCAPRIS printout acceptable)			
9613026 - Services - TEMPORARY SERVICES FOR THE EMPLOYMENT 100%			
Exempt from M/WBE Program			
Gil Zilkha		5/22/2018	
Buyer Confirmation		Date	

* Sole Source must include Certificate of Exemption

**Project Description not required for Sole Source

FOR SMBR USE ONLY			
Date Received	5/22/2018	Date Assigned to BDC	5/23/2018
In accordance with Chapter2-9(A-D)-19 of the Austin City Code, SMBR makes the following determination:			
<input type="checkbox"/> Goals	% MBE	% WBE	
<input type="checkbox"/> Subgoals	% African American	% Hispanic	
	% Asian/Native American	% WBE	
<input type="checkbox"/> Exempt from MBE/WBE Procurement Program		<input checked="" type="checkbox"/> No Goals	

GOAL DETERMINATION REQUEST FORM

This determination is based upon the following:

- | | |
|--|--|
| <input type="checkbox"/> Insufficient availability of M/WBEs | <input type="checkbox"/> No availability of M/WBEs |
| <input type="checkbox"/> Insufficient subcontracting opportunities | <input type="checkbox"/> No subcontracting opportunities |
| <input type="checkbox"/> Sufficient availability of M/WBEs | <input type="checkbox"/> Sufficient subcontracting opportunities |
| <input checked="" type="checkbox"/> Sole Source | <input type="checkbox"/> Other |

If Other was selected, provide reasoning:

MBE/WBE/DBE Availability

N/A

Subcontracting Opportunities Identified

N/A

Tracy Burkhalter

SMBR Staff

Signature/ Date

SMBR Director or Designee

Date

Returned to/ Date: