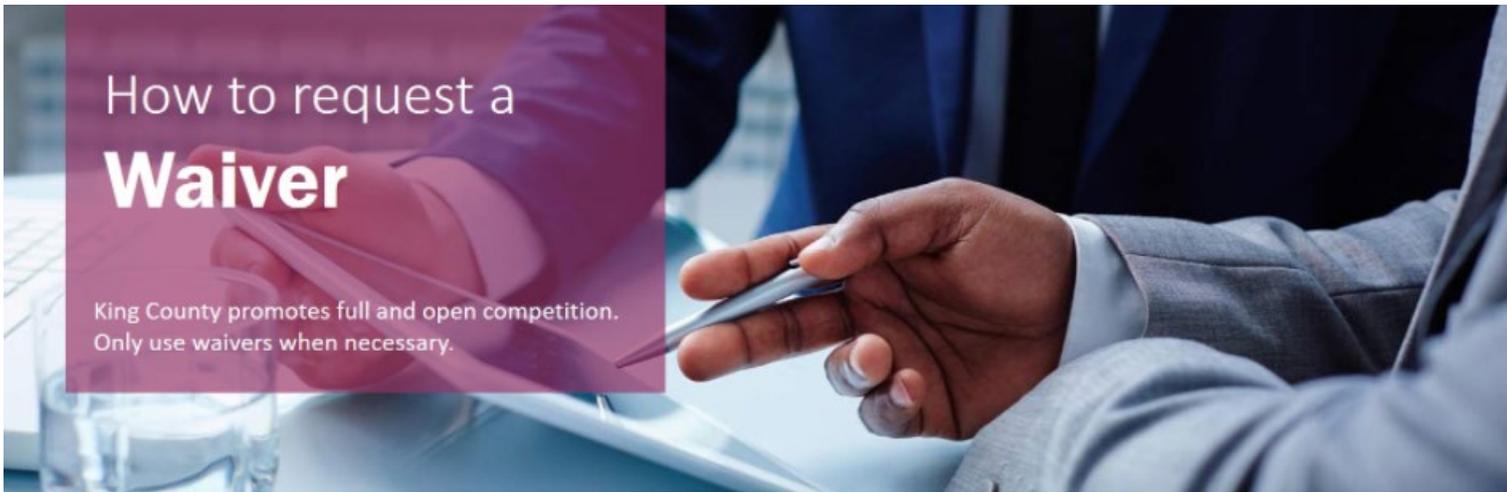


Procurement Waiver Guide



Procurement Waiver Guide

A Resource for King County Agencies

Department of Executive Services
Procurement & Payables

Procurement Waiver Guide

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Executive Summary

- Waivers allow you to bypass the competitive solicitation process in specific, limited circumstances
 - Note: An approved waiver does not bypass contracting requirements.
- Waivers are auditable and may be provided to the public through Public Records Requests
- Waiver type is determined by the rationale for “no competition.” See below to learn more about the various [waiver types](#)
- The process for determining the supplier with the best capability must occur in accordance with procurement guidelines and administered by P&P. This is a public and transparent process and designed to foster opportunity for all possible respondents to participate.
- When requesting a waiver, agencies are expected to provide proper justification for their request.
 - Continue reading for step-by-step guidance on the [waiver request process](#), including guiding questions to consider when writing a waiver request. View [Appendix B](#) for a sample waiver request
 - Additional Considerations:
 1. Timing and lack of planning with Procurement & Payables (P&P) is not a justification for a waiver.
 2. Declarations that a supplier has the best capability or offers the lowest price are not sufficient to justify a Sole or Single source waiver.
 3. Rationale that the chosen supplier is the most qualified to provide or perform, without establishing why other suppliers cannot provide or perform is not acceptable.
 4. Incumbency does not justify a Sole or Single source purchase.
 5. King County’s equity and social justice goals should be addressed in the waiver. See the Equity Considerations section below.
 - Waivers for Architecture & Engineering (A&E) / Construction are allowed ONLY in emergencies. If the agency wants to standardize equipment for consistency with existing County or Agency products or equipment, the agency shall provide a Standardization Memo in a Request for Advice service request in lieu of submitting a waiver request. Learn more about the Standardization Memo on the [Construction Collaboration SharePoint site](#). Continue reading to learn more about [emergency waivers](#).
- All waivers are submitted using a service request in King County’s E-Procurement system
 - Waiver requests must be approved at both the agency level and by P&P before entering a contract.
 - View the [waiver process overview](#) below
 - Continue reading for step-by-step guidance on the [waiver approval process](#)

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What is a Waiver?

