

Sole Source CONTRACT Filing Justification Template

Use the following justification template for preparing to file sole source contracts in the [Sole Source Contracts Database](#) (SSCD). Once completed, copy and paste the answers into the corresponding SSCD question and answer fields. You will also need to include a copy of this completed form in the documents you post to your agency website and in [WEBS](#).

What is a sole source contract?

"Sole source" means a contractor providing goods or services of such a unique nature or sole availability at the location required that the contractor is clearly and justifiably the only practicable source to provide the goods or services. (RCW 39.26.010)

Unique qualifications or services are those which are highly specialized or one-of-a-kind.

Other factors which may be considered include past performance, cost-effectiveness (learning curve), and/or follow-up nature of the required goods and/or services. Past performance alone does not provide adequate justification for a sole source contract. Time constraints may be considered as a contributing factor in a sole source justification however will not be on its own a sufficient justification.

Why is a sole source justification required?

The State of Washington, by policy and law, believes competition is the best strategy to obtain the best value for the goods and services it purchases, and to ensure that all interested vendors have a fair and transparent opportunity to sell goods and services to the state.

A sole source contract does not benefit from competition. Thus the state, through RCW 39.26.010, has determined it is important to evaluate whether the conditions, costs and risks related to the proposal of a sole source contract truly outweigh forgoing the benefits of a competitive contract.

Providing compelling answers to the following questions will facilitate the evaluation.

Specific Problem or Need

- What is the business need or problem that requires this contract?

The State Conservation Commission (SCC) uses a vendor's software to track conservation Best Management Practices (BMPs) that are installed by Conservation Districts (CD) and other agencies. BMPs are funded by SCC through state operating funds and capitol funds through grants and contracts to CDs, Counties, and other agencies. The database is referred to as Conservation Practice Data System (CPDS). The CPDS software code is owned by a specific vendor (Enkon). The data is owned by SCC. The software is a cloud solution that allows access to the software from any internet connection, facilitating data

entry and data sharing between SCC and funded entities. SCC needs to enter an annual software maintenance agreement with the vendor to provide annual maintenance including bug fixes, generate scripts to create or modify the database, troubleshoot user issues, maintain data integrity, data storage, data backup, participate in weekly project management meetings and provide enhancements to the software as agreed to during annual meetings to provide business need, workflow and data structure.

Some history on this vendor database: In 2006, the SCC implemented the Watershed Data Pilot Project (WDPP). WDPP piloted a single web based repository for the state's Conservation Districts' habitat restoration practices implemented by CD-sponsored projects, and data collected during implementation and effectiveness monitoring on the practices' contributions to watershed and habitat health. This successful pilot system led to funding by the legislature for a long-term solution. The long-term solution is the SCC's Conservation Practice Data System (CPDS), a web-based database that provides all of the following:

- Funding application portal for Conservation Districts to apply for SCC funding
- SCC uses CDPS to award funding
- SCC uses CPDS to summarize data of completed projects, funds awarded, Best Management Practices implemented, habitat conservation progress on the ground.
- Data from CPDS is used by SCC to provide reports directly to the legislature
- CPDS provides SCC with a tool to demonstrate where our State funds go and the direct outcomes of State funding
- CDPS generates the landowner agreement for all projects, ensuring funding accountability

CPDS allows all of SCC's programs to operate cohesively, providing an interface for Conservation Districts, Counties, and other funded agencies to input project data directly and immediate access to that data by SCC.

Sole Source Criteria

- Describe the unique features, qualifications, abilities or expertise of the contractor proposed for this sole source contract.

The vendor created the CPDS system for SCC beginning in 2009. The vendor owns the code for the application. The vendor has the capability to store and secure the code and data, maintain the code, correct bugs, and provide enhancements. The vendor has been providing the service for this database since it's development and implementation.

- What kind of market research did the agency conduct to conclude that alternative sources were inappropriate or unavailable? Provide a narrative description of the agency's due diligence in determining the basis for the sole source contract, including methods used by the agency to conduct a review of available sources such as researching trade publications, industry newsletters and the internet; contacting similar service providers; and reviewing statewide pricing trends and/or agreements. Include a list of businesses contacted (if you state that no other businesses were contacted, explain why not), date of contact, method of contact (telephone, mail, e-mail, other), and documentation demonstrating an explanation of why those businesses could not or

would not, under any circumstances, perform the contract; or an explanation of why the agency has determined that no businesses other than the prospective contractor can perform the contract.

SCC did not conduct formal market research because no business other than the prospective contractor can perform the contract. SCC has had a relationship with the vendor since the vendor was awarded a contract after a 2008 RFP. The vendor developed the CDPS database specifically for SCC to meet SCC's needs. The database is a unique, one-of-a-kind application. The vendor developed and owns the code that allows CDPS to function. Intuitively, a third party cannot maintain code it doesn't have access to. The only vendor that can maintain the code is the vendor that owns the code.

