

**CITY OF CAPE CORAL  
REQUEST FOR SOLE SOURCE OR SINGLE SOURCE  
PURCHASE**

Requesting Department: Utilities: Water Reclamation Division

Vendor Name: HSQ Technology

Address: 26227 Research Rd, Hayward, CA 94545-3725

Phone: (510) 259-1334 E-Mail: Jimenez@hsq.com est@hsq.com

Price: \$ NTE \$80,000.00

**Description of item to be procured:**

Software, hardware, service, and repairs to the system and components for the HSQ Remote Terminal Units (RTUs) that report information from the Lift, Master, and Canal Stations to the HSQ Supervisory Control and Data Acquisition (SCADA) system located at the Everest Water Reclamation Facility (EWRF).

**1.) Uniqueness of vendor's item/service. How is this vendor the only vendor uniquely qualified to provide the product or service:**

HSQ Technology is the manufacturer of and the exclusive authorized company that supports the hardware and software for both the MISER Supervisory Control and Data Acquisition (SCADA) System and HSQ Remote Terminal Units (RTUs) currently in use at the City Lift, Master, and Canal Stations throughout the City.

**2.) Market Research. Describe other, similar sources or products available in the market, if any, and why they are not acceptable:**

HSQ was the lowest bidder at the initial installation. No other manufacturer has access to the proprietary information, parts, and or technology to evaluate and/or repair the originally installed and updated equipment. Research on these installed RTUs from different manufacturers have not indicated any other brand of RTUs to be reliable with the existing system. These RTUs are used to control communications at more than 313 locations throughout the City of Cape Coral.

**3.) Proposed Actions. Describe the actions the department will take to overcome the present barriers to competition for any future acquisition of this product or service:**

We will continue to stay informed of advancements in emerging and available components, processes, and equipment capable of meeting the needs of Utilities and the Community and include evaluations of different manufacturer's products as appropriate for future projects.

Department Director's Signature:  Acting for Jeff Date: 10/3/2023

Approval: Procurement Manager  Wanda Roop (not to exceed \$50,000.00) Date: 10/5/23

Approval: City Manager  (not to exceed \$100,000.00) Date: 10/6/23

**Council authorization required if exceeding \$100,000.00**

MEMORANDUM

CITY OF CAPE CORAL  
UTILITIES DEPARTMENT

TO: Michael Ilczyszyn, City Manager  
Mark Mason, Director of Financial Services  
Wanda Roop, Procurement Manager

FROM: Jeff Pearson, Utilities Director *J.P. Acting for Jeff*

DATE: October 2, 2023

SUBJECT: HSQ Software, Hardware, and Service FY24

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Water Reclamation is requesting to purchase, from HSQ Technology, proprietary purchases of HSQ software, hardware, service, and repairs for the HSQ Miser System, Remote Terminal Units (RTUs), and all associated boards that report information from the lift, master, and canal stations to the Everest Water Reclamation Facility (EWRf). Purchases for fiscal year 2024 (FY24) from the sole source vendor, HSQ Technology, shall be in an amount not to exceed \$80,000.

The City's wastewater lift stations and canal pumping stations are monitored at the EWRf by using HSQ's proprietary telemetry Supervisory Control and Data Acquisition (SCADA) software system. With HSQ's software, all functions of the system's three hundred thirteen (313) sanitary lift stations and six (6) canal pump stations are monitored continuously. This constant monitoring is critical to address issues twenty-four hours per day to avoid prolonged failures in the system and avoid sanitary sewer overflows which must be reported to State regulatory authorities and could possibly result in monetary fines and damages.

Funds have been budgeted in FY24 and are available in the following Divisions:

- 36014 – Water Rec – Collection Systems
- 36015 – Water Rec – Everest WRF
- 36016 – Water Rec – Southwest WRF
- 36018 - Water Rec – Reclaimed Water

JP/jmf (HSQ Software, Hardware, and Service)

C: Jeff Walter, Water Reclamation Manager  
Mike Murphy, Instrumentation Supervisor  
Tim Bennett, Utilities Programmer Operator

## Gina Lanzilotta

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**From:** Jeff Walter  
**Sent:** Thursday, October 5, 2023 2:07 PM  
**To:** Wanda Roop; Gina Lanzilotta  
**Cc:** Janice Fusco  
**Subject:** HSQ Service Contract

Wanda/Gina,

Water Reclamation will be changing the Collection and Reuse SCADA system from HSQ to VTScada in phases. However, Water Reclamation will need to maintain the annual service agreement for these reasons:

- Integrating the entire VTScada SCADA system will likely take at least 3 years to complete.
- The HSQ system is still considered critical infrastructure until all 350 lift stations are operational on VTScada.
- System components and security updates will be required and can only be provided by HSQ.
- A service agreement with HSQ gives Water Reclamation the timeliest opportunity to acquire parts and system updates and other system repairs if needed.

