

Sole Source CONTRACT Filing Justification

Division or Region: Enterprise Services
Date: May 20, 2024
Solicitation Number: PO 24-135-002
Company Name: DPS Telecom
Sub-object good/services will be charged once approved: EE
Funding Source (federal/state/local): State
Vendor FIN/TIN (Federal ID#/ Taxpayer ID#): 77-0269867

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?

- DNR's Radio Operations program has over 60 remote sites that serve as the backbone of the DNR communications network. The radio network is essential for the safe execution of day-to-day agency field operations and provides coverage in areas unserved by any other communications medium. DNR employees working alone in the field (e.g., in the woods, range areas, or other locations where communication and assistance are not readily available) are required by DNR policy (SPM 12-08) to check-in via their region's check-in policy. Employees working alone must be provided with a handheld radio capable of communicating on the DNR network for check-in and safety purposes. Having a reliable radio network is essential for performing required safety check-in procedures for employees working alone in the field. Additionally, employees use the radio network for critical communications between employees while performing field work in areas not served by cellular networks.
- The radio network is also utilized for critical initial wildfire incident response, and thus has a safety component for emergency response. The physical location of radio sites is often in extremely remote areas of the state requiring long drive times and multiple site visits to diagnose and solve problems. Due to the critical nature of the network uptime is essential and outages must be minimized. Currently, DNR's Radio Operations program relies on field reports as the primary method for discovering outages and equipment failure leading to unnecessary downtime and costly site visits. This contract is for a site monitoring system, including remote telemetry units (RTU) that gather real-time system health information and environmental data. This system will allow central monitoring of sites and network health to minimize potentially urgent downtime and reduce costly site visits.

Sole Source Criteria

- Describe the unique features, qualifications, abilities or expertise of the contractor proposed for this sole source contract.
 - DPS Telecom specializes in remote site monitoring equipment and has developed custom solutions for thousands of organizations including the Washington State Patrol, Kitsap 911, New York City (NYC) Transit, the State of Alaska, Thurston County Department of Communications, San Juan County Office of Emergency Management, Portland General Electric, and National Grid. DPS Telecom has over 35 years of experience managing large scale remote monitoring solutions. DPS Telecom is a US based company that custom designs, builds, programs, and sells networking monitoring solutions. They offer a "no-risk" guarantee that provides a 30 day return period if the client is unsatisfied with their order. They provide 24-hour emergency technical support and have a well-established long-term hardware support philosophy. Finally, they provide a solution that includes design and manufacturing services to provide a custom product. What sets DPS Telecom apart from competitors is their engineer driven development, vertical integration, US based manufacturing and design, telecom industry experience, responsive 24x7 support aggressive pricing, and their commitment to ultra long-term hardware support. To illustrate the commitment to customization, DPS Telecom agreed to make hardware,

software, and firmware changes to their remote telemetry units (RTU) to support our specific needs in monitoring antenna health as a proxy for radio health. Additionally, DPS Telecom is willing to have an engineer work directly with our technicians to carefully tailor features on the RTUs to meet needs without including unnecessary and costly features that would not be utilized. The solution DPS Telecom provided was designed will be tailormade to the needs of DNR's Radio Operations program.

- 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 agency evaluated several different remote monitoring solutions ranging from fully integrated turnkey systems like the one DPS Telecom offers all the way down to a self-designed system. DNR's Radio Operations program conducted thorough research to find a supplier that provided a system with very long-term support, modern secure architecture, custom design tailored to our use, extreme reliability, in-person training, radio network specific monitoring capabilities, and hardware designed and manufactured in the USA. One of the other monitoring solutions DNR investigated was an integrated system from the primary manufacturer of DNR's current radio base station equipment, Codan Communications [<https://codancomms.com/products/remote-site-monitoring>]. Codan Communications provides a "module" as part of their larger radio package that can provide barebones monitoring capability that is specific to their hardware. DNR found this solution to be too limiting in capability. Additionally, the system did not provide flexibility in the range of equipment that could be monitored when compared to the DPS Telecom solution. Finally, the system lacked a well-supported central monitoring solution like the one DPS Telecom offers. Another solution evaluated was provided by TASC Systems [<https://tascsystems.com/>]. TASC provides a range of remote monitoring solutions oriented towards industrial applications. DNR determined that this vendor would not meet the agency's needs due to their lack of prompt communication and cooperation during the evaluation period, an essential element for a contractor supplying a system that serves a safety function for the agency.
 - DPS Telecom was the only company that met DNR's detailed criteria requirements and was chosen for those reasons. DNR has deployed DPS Telecom equipment previously that is still in use and already has the central monitoring system necessary for remote data collection. Currently, the DPS Telecom central monitoring

