

Sole Source CONTRACT Filing Justification for FY24-MAINST-ADMIN

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?**

When the legislature moved the Main Street program to DAHP in 2010 they did not provide the agency with the needed 2.5 FTEs to administer the program. At the time there were only 12 Main Streets. Now there are 65. DAHP does not have the staff with specialized expertise to manage and administer this complicated program. The agency has been using the Washington Trust for Historic Preservation, the only statewide historic preservation non-profit, in order

to leverage their unique skills to manage the program. The program actually originated at the Washington Trust for Historic Preservation, therefore it makes sense for the Trust to administer the program on behalf of DAHP. The program services 65 rural Main Streets, which in 2019 represented 6,850 small businesses, over 65,000 employees, and \$9.7 billion in revenue. It is a critical small business program for rural Washington communities that combines historic preservation and economic development. All 65 Main Streets have a historic district or historic buildings that are a critical component to their character which serves as a foundation for economic development, place-making, and sense of community.

Sole Source Criteria

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

The Washington Trust for Historic Preservation (WTHP) is the only statewide non-profit historic preservation organization. The Main Street program is an economic development program for small business using historic preservation as the tool for marketing and community character. There is no other organization in the state with the expertise in historic preservation as the WTHP. Also, the program originated with the WTHP before it was moved to the state. As DAHP does not have the staff to administer the program it only makes sense to have WTHP managed the program for them.

- **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.**

The Washington Trust for Historic Preservation is the only statewide historic

preservation non-profit with expertise in historic preservation. We are a niche field. There are local preservation organizations but none that are statewide and can manage a state program utilizing the highly specialized Main Street Approach. Statewide coordinating entities exist in most states, but are specific to their state jurisdictions.

- **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.**

This is not a small business issue. The sole source contract is with a non-profit organization.

- **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 program originated with the Washington Trust for Historic Preservation and they have the necessary expert staff. Further, they have managed the program since 2010 and therefore there is no learning curve. They also have experience coordinating with the Department of Revenue on the Business & Occupant (B&O) Main Street Tax Credit Program. The current statewide Main Street program coordinator has been recognized by the National Main Street Center for her exemplary leadership. Hers and the Washington Trust for Historic Preservation's leadership is unrivaled in the country, let alone the State of Washington. For another organization or entity to take on management would require a very steep learning curve with specialized experience and would require years **if** not decades to reach the level of success we have had with the program in Washington State.

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

Yes. There is only one historic preservation non-profit in the state. There is only with the required expertise in combining historic preservation and economic development.

- **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.**

Not Applicable.

- **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.**

Yes. DAHP only has 20 staff made up of archaeologists and built environment specialists. We do not have the staff availability to cover 65 Main Streets from Aberdeen to Colfax and from Bellingham to Stevenson.

- **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.**

The Main Street program **will** cease to exist due to staffing limitations and lack of expertise in any other state agency.

Sole Source Posting

- **Sole Source Posting on Agency Website – Provide the date in which the sole source posting, the draft contract and a copy of the Sole Source Contract Justification Template were published on your agency’s website.**
- **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.**
 - 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.

The legislature provided DAHP \$590,000 to manage the program for FY24. DAHP will retain a small amount for administrative costs internally but is giving the majority of the amount identified in the operating budget to the Washington Trust for Historic Preservation to manage the program. We did not calculate costs as the amount was the decision of the legislature.