The integration of the entire Collections/Reuse SCADA system is a massive undertaking and will take multiple years with 360 facilities that will not only need new communication protocols, but significant hardware upgrades. If you have any further questions, please feel free to contact me. Thanks for your consideration in these matters.

### Jeff Walter

Water Reclamation Manager  
Utilities  
4873 (574-0873)  
[jwalter@capecoral.gov](mailto:jwalter@capecoral.gov)



HSQ Tech Inc. 26227 Research Road  
Hayward, California 94545-3725  
Phone: (510) 259-1334  
Fax: (510) 259-1392  
[www.hsq.com](http://www.hsq.com)

By Email [tbennett@capecoral.gov](mailto:tbennett@capecoral.gov)

September 20, 2023

City of Cape Coral  
P.O. Box 150027  
Cape Coral, FL 33915-0027

Attention: Timothy Bennett  
Utilities Programmer Operator

Reference: Sole Source Letter -  
HSQ Technology Maintenance, Parts and Repairs

Dear Mr. Bennett:

This letter is to certify that HSQ Tech Inc., is the manufacturer of the HSQ MISER SCADA System, the HSQ Series 2500, including 25x86, Remote Terminal Units (RTUs), and all associated boards for said System and RTUs.

As the manufacturer, we are the only authorized company that supports the hardware and software for both the MISER SCADA System and the RTUs.

We are a sole source manufacturer and do not sell or authorize support through distributors or any other agency, and we are the only authorized repair facility.

If you have any questions, please call the undersigned at (800) 486-6684.

Sincerely yours,

HSQ TECH INC.

A handwritten signature in black ink, appearing to read 'Gustavo Jimenez', written over a printed name and title.

Gustavo Jimenez  
Vice President/COO

GJ/ks

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California Contractor's License 378393



HSQ Tech Inc. 26227 Research Road  
Hayward, California 94545-3725  
Phone: (510) 259-1334  
Fax: (510) 259-1392  
[www.hsq.com](http://www.hsq.com)

By E-mail: [tbennett@capecoral.gov](mailto:tbennett@capecoral.gov)

September 12, 2023

City of Cape Coral  
1740 Everest Parkway  
Cape Coral, FL 33904

Attention: Timothy Bennett  
Electrical Instrumentation Supervisor

Reference: **Maintenance Agreement // T&M Telephone Support**  
**Quotation No. 2305-0015-MA-A**

Mr. Bennett:

HSQ Tech Inc. is pleased to provide you with a one (1) year quote for 24-Hour Telephone Technical Support for your Supervisory Control and Data Acquisition (SCADA) System with the City of Cape Coral Fiscal Year.

Per your request, HSQ Technology will offer 24-Hour Telephone Technical Support on a Time & Materials basis; up to any 'not-to-exceed' limit established by a City of Cape Coral issued Purchase Order; for the performance period of October 1, 2023, through September 30, 2024.

Please note that HSQ's standard T&M rates are as follows:

- HSQ Management and Senior Engineer at T&M rate of \$250.00 per normal business hour and \$375.00 per overtime hour per HSQ Management personnel

**24-Hour Telephone Technical Support**

Full technical telephone support will be available 24x7 from HSQs Hayward, California, office at 510-259-1334 during HSQ Technology West Coast business hours (08:00 PT to 5:00 PT) and at 800-225-0354 after normal business hours and or email [support@hsq.com](mailto:support@hsq.com).

HSQ will endeavor to restore satisfactory system operation during 'after-hours' events, but may defer less critical support activities to the next business day.

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California Contractor's License 378393

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City of Cape Coral  
Quotation No. 2305-0015-MA-A  
Attention: Timothy Bennett  
Page 2  
September 12, 2023

Please note, technical telephone support is usually intended to maintain system functionality, and is not usually intended to be an unlimited technical resource for the City's Operations and Maintenance Staff. Since HSQ's service(s) are now being offered on a Time & Materials basis, HSQ no longer needs to reserve the right to request additional compensation for any of the activities list as 'Work Excluded' below.

