



Washington State
DEPARTMENT OF
ENTERPRISE SERVICES


Sole Source Contracts

Enterprise Procurement Policy Workshop

Contracts & Procurement Division

APRIL 4, 2024

TODAY'S AGENDA

Time	Topic
8:00-9:00 AM	Sole Source 
9:15-9:45 AM	PCBs
10:00-10:30 AM	Convenience Contracts
10:45-11:45 AM	Procurement Risk Assessment



HOUSEKEEPING

- Please use the chat for questions
- Q&A at the end of the presentation
- Workshop is being recorded
- Recording, transcript, and slides will be posted to the DES website



POLICY WORKSHOP - INTENT



Sole
source
contracts

- DES is proposing some changes to enhance the current sole source policy and procedures.
- DES is seeking feedback on proposed revisions.
- The intent of the workshop is to provide an overview of the policy and proposed revisions, obtain initial feedback and to address questions.

SUMMARY OF PROPOSED CHANGES



<ul style="list-style-type: none">▪ Law Change: geographic limitations	<ul style="list-style-type: none">▪ Law change: Sole Source Timelines
<ul style="list-style-type: none">▪ Exemptions List Updates	<ul style="list-style-type: none">▪ Filing Exemptions in SSCD
<ul style="list-style-type: none">▪ WaTech Policy Compliance	<ul style="list-style-type: none">▪ Market Research
<ul style="list-style-type: none">▪ Capability Statements	<ul style="list-style-type: none">▪ Supplier Diversity

SOLE SOURCE LAW CHANGES



Sole
source
contracts

Effective June 5, 2024

- ❑ RCW 39.26.010 (23) 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 39.26.140 (1) “Agencies must submit sole source contracts to the department and make the contracts available for public inspection not less than fifteen ~~ten~~ working days before the proposed starting date of the contract. ...”

TRANSPARENCY- TIMELINES



WEBS

was

5

will be

10

Working days

SSCD Sole Source Filing

was

10

will be

15

Working days

Public Notice

was

10

will be

15

Working days

TRANSPARENCY - WEBS



POLICY:	PROCEDURE:
Section 3	Presentation of Sole Source Contract Filing to DES
"selecting at a minimum all applicable commodity codes used by the prospective vendor"	"The name of the prospective sole source vendor, which must be registered in WEBS"

EXEMPTIONS



Sole
source
contracts

- Clarified exemption 1)
- Deleted exemption 2) – now included in 1)
- Clarified exemption 10), to align with the statute, RCW 39.26.125.

~~10) Contracts related to collaborative research~~

9) Contracts for services that are necessary for conducting collaborative research if the use of a specific contractor is mandated by the funding source as a condition of granting funds;

SECTION 5. EXEMPTIONS, 13)

Sole
source
contracts

- Clarified previous exemptions 13), 14), and 15) as follows:

~~13)~~12) _____ Professional development for state and/or higher education employees obtained from a third party, such as conferences, seminars, professional licenses, professional organization memberships, and professional publications. (See Glossary Supplement)

SECTION 5. EXEMPTIONS, 14)

Sole
source
contracts

- Clarified previous exemptions 13), 14), and 15) as follows:

~~13)~~12) _____ Professional development for state and/or higher education employees obtained from a third party, such as conferences, seminars, professional licenses, professional organization memberships, and professional publications. (See Glossary Supplement)

~~14)~~13) _____ Replacement or repair of rental equipment when required by the rental contractor under the rental agreement.

SECTION 5. EXEMPTIONS, 15)

Sole
source
contracts

- Clarified previous exemptions 13), 14), and 15) as follows:

~~13)~~12) _____ Professional development for state and/or higher education employees obtained from a third party, such as conferences, seminars, professional licenses, professional organization memberships, and professional publications. (See Glossary Supplement)

~~14)~~13) _____ Replacement or repair of rental equipment when required by the rental contractor under the rental agreement.

~~16)~~15) _____ Contracts awarded by institutions of higher education from non-state funds only when the non-state funds account for 51% or greater of the total contract consideration.

