**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?

One Washington is an enterprise-wide transformation program focused on replacing 1960s-era technology with a cloud-based solution for finance, procurement, budget, HR, and payroll processes. Phase 1a of the program includes the replacement of the Agency Financial Reporting System (AFRS) with a new, cloud-based enterprise resource planning (ERP) system.

This first phase of the program will impact approximately 2,700 users who will need help understanding their new roles and responsibilities, as well as managing the transition. The One Washington OCM team, working with a limited budget, is tasked with providing OCM training and education to agencies to improve their OCM capability and program adoption. To do this the program must provide change management training to sponsors, managers and front-line staff.
Many agencies in the state have experience using the Prosci change methodology. In previous contracts, the One Washington program has partnered with other contractors using different methodologies, and the One Washington Program had not standardized to Prosci. They are however making this change. This has confused staff which has led to rework, additional time for education, and resistance. We have heard from many of the advisory boards that they would like us to use the Prosci model.

Based on a 2015 Prosci benchmarking study 89% of managers and supervisors were rated as ineffective or somewhat effective at managing employee resistance. However, 32% of managers and supervisors said they were not adequately prepared for managing employee resistance. We want Washington state managers and supervisors to be prepared to manage employee resistance. They are the best people to identify and address it.

**Sole Source Criteria**

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

Prosci is the sole source of the following items and/or services in the US, CA, ANZ, Brazil, Iberia and Latam (Mexico, Chile, Panama, Spain, Costa Rica, Uruguay, & Peru):

- Prosci ADKAR® Model, Prosci 3-Phase Process, Prosci PCT Model
- IP/methodology licensing
- All of Prosci’s workshops and training programs, including but not limited to the
  The suite of six Role-Based pieces of training (i.e., Sponsor Briefing, Practitioner Certification, Taking Charge of Change, Delivering Project Results, Leading Your Team through Change, and Employee Orientation), Integrating Agile and Change Management, Enterprise Change Management Boot Camp, Methodology Application Program, Enterprise Change Management Workshop, Change Management Reinforcement, and Change Portfolio Workshop
- Prosci Hub Solution Suite: Proxima, Knowledge Hubs for each role-based training the program, Research Hub with the Best Practices Research, and Instructor Hub
- Train-the-Trainer Program
- eLearning Modules to include: Introduction to ADKAR, Introduction to Leading Change, Thriving Through Change, Prosci Introduction to Change Management
- Advanced Certifications include but are not limited to the Advanced Change Practitioner Certification, Advanced Deployment Leader Certification, and Advanced Instructor Certification
- Tools and assessments to include the Maturity Model Audit, Best Practices Audit, CMROI Calculator, ADKAR Dashboard, PCT Analyze, and Prosci Change Scorecard

Prosci’s training programs are tied directly to the ADKAR® Model and are all grounded in the most current Prosci Best Practices research, which is recognized globally as the industry standard. All Prosci’s facilitators have extensive real-world executive business experience. Prosci’s change management Advisors and Consultants exclusively use the Prosci
methodology and ADKAR® model, not an amalgam of multiple methodologies.

- What kind of market research did the agency conduct to conclude that alternative sources were inappropriate or unavailable?

OFM reviewed the DES master contractor list for Organizational Change Management services. None of the contractors listed met the needed qualifications to deliver Prosci ADKAR® Model, Prosci 3-Phase Process, Prosci PCT Model. After internet searches and review of trade publications, Prosci is the only vendor that can provide training, tools, and advisory services on the Prosci change methodology. Using any other vendor would require using a methodology outside of Prosci. We have heard from many of the One Washington advisory boards that they would like us to use the Prosci model and have experienced resistance when using other models.

- Provide a detailed and compelling description of the costs and risks mitigated by contracting with this contractor (i.e. learning curve, follow-up nature).
  a. Prosci Consultant Services. Consultant services related to Prosci related methodology to a Workday ERP solution that will result in:
     i. Recommendations for the future state of OCM, gap analysis to create clear alignment.
     ii. Change management strategy recommendations, sponsor/stakeholder interview summaries, risk assessment, and initial impact assessment.
     iii. Identify templated to create during coaching sessions for newly certified practitioners.
  b. Practitioner certification for up to twenty One Washington staff members.
  c. Sponsor briefings.

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

These materials are copyrighted by Prosci.

- 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.

No

- 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.
No

- 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.

Without excellent change management methodology and processes, those agencies participating in the success of the One Washington program are a risk. If sponsors are not engaging in program advocacy, and managers are not prepared to help staff through change, and if front-line staff do not adopt the new technology and processes the program will not realize true business transformation, and the return on investment, there will be resistance to change which leads to criticism, malicious compliance, and/or turnover.

- 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.

  OFM reviewed the Master Contract List. Small businesses were able to provide Change Management Services, but not the ADKAR® Model, Prosci 3-Phase Process, Prosci PCT Model OFM is seeking. Given that OFM was not able to continue its Organizational Change Management contract, it is necessary to use limited program funds on specific needs of the program, which is this the PROSCI methodology and training. Also, because this vendor has copyrighted this material we are unable to offer this opportunity to a small business, or unbundle the services.

**Sole Source Posting**

- Provide the date in which the sole source posting was published in WEBS.
  - If exempt from posting in WEBS, please provide 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.

With a maximum spend of $718,880, we are at a fraction of what we were spending with the Deloitte contract. Monthly we were spending $560,000 for OCM Pool resources with Deloitte Consulting, due to One Washington budget constraints, that contract and SOW were allowed to
naturally expire. The Deloitte resources would have been taking the knowledge and skills that they gained while working on the One Washington project and leave at the end of their contract. By spending funds on state resources, we will be deepening state OCM knowledge. If these resources leave the One Washington program the likelihood of them staying in state service is high, the state will retain the knowledge and skills.