HSQ suggests that the 'not-to-exceed' limit established by a City of Cape Coral issued Purchase Order be \$15,000.00.

**Work 'Normally' Included:**

- Operation or maintenance questions from Customer authorized staff.
- Assist in diagnosing hardware problems for HSQ supplied equipment
- Provide fixes for any latent software defects for HSQ provided software
- Access Customer System as available for any of the above support service(s)

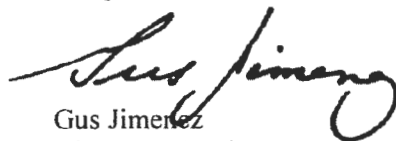
**Work 'Normally' Excluded:**

- New Development added by customer and support to implement
- Site Visits
- Development of custom software including reports, control blocks, VCL
- Significant modifications to the System Database for points or Graphics
- System issues caused by end user related Graphics, new or modified
- Preparations of new Drawings or Documentation
- Any material or equipment

HSQ looks forward to meeting your maintenance needs. Please contact the undersigned at 800-486-6684 or email at [est@hsq.com](mailto:est@hsq.com) with any questions.

Sincerely yours,

HSQ TECH INC.



Gus Jimenez  
Vice President/COO

GJ/ks



## AGREEMENT FOR TELEPHONE SUPPORT SERVICE

**HSQ TECH INC. and CITY OF CAPE CORAL**

**SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM**

**Maintenance Agreement No. 2305 – 0015 – MA -A**

This Agreement is made and entered into this 12<sup>th</sup> day of September, 2023, by and between HSQ TECH INC., hereinafter referred to as “HSQ,” and CITY OF CAPE CORAL, hereinafter referred to as “CUSTOMER,” for the HSQ SCADA System.

### **TERM**

This Agreement shall be effective October 1, 2023, and shall continue for a term of twelve (12) months through September 30, 2024.

### **SCOPE OF WORK**

In consideration of payment by CUSTOMER, HSQ agrees to provide telephone support for questions regarding operations of, or problems arising with, the SCADA system. Telephone support will be available 24x7 from HSQ’s Hayward, California, factory at 510-259-1334 and at 800 225-0354 after normal business hours or email [support@hsq.com](mailto:support@hsq.com) at the established Time and Material rates listed below.

Please note that HSQ’s standard T&M rates are as follows:

- HSQ Management and Senior Engineer at T&M rate of \$250.00 per normal business hour and \$375.00 per overtime hour per HSQ Management personnel

HSQ will endeavor to restore satisfactory system operation during ‘after-hours’ events, but may defer less critical support activities to the next business day. Please note that telephone support is intended to maintain system functionality, and is not intended to be an unlimited technical resource for the Operations and Maintenance Staff; HSQ reserves the right to request additional compensation for work outside of the normal scope of telephone support.

Maintenance contract is based on having authorized remote access to SCADA system in order to support services under this contract and written authorization (email) from the city of Cape Coral.

### **Work included:**

- Operation or maintenance questions from Customer authorized staff
- Assist in diagnosing hardware problems for HSQ supplied equipment
- Provide fixes for any latent software defects provided by HSQ
- Access Customer System as available for any of the above issues

**Work Excluded:**

- New Development added by customer and support to implement
- Development of custom software including reports, control blocks, VCL
- Significant modifications to the System Database for points or Graphics
- Preparations of new Drawings or Documentation
- Any material or equipment
- Site Visits

**Optional Site Visits:**

Site visits are coordinated between Customer and HSQ Support Services:

- Conduct routing maintenance on HSQ SCADA system to maximize system functionality by performing maintenance cleanup on system to maintain and improve system performance.
- Customer shall provide the scope of work expected for each visit in order to assign to the appropriate HSQ support Engineer
- Site visits includes labor and include travel time, training, maintenance, or assisting with the development of minor software modifications.
  - **Site Visits to be quoted on request by customer and sent to est@hsq.com**

**PAYMENT**

In consideration of the above support services, CUSTOMER agrees to pay HSQ the approved T & M rates listed as well as authorized work to be performed at listed rates.

**ACCEPTANCE**

By CUSTOMER:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed/Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

By HSQ TECH INC.:

\_\_\_\_\_  
Signature  
Gustavo Jimenez

\_\_\_\_\_  
Typed/Printed Name  
Vice President/COO

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date