NEW PROPOSED EXEMPTION

Sole
source
contracts

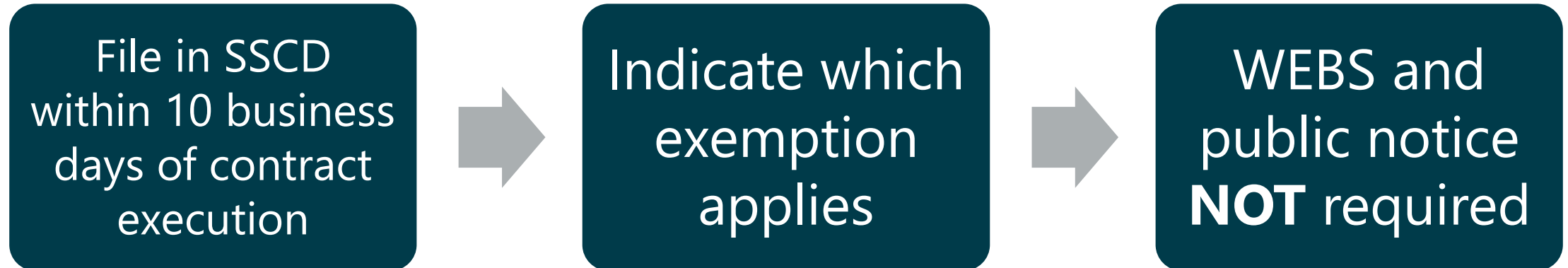
19) Goods and/or services when the providing entity has a copyright, trademark, or proprietary documents/data and there is no authorized reseller(s) or comparable good/service as documented through market research.

NEW!

FILING EXEMPTIONS IN THE SSCD

Sole
source
contracts

- If utilizing sole source exemptions 2) – 19):



- Note: DES does not approve/disapprove these filings

FILING EXEMPTIONS PURPOSE

Sole
source
contracts

- Purpose of this change:
 - **Record keeping**
 - **Improve oversight**
- Compliance will be reviewed during the procurement risk assessment.



COMPLIANCE WITH WATECH POLICIES

Sole
source
contracts

7. Information Technology contracts.

All information technology (IT) related sole source contracts must also conform to all applicable Washington Technology Solutions (WaTech) policies. ~~OCIO Policy #121.~~

Agencies should confer with WaTech ~~the OCIO~~ as outlined in policy. Similarly, DES will be available to answer the agencies' IT sole source contract questions.



IT Policies

MARKET RESEARCH

Sole
source
contracts

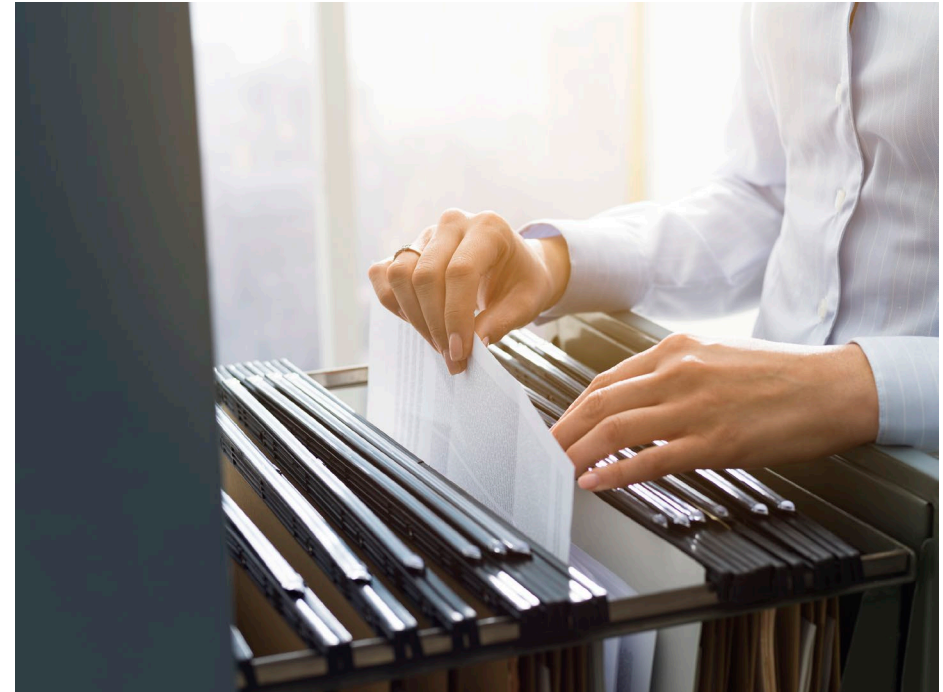
- New policy section 10
- Requires sufficient market research prior to filing in the SSCD
- Required for amendment filings



CAPABILITY STATEMENTS

Sole
source
contracts

- New policy section 11
- Requires agencies submit capability statement documents to SSCD/DES for review:
 - Documents
 - Correspondence
 - Agency analysis/conclusion



SUPPLIER DIVERSITY

Sole
source
contracts

- New policy section 12
- Alignment with the Supplier Diversity Policy
- New/revised SSCD justification questions



DELEGATED AUTHORITY



Sole
source
contracts

POLICY:

9. Delegated Authority.

When filing in SSCD, agency will certify that it has (or will obtain) sufficient delegated authority, as defined in DES-POL-090, Delegation of Authority Policy.