In 2008 SCC issued a RFP for development of the CPDS system. Enkon (vendor) was awarded the contract and developed the CDPS database. Since that time, Enkon has been adding to the database as needed. Because the work has been done on an as-needed basis, payments have been handled as a work order via accounts payable and not under a contract. Currently there is a need for ongoing maintenance as well as modifications and additions to the database as new SCC programs and funds become available to Conservation Districts and other agencies.

- What considerations were given to providing opportunities in this contract for small business, including but not limited to unbundling the goods and/or services acquired.

The vendor has between 25-30 employees and maintains a business license and office in Seattle which meets the state definition of small business.

- Provide a detailed and compelling description that includes quantification of the costs and risks mitigated by contracting with this contractor (i.e. learning curve, follow-up nature).

The SCC has used this database system since circa 2009 to maintain records of agricultural BMPs that were paid for with SCC grants to Conservation Districts and other agencies. The data not only provides records of funded projects for accountability, it also allows Districts to enter data for prospective projects, which provides a mechanism for SCC to rank and award funding, as well as show funding need when asked by the Governor's office or other agencies. The system generates a landowner contract for each award, providing additional accountability, as well as providing consistency with agency policies regarding how much funding is awarded annually to individuals.

Loss of support for this system would essentially end its use, requiring a new contract to develop the same (or very similar) system to be re-coded, data imported, and made operational under a new contract. The time to accomplish this is estimated at 18 months. During this time SCC would not have a comprehensive database system and would only be able to use a much slower system of spreadsheets or limited online database such as Formstack, both inefficient and resulting in a large loss of data. The cost to develop a new database system is conservatively estimated at \$100,000 - \$250,000.

- Is the agency proposing this sole source contract because of special circumstances such as confidential investigations, copyright restrictions, etc.? If so, please describe.

The agency is proposing this sole source contract because the software code is owned by the vendor. A third party cannot maintain code it doesn't have access to. Recoding to achieve the same or similar software product would be substantially more expensive, and require significant software development time during which SCC and CDs would not have the ability to enter data and record agency activities.

- Is the agency proposing this sole source contract because of unavoidable, critical time delays or issues that prevented the agency from completing this acquisition using a competitive process? If so, please describe. For example, if time constraints are applicable, identify when the agency was on notice of the need for the goods and/or service, the entity that imposed the constraints, explain the authority of that entity to impose them, and provide the timelines within which work must be accomplished.

No, however, if the agency is unable to enter this sole source agreement, the agency would have to solicit for another software system. Soliciting for another software system would result in time delays related to the development of a new system to replace the current CPDS database, during which time SCC would not have a reliable method to document use of state funds, award state funds, monitor use of state funds.

- Is the agency proposing this sole source contract because of a geographic limitation? If the proposed contractor is the only source available in the geographical area, state the basis for this conclusion and the rationale for limiting the size of the geographical area selected.

No. Software maintenance and support can be performed virtually, from any location. Data must be stored on a server in Washington, which the vendor can provide.

- What are the consequences of not having this sole source filing approved? Describe in detail the impact to the agency and to services it provides if this sole source filing is not approved.

Without this sole source software maintenance contract, SCC could not manage records of BMPs funded by SCC grants. The SCC would not have records of what BMPs are installed, landowners assisted, type and quantity of resource concerns addressed, locations and benefits of BMPs. SCC would not be able to effectively report to the state and legislature on measurable and quantifiable outcomes of state funded programs. Conservation district staff would not be able to apply to SCC for funding. Conservation district staff would also need to develop new internal processes to manage projects, develop landowner agreements, manage data, and report information to SCC. This would create a burden and learning curve for our Conservation District and agency partners.

Knowing what BMPs are installed using SCC funding is critical to the mission of the agency. SCC would have to embark on re-coding the existing software and then entering a software maintenance agreement with another vendor, at considerable extra time (one to two years) and expense.

Sole Source Posting

- Provide the date in which the sole source posting, the draft contract, and a copy of the Sole Source Contract Justification Template were published in WEBS.
[ESTIMATED March 1](#)
 - If exempt from posting in WEBS, please provide which exemption.
 - If failed to post, please explain why.
- Were responses received to the sole source posting in WEBS?
 - If one or more responses are received, list name of entities responding and explain how the agency concluded the contract is appropriate for sole source award.

Reasonableness of Cost

Since competition was not used as the means for procurement, how did the agency conclude that the costs, fees, or rates negotiated are fair and reasonable? Please make a comparison with comparable contracts, use the results of a market survey, or employ some other appropriate means calculated to make such a determination.

Since 2013 Consumer Price Index for the Western Region, All Items, has increased by 30%. The original contract with the vendor, in 2009, included the following costs as compared to the 2023 proposed costs:

	2009	2023	Percent Change
Web service subscription	\$39,000	\$45,000	15%
Maintenance Fee	\$5,000	\$5,000	0%