Public purchasing rules ensure fair and open competition for businesses of all sizes, promoting equity and social justice. Waivers allow you to bypass the competitive solicitation process in specific, limited circumstances. “We need to make a purchase quickly” or “There’s not enough time for an Invitation to Bid (ITB)/Request for Proposals (RFP)” are not valid reasons for a waiver. As mentioned above, waivers enable you to bypass the competitive solicitation process, but not the contracting process. Waivers are auditable and subject to public disclosure.

Types of Waivers

There are various types of waivers, depending on the funding source (Local/State or Federal), and the reason for “no competition.” The funding source and reason for “no competition” must be determined for compliance requirements. Below are the types of waivers allowed when using **Non-Federal funds** only.

Type	Use this ONLY if...
Single Source	<p>Two or more suppliers can supply the commodity, technology and/or perform the services required by an agency, but a single supplier is selected over the others for reasons like unique expertise, standardization, unique situation (but not sole offering and previous experience). Below are examples of these reasons:</p> <ul style="list-style-type: none"> • Unique Expertise - A consultant has been working here for a year and has unique expertise because they have knowledge/familiarity with current state; this can help save time and expense • Standardization - An agency is replacing equipment, and they want to purchase the same equipment that was installed at another facility. This will streamline their maintenance and training and enable them to integrate the new equipment with their other systems. • Unique Situation – An agency needs to implement a new IT customer database. Their data migration, training needs, and implementation costs create a unique situation
Sole Source	Only one supplier can deliver the required product or service. Service/goods may be proprietary in nature, or the manufacturer may have only one distributor within a geographical area
Special Facilities	A supplier has a unique site or facility. Special facilities do not justify a waiver if using federal funds
Special Market Conditions	Unique circumstances resulting in cost savings. Special Market Conditions does not justify a waiver if using federal funds
Emergency	Non-competitive procurement in support of an Emergency Declaration requires a waiver and must be directly related to the declaration with supporting documentation

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Federal funds alter the types of waivers available and their definitions. See the [Code of Federal Regulations \(CFR\)](#) (2 CFR 200.320(c)) for additional information. Below are the types of waivers allowed when using **Federal funds**.

Single Source	Item is available only from a single source (equivalent to sole source listed above)
Pre-Approved Non-Competitive	Federal awarding agency expressly authorizes non-competitive procurement in response to a written request from King County
Inadequate Competition	After formal solicitation of several sources, competition is determined inadequate
Emergency	Public exigency or emergency will not permit a delay resulting from publicizing a competitive solicitation

How to Initiate a Waiver

Purchases are administered by the Procurement and Payables Section (“P&P”) in accordance with Federal, State, and local laws. P&P establishes and administers the procurement process for contracts including guidelines, templates, and best practices for agencies to follow. P&P will provide waiver guidance/oversight to King County agencies that ensure we are following all public purchasing rules. Waiver requests are approved at both the agency level and by P&P before being finalized – *wivers must be approved by P&P through the E-Procurement System*.

When requesting a waiver, agencies are expected to provide proper justification for their request. Do your due diligence to ensure that non-competitive procurement is justified before submitting your request. If you're not sure if your purchase qualifies for a waiver, you may submit a Request for Advice (RFA) and P&P will recommend the appropriate procurement method for your needs.

Policies Applicable to Waivers

2 CFR 200.317-326 Federally funded procurements must follow Uniform Guidance, which has different requirements than the State/County. View Appendix A for additional information about federally funded waivers.

RCW 39.04.280 defines the rules for when waiver exemptions can be issued and **KCC 2.93.080** is the County’s refining of that rule to set more specific instructions on waivers issued in response to a State of Emergency. Emergency Waivers are only an option when the County Executive has declared a formal state of emergency as defined in King County Code.

CON 7-27 General Procurement establishes uniform guidance, encourages competition through open and transparent procurement, and ensures consistency, efficiency, and transparency of conducting business with third-party suppliers.

Under **CON 7-24-EP**, exempt purchases do not require a waiver. For example: utilities, postage, subscriptions, memberships, conferences/trainings, advertising, etc. Note that these exemptions, except for direct buys under \$10,000, are not available for federally funded procurements.

CON 7-8-2-EP requires compliance with federal regulations and federal grant guidelines regarding the use of federal funds in purchase orders/contracts to County supplier/contractors.

