

Use the following justification template for preparing to file sole source contracts in the <u>Sole Source</u> <u>Contracts Database</u> (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 <u>WEBS</u>.

## What is a sole source contract?

"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)

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 DES' evaluation.*

# Specific Problem or Need

Boeing has donated the aft section of a Boeing 767 airplane to Edmonds College's Washington Aerospace Training & Research (WATR) Center in Everett, WA. The WATR Center is collaborating with Boeing to develop training programs including the installation of insulation blankets, using this aircraft section as a training laboratory. While WATR has attempted to source insulation blankets from salvage yards, these materials have proven unsuitable due to deterioration from age and heat exposure.



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Lamart Corporation is the original equipment manufacturer (OEM) of the insulation blankets for the Boeing 767-200ER aircraft. They have been an aerospace supplier for 69 years, working directly with Boeing on the original production of this product. Lamart holds exclusive rights to the necessary cut files and drawings for these components. Since this aircraft model has been discontinued, these proprietary specifications are no longer available for distribution to other vendors.

AS the sole authorized supplier, Lamart Corporation remains the only source for these parts. The WATR Center has secured Washington State funding to support Boeing's incumbent worker training program, which requires these specific components to implement planned curriculum.

# Sole Source Criteria

- Describe the unique features, qualifications, abilities or expertise of the contractor proposed for this sole source contract.
  - Lamart Corporation is the original equipment manufacturer (OEM) of the insulation blankets for the Boeing 767-200ER aircraft. Lamart holds exclusive rights to the necessary cut files and drawings for these components. Since this aircraft model has been discontinued, these proprietary specifications are no longer available for distribution to other vendors.
- 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. Use DES' Market Research Template if assistance is needed.
  - Lamart Corporation is the only source for these specific insulation blankets. The WATR Center has secured Washington State funding to support Boeing's incumbent worker training program, which requires these specific components to implement planned curriculum. WATR attempted to source insulation blankets from salvage yards, these materials have proven unsuitable due to deterioration from age and heat exposure.
- As part of the market research requirements, include a list of statewide contracts reviewed and/or businesses contacted, 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

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explanation of why the agency has determined that no businesses other than the prospective contractor can perform the contract.

- On January 22, 2025 our Associate Director for WATR Center/AMSC sent out requests for potential bids for the insulation blankets. The vendors who responded require information that we could not provide because the drawings and details for production are proprietary. Since this airplane is no longer in production, unless a company has made these parts in the past, they do not have access to the paperwork or approvals needed to produce them.
- Per the Supplier Diversity Policy, DES-090-06: was this purchase included in the agency's forecasted needs report?
  - This purchase was not included in the forecast. The funding, which is specific to supporting Boeing's 777X program, was allocated to fund student fees for training at the AMSC/WATR Center. In September 2024, a company wide strike resulted in the shutdown of training. This means that the funding allocation needs to be used for outfitting the fuselage lab to support additional training that Boeing has requested.
- Describe what targeted industry outreach was completed to locate small and/or veteranowned businesses to meet the agency's need?
  - There was no outreach to small and/or veteran-owned businesses for this agency need. The parts required are specific to the Boeing 767 aircraft. Due to the age of the model, new or OEM (Original Equipment Manufacturer) parts are no longer available through regular suppliers. Per Boeing's guidance, the only option was to reach out to the original manufacturer
- What considerations were given to unbundling the goods and/or services in this contract, which would provide opportunities for Washington small, diverse, and/or veteran-owned businesses. Provide a summary of your agency's unbundling analysis for this contract.
  - Not applicable for these parts. They will be custom made and are a one-time purchase.
- 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).
  - There is limited risk because the parts will be used for training only. AMSC/WATR is a hands-on manufacturing experience and having the correct parts will make it a more realistic and safer training situation.

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- Is the agency proposing this sole source contract because of special circumstances such as confidential investigations, copyright restrictions, etc.? If so, please describe.
  - The insulation blankets are highly specialized, and alternative sources would not 0 guarantee compatibility with the aircraft's existing systems. Lamart previously supplied the insulation blankets for Boeing when the airplane was in production, because of this, they have the proprietary drawings and patterns needed to produce the exact blankets that we need. This allows training that teaches the correct installation of the correct parts. Any other insulation blanket manufacturer would have to obtain the proprietary documents from Boeing in order to be able to provide a quote as we do not have them. The Boeing 767 is no longer in production for commercial use, only cargo hauling, and obtaining these documents is highly unlikely as it would require Boeing to provide the proprietary documentation to additional companies for something that is no longer in production. Lamart already has the proprietary specifications and drawings required to create the insulation blankets for the 767. We did not want to waste the time of other vendors by asking for them to produce a part that we cannot provide specific information they would need to actually do the job, much less work up a quote.
- 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
- 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 insulation blankets are an integral part of the interiors training curriculum Boeing is asking us to provide. The WATR Center receives a state allocation annually to conduct training to incumbent aerospace workers; this training would fall under that allocation, fulfilling the industry need for skilled workers.



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- 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.
  - Originally posted on February 11, 2025
  - Corrections made and Addenda added on February 14, 2025
- 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.
  - Original posting to WEBS on February 12, 2025
  - Corrections made and Addenda added on February 14, 2025
- Were responses received to the sole source posting in WEBS?
  - Time for responses not yet expired

## 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.
  - WATR staff contacted various sources including but not limited to Boeing, original equipment manufacturers (OEM) of 767 aircraft parts, and salvage yards with 767's on their site. While we found parts that did work for the lab, the insulation blankets were not salvageable due to the harsh weather conditions in Arizona and New Mexico. The blankets that we found had deteriorated to the point they were unusable after being removed from the decommissioned aircrafts. Due to the specialized and custom nature of these insulation blankets, and the need for quality training for aerospace employees, Lamart was the best option. Lamart has been an aerospace supplier for 69 years, working directly with Boeing on the original production of this product. WATR Staff have met directly with Lamart employees and explained the need and impact these insulation blankets have on the WATR Center's Fuselage Innovation Lab and to quality industry training overall.