PROCEDURES:

2. Confirms that the agency has sufficient delegated authority for the proposed purchase (**see procedure PRO-DES-090-00A for how to obtain additional delegated authority if applicable*).

NEW SOLE SOURCE PROCEDURES



- ❑ Conducting **market research**
- ❑ Responding to vendor **capability statement(s)**
- ❑ Requirements if the sole source request is for a **convenience contract**
- ❑ Filing **Exemption(s)** to the SSCD

DES Washington State
DEPARTMENT OF
ENTERPRISE SERVICES

Enterprise Services Procedure No. PRO-DES-140-00
Sole Source Contract Approval Procedure

Applies to: Agencies requesting sole source contract and/or amendment approval from DES for the purchase of goods and services in accordance with DES Policy #POL-DES-140-00. [LINK](#)

Effective date: **[DATE]**
Last update: April 1, 2022
Sunset review date: **5 years from effective date**

Approved by: _____ Tara C. Smith, Director

PRO-DES-140-00 Obtaining Sole Source Contract Approval

SOLE SOURCE DETERMINATION

Action By:	Action:
Agency Staff	<ol style="list-style-type: none">1. Confirms that a statewide contract is not available for the good/service.2. Confirms that the proposed <u>business need and</u> purchase is from "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." <u>RCW 39.16.010 (2)</u>. This <u>must</u> be verified by conducting <u>thorough</u> market research (as defined in the Glossary Supplement). <u>The agency must provide documented market research to support a sole source contract. The methods for conducting market research include, but not limited to:</u><ol style="list-style-type: none"><u>i. Gathering detailed information about the past, present, and potential service/goods being acquired;</u><u>ii. Research about the industry as a whole;</u><u>iii. performing an extensive internet search to identify other potential sources, including various search terms;</u><u>iv. Connecting with the Office of Minority and Women's Business Enterprises (OMWBE) and/or searching the OMWBE online portal for businesses;</u><u>v. A market analysis of trends, pricing, and service/product availability;</u><u>vi. Providing results of recent RFV/RFQ/RFP/RFQs etc. conducted by the agency together with results.</u>

Page 1 of 8

NEXT STEPS

- Feedback due **April 25, 2024**
 - Submit feedback: [Feedback Form](#)
- DES next steps:
 - Compile feedback & incorporate revisions to policy/procedure
 - Revise templates, Glossary Supplement & FAQ
- Target effective date: June 5, 2024



QUESTIONS

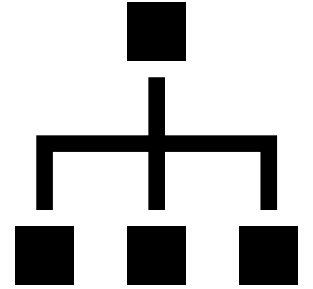
OTHER POLICY PROJECTS

SUPPLIER DIVERSITY POLICY – HANDBOOK REVISIONS



- The team has proposed one policy change and over 50 revisions to the Handbook, including:
 - New FAQs
 - Clarifications to procedure and glossary
- Currently pending management review and approval
- Upcoming lunch-and-learn and Supplier Diversity Community of Practice meeting to share the approved revisions (date TBA)
- Target completion date: **April 2024**

CURRENT POLICY PROJECTS



- **Washington Grown Food** - refresh
- **Executive Order 18-03** - refresh
- **Delegation of Authority** – refresh
- **Emergency Purchases** – revisions due to law change
- **Direct Buy Purchases Policy** – refresh upcoming

[Enterprise procurement policy status report](#)

➤ Updated monthly

ENTERPRISE PROCUREMENT POLICY TEAM

EPP STAFF	EMAIL	PHONE
Drew Zavatsky Risk Assessment Administrator	<u>Drew.Zavatsky@des.wa.gov</u>	(360) 701-6388
Olu Agbaje Policy and Protest Administrator	<u>Olu.Agbaje@des.wa.gov</u>	(360) 763-2235
David Jorgensen Policy and Protest Administrator	<u>David.Jorgensen@des.wa.gov</u>	(360) 706-3673
Brooke Jensen Sole Source Administrator	<u>Brooke.Jensen@des.wa.gov</u>	(360) 790-8256
Zoë Mroz Management Analyst	<u>Zoe.Mroz@des.wa.gov</u>	(360) 764-6084
Christine Warnock Enterprise Procurement Policy Manager	<u>Christine.Warnock@des.wa.gov</u>	(360) 951-8331

THANK YOU



DESmiEnterpriseProcurementPolicy@des.wa.gov



[Feedback Link](#)



[Current Enterprise Procurement Policies \(des.wa.gov\)](#)