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Equity Considerations

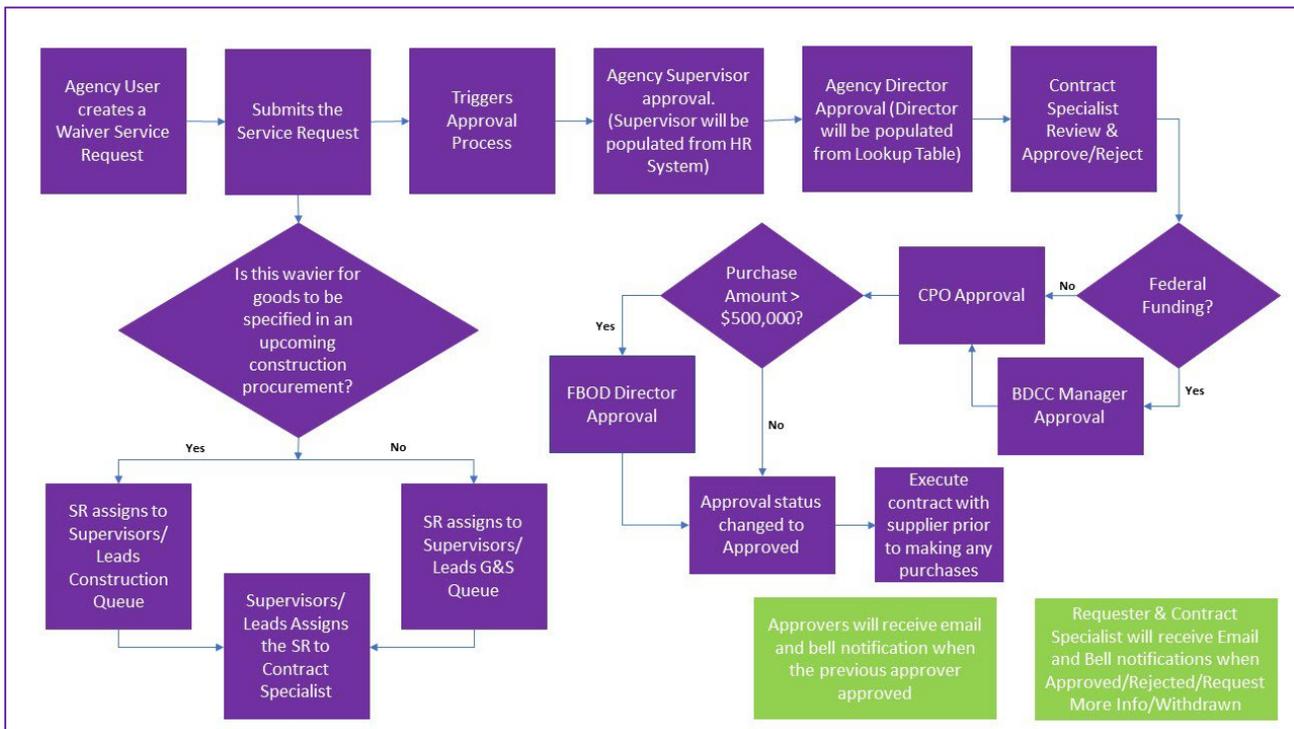
King County is committed to [pro-equity contracting](#). In alignment with this, King County agencies should follow these guidelines related to waivers. If these equity considerations indicate that more than one supplier can provide the needed goods or services, the agency should reconsider whether a procurement waiver is appropriate.

- Agency should review small diverse business databases to determine if there are any small diverse businesses who could provide the product or services. The following directories should be consulted:
 - Office of Minority and Women’s Business Enterprises (OMWBE): <https://omwbe.wa.gov/directory-certified-firms>
 - Small Contractor and Supplier (SCS): <https://kingcounty.diversitycompliance.com/>

In both directories, agencies can search for potential vendors by North American Industry Classification System (NAICS) commodity codes and/or key word. To identify the relevant NAICS codes at <https://www.naics.com/>.

- If potential small diverse businesses are identified from the directory search, contact the business(es) to determine if they can meet the needs of the agency.
- Are there opportunities for subcontracting? If so, consider including goals for the prime contractor to partner with diverse small businesses.
- Are there other Equity considerations that can be incorporated into the contract? Refer to the [King County Equity and Social Justice Strategic Plan](#).

Waiver Process At a Glance



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Submitting a Waiver Request

Purpose: Waiver requests must clearly identify the *unique circumstances* that require a waiver, at the appropriate level of detail and depth, and with the correct documentation to ensure that approvers and auditors have the information they need regarding the waiver. This documentation must demonstrate why fair and open competition is not warranted and/or not possible.

All waiver requests will be submitted using a service request for a waiver in King County’s E-Procurement system. In order to receive a procurement waiver, you’ll need to indicate the funding source (local or federal), the waiver type, and the justification for using a waiver instead of competitive procurement. If using federal funds, read the federal guidelines carefully to ensure compliance. You must also detail how the procurement activity drives the best value for King County from a cost, equity and social justice, and sustainability perspective.

NOTE: Waivers will be rejected for incomplete information or if the basis of the waiver is “not enough time for the procurement process.” A waiver having been approved in the past does not automatically indicate that it will be approved again.