solution is deployed in the primary DNR Radio Operations server rack in Tumwater and two RTUs are deployed to gather data from sites. No other supplier would be able to interface with the existing DPS Telecom equipment in the DNR radio network. A large benefit of the full DPS Telecom system is tight integration between data collection from the RTU and the central monitoring server. Deployment, integration, ongoing maintenance, and quality of data all hinge on a tightly integrated system designed together for maximum quality and reliability. Only an “end to end” vertically integrated system like the one DPS Telecom offers provides the reliability and simplicity required for a project of this scope.

- 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.
 - DPS Telecom, though not a certified Washington State small business, did receive a Small Business Certification from the State of California on May 6, 2009.
- 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 primary cost is purchasing the necessary RTU that will be installed at each remote radio site to actively monitor and report. DNR estimates an initial purchase of \$198,713.60 before taxes. DPS Telecom is a well-established company with a long history of providing monitoring solutions to the telecommunications industry, so DNR anticipates minimal risk in contract performance or product quality. The generous return policy mitigates the risk of non-conforming or defective hardware. DNR’s Radio Operations program is already trained and are experienced deploying DPS Telecom equipment. Thus, changing suppliers would present a high risk due to the steep learning curve for DNR staff associated with learning a new system. No other supplier, based on DNR’s research, can provide the same level of product quality, service, and value. An equivalent system from another supplier would be substantially much costlier or not meet all of DNR’s needs as described in previous questions.
- Is the agency proposing this sole source contract because of special circumstances such as confidential investigations, copyright restrictions, etc.? If so, please describe.
 - N/A
- 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.
 - N/A

- 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.
 - N/A
- 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.
 - Denial of this sole source filing would be a major obstacle to deploying a monitoring system for the DNR Radio Network. The radio operations monitoring project is already facing setbacks and delays spanning of multiple years due to the pandemic and supply chain complications. Many hours have been spent researching, evaluating, and testing DPS Telecom equipment to arrive at the decision to deploy the hardware. DNR sent employees to the DPS Telecom factory in California for training and evaluation purposes. DNR's Radio Operations program anticipates a multi-year deployment schedule that would be lengthened by at least another one to two years if the sole source contract is denied. Rejection of this sole source request would put an already delayed project further behind at a critical time at a time when DNR needs to be deploying equipment to increase radio network reliability for fire seasons to come. DNR's Radio Operations program is proud of DNR's radio network reliability and is always striving to reduce the rare outages that the agency faces. Network reliability is critical to field staff safety and risks to life and property in an emergency or fire incident. A comprehensive monitoring system is an industry standard for remote communications sites and DNR is playing catch-up already. Additionally, DNR has completed extensive testing and evaluation of DPS Telecom hardware over 4 years and would require expensive replacement equipment if the sole source filing is denied. Deploying monitoring equipment is a long overdue project that is critical to the long-term health of the DNR radio network, and any delay would be profoundly detrimental.

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.
 - 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.

- DPS Telecom offers a discounted pricing structure to state or other government agencies once a minimum purchase threshold of 26 units is met. The original price for acquiring 72 RTU units and 7 expansion chassis is \$214,432.00. With the discounted rate of 7.5%, the total cost before taxes is \$198,173.60.