Sole Source CONTRACT Filing Justification Template

*Use the following justification template for preparing to file sole source contracts in the* [*Sole Source Contracts Database*](https://sscd.des.wa.gov/Logon/Logon.aspx?ReturnUrl=%2f) *(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*](https://pr-webs-customer.des.wa.gov/)*.*

# 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? Purchase two small Unmanned Arial System drones for use by the Washington Military Department during domestic support to wildfires and floods for incident awareness and assessment missions

## Sole Source Criteria

* Describe the unique features, qualifications, abilities or expertise of the contractor proposed for this sole source contract.
	+ Skydio provides the only blue list approved drone with crash avoidance and video live stream.
* 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.
	+ Online market research found that Skydio was able to provide the drones to meet the delivery deadline with a 30 day turn around time. Research also determined Skydio is the only company that offers a drone with crash avoidance and video live stream that is blue list approved.
	+ Teal came to Camp Murray and completed a demo 17 April 2023; however, Teal drone does not offer crash avoidance.
* 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.
	+ Due to the requirements required for the drones, MIL is unable to contract with a small business. Unbundling is not an option for this procurement.
* 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 Skydio X2D has shortest lead-time, crash avoidance, spare rotor blades included, 3 batteries per unit included, and training is the lowest cost for 3-year online training. Purchasing drones with crash avoidance will help lower future costs since fewer replacements will be required.
* Is the agency proposing this sole source contract because of special circumstances such as confidential investigations, copyright restrictions, etc.? If so, please describe.
	+ Skydio is the only blue list approved drone with crash avoidance and video live stream.
* 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.
	+ Skydio is the only company that can provide the drones within 30 days all other company turnaround time is 60 plus days. State finance has a fiscal year deadline that limits the Washington Military Department’s timeline. Approval to purchase the drones was just given by The WMD Director & The Adjust General, Major General Daugherty at the end of April.
* 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
* 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.
	+ Not having this sole source contract approved would result in not being able to acquire a drone that has crash avoidance resulting in higher long-term cost.

## 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.

* The drone from the company Teal, the only other blue-listed option, offers a drone for $14,800 and $9,300 for pilot training plus $2,000 per spare kits. However, it does not have crash avoidance.