



Sole Source Contract Policy Glossary Supplement

Effective date: June 6, 2024

Definitions pertinent to the sole source policy and procedures:

“Agency Head” means an individual whom the ultimate legal authority of the agency is vested by law. Often referred to as the agency’s ‘Director’ or ‘Secretary’.

“Approval” means that all sole source contracting requirements have been met and the contract may go into effect.

“Capability statement” is a written statement from a vendor that explains to a state agency how that vendor is **capable** of meeting the requirements listed in the legal notice. Receiving a capability statement is evidence that there may be an existing market for the business need (good and/or service) and that sole source is not the appropriate procurement route. A capability statement is not a formal bid that undergoes an evaluation.

“Compelling” means that enough evidence has been provided to convince the DES reviewer that something is true. The provided information should be able to withstand challenge(s).

“Disapproval” means that all sole source contracting requirements have not been met.

“Information technology (IT) contract” means contracts related to information technology assets, including Software licenses, subscription services, and hosted agreements.

“Late filing” means a sole source request that is submitted with a start date prior to the required 15-day filing and public inspection period. A late filing will receive a ‘Disapproval’ or ‘Late Filing’ decision, both mean that all the requirements in the policy/law were not met.

“Legal notice” means the document that contains specific information agencies are required to post publicly in WEBS to comply with the sole source policy and procedures. **Note: The information required can be found in the [Legal Notice Template](#) agencies are encouraged to use as well as in the sole source procedures document, page 2, Presentation of Sole Source Contract Filing to DES.*

“Market research” means the process of systematically gathering information on a particular commodity or service through research conducted directly and indirectly with vendors, end-users, other agencies, and/or consumers, in order to evaluate (a) the feasibility of the service or product (including specific and justified agency needs); and (b) the existing **capabilities** of vendors in the market to provide the goods/services the agency needs. Market research may include:

- Gathering detailed information about the past, present, and potential service/good(s) being acquired;
- Research about the industry as a whole;
- Performing an extensive internet search to identify other potential sources, including various search terms;
- A market analysis of trends, pricing, and service/product availability;



- Recent RFx conducted by the agency together with results;
- Surveys and/or questionnaires sent out to gain industry knowledge;
- Searching WEBS to find other vendors registered under the commodity code(s) intends to post with the sole source. **These vendors could be other 'potential sources' that can meet your business need;*
- Conducting a Request for Information (RFI);
- Reviewing the results of a recent solicitation that resulted in a single source, etc.;
- Connecting with the Office of Minority and Women's Business Enterprises (OMWBE) and/or searching the OMWBE online portal for businesses; and
- Connecting with the Department of Veteran's Affairs (DVA) for other possible businesses.

Upon completion of market research, information presented to DES should support evidence of an agency's assertion that a particular vendor is a sole source for obtaining a good/service. **Note: see DES' optional [Market Research Template](#).*

"Minor or administrative change(s)" means revisions to the terms of a contract that do not affect the substantive rights of any party to that contract, such as a contractor's address change, etc.

**Note: When in doubt, file the amendment or request guidance from DES.*

"Non-State funds" means funds provided by other than a state source, such as general fund appropriation or other fee generated funds. Contracts funded by non-state funds means contracts where over 50% of the funding comes from non-state sources.

"Performance-based contract" means a results-oriented contracting method that focuses on the outputs, quality, or outcomes that may tie at least a portion of a contractor's payment, contract extensions, or contract renewals to the achievement of specific, measurable performance standards and requirements.

"Professional development" refers to goods and/or services that enhance an employee's work performance and/or career development. Employees must reside within your direct organization.

"Small business" means an in-state business, including a sole proprietorship, corporation, partnership, or other legal entity, that:

- (a) Certifies, under penalty of perjury, that it is owned and operated independently from all other businesses and has either:
 - (i) Fifty or fewer employees; or
 - (ii) A gross revenue of less than seven million dollars annually as reported on its federal income tax return or its return filed with the department of revenue over the previous three consecutive years; or
- (b) Is certified with the office of women and minority business enterprises under chapter 39.19 RCW. (RCW 39.26.010(22))

"Software Maintenance and Support" means services (maintenance) provided by a Licensor (proprietary owner) of software products to Licensee including fixes and the like to the software code or program. Technical services (support) may be included or sold as a separate offering by the Licensor and are covered under this exemption. This exemption does not apply if there is more than one Owner-designated maintenance and support service provider.



“Sole source” means a contractor providing goods or services of such a unique nature or sole availability that the contractor is clearly and justifiably the only practicable source to provide the goods or services. (RCW 39.26.010(23))

“Sole source contract” refers to a category of instruments used for sole source acquisitions. It can be in the form of a contract, purchase order, field order, etc. No matter the form, it must contain the basic elements of a contract (offer, acceptance, consideration, etc.) and be performance-based.

“SSCD” means the Sole Source Contracts Database.

“Statewide Contracts” means DES Statewide Contracts (f/k/a Master Contracts).

“Substantive changes” means changes to the contract’s period of performance, scope, or (when adding) compensation, etc.. *Note: Decreasing consideration/compensation via amendment only needs to be filed in SSCD when doing such changes the scope of the contract. When in doubt, file the amendment or request guidance from DES.*

“Unbundling” is a procurement practice that separates a contract into segments such as geographic area, category, type of good and/or service(s), and/or scope.

“Unbundling analysis” is the process by which an agency determines if a contract may be separated into different parts to create more opportunities for small, diverse, or veteran-owned businesses. When identifying the scope of work for a contract, an agency can determine which portions may be suitable for a standalone contract. Questions to ask in an unbundling analysis include:

- Is this contract work in more than one location;
- Is this a large and complex procurement that could be simplified;
- Is the contract for a wide range of goods and/or services, which can stand alone;
- Does the contract have a flexible or long timeframe? If the answer is yes to any of these questions, a contract may be a good candidate for unbundling.

“Working day(s)” means business days that do not include weekends (Saturday and Sunday), holidays, or the day you file in SSCD or post to WEBS.