Waiver Request Task Overview:

#	Tasks	Who is Responsible
1	Research	Agency
2	Complete Waiver Service Request in E-Procurement	Agency
	Requester & Agency Information	Agency
	Funding Detail	Agency
	Buying & Purchase Detail	Agency
	Request Detail	Agency
	Waiver Type Justification	Agency
	Attach all relevant documents in the Service Request	Agency
	Change Status of Service Request to ‘Completed’	Agency

Step 1 – Research (Agency)

Funding Source

Prior to initiating a waiver service request or Request for Advice (RFA) in E-Procurement, the requesting agency shall ensure that adequate funds have been appropriated. Agencies shall specify the source of funding when initiating the Waiver Service Request or Request for Advice. If you are uncertain whether a waiver is required or warranted, you may use the RFA, and P&P will recommend the appropriate procurement method for your needs.

Waiver Type/Justification

Review the types of waivers and circumstances in which they can be used on [page 3](#) of this guide. Agencies are responsible for providing waiver justification, as well as related research and/or pertinent data that enables approvers to clearly understand the need, and why a procurement waiver is justified.

What are the unique circumstances that indicate that a waiver is appropriate? How do you know that competition will not result in a different outcome? Some considerations include:

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- ✓ Do you need a specific type of product or service?
- ✓ Do you have limitations based on other stakeholder needs?
- ✓ Is the purchase of a proprietary nature?
- ✓ Does standardization require a specific brand of parts?
- ✓ Has P&P already solicited potential bidders/proposers through a competitive solicitation, without receiving any response?

Step 2 – Complete Service Request in E-Procurement (Agency)

Login to the E-Procurement [Service Request system](#). Create a Waiver Service Request in E-Procurement.

Complete all required SR fields, as described below, and attach documentation.

Requester & Agency Information

This section identifies who is requesting the Service Request and their department. Some of these fields will auto populate based on who is creating the Service Request: Requester Name, Requester Email, and Requester Phone number.

If the Contact person is same as the Requester, select the check box for 'Contact Person same as Requester'. If the Contact person is different, enter the details in Contact Person Name, Email & Phone number.

The screenshot shows the 'Funding Detail' section of a form. It includes three dropdown menus: '* Grant Funding' (set to 'Yes'), '* Funding Type' (set to 'Federally Funded'), and '* Federal Fund Type' (with a list of options: DOE SRF, EPA, FAA, FHWA, FTA, Other). A text box for '* Federal Grant Number' contains '654456654'. A red-bordered note box states: 'NOTE: Federal details display when Grant Funding field selected is "Yes"'. To the right, orange text reads: 'Approval request will send to BDCC manager if the funding type is Federal Funding.'

Funding Detail

Select whether the waiver is funded via a grant in the drop-down menu. Enter the funding details and select the appropriate options from the list of values.

NOTE: Federal details display when Grant Funding field selected is "Yes"

If using federal funds, read the [federal guidelines](#) carefully to ensure compliance.

The screenshot shows a form with a 'Draft status allows users to save their work to complete and submit it later.' message. It includes a '* Status' dropdown menu, a 'Phone' field with '206-263-9400', and a 'Project Manager Name' dropdown menu with 'Baskar Periyakaruppan' selected. A checkbox for 'Contact Person same as Requester' is checked. A red arrow points to a red-bordered note box that says: 'Read the federal guidelines carefully to ensure compliance (2 CFR 200.320)'. Buttons for 'Save and Close' and 'Cancel' are at the top right.

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Buying & Purchase Detail

Enter the summary of buying and purchase details.

Buying Detail

* What are you buying? Be specific. Example: manufacturer name, brand name, product description, catalog number, quantity, etc.

Purchase Details

* Why do these goods and/or services need to be purchased?

Use the considerations below to help guide your development of the Buying and Purchase details. See [Appendix B](#) for an example of a successful waiver request.

Buying Detail Considerations

- ✓ Which agency/division does the procurement support?
- ✓ What is being purchased? – e.g., products, quantity
 - Be specific: include the manufacturer name, manufacture #, Part #, Model #, Serial #
- ✓ What is the total price of the contract?
- ✓ Who is the supplier?
 - If a current supplier to King County, how would you rate their current performance?
 - If a new supplier to King County, what research was conducted and what was the feedback?
- ✓ What is the Period of Performance?
- ✓ Is this a new contract or a contract extension?

Purchase Details Considerations

- ✓ Why do these goods and/or services need to be purchased?
- ✓ Is the activity in support of an Emergency Declaration? How will it support?
- ✓ If a federally funded procurement, did the federal agency authorize the non-competitive procurement and for what?
- ✓ Why is it prohibitive to have a competition?
- ✓ How will the residents and/or employees of King County benefit?
- ✓ How does this procurement align with and support King County values of Equity and Social Justice and Sustainability?

Request Detail

When completing these fields, you will select a waiver type. Note that the selections will vary, depending on the funding source (Local or Federal).

Request Detail

* Waiver Type

Will services be provided on King County property?

Is this waiver for goods to be specified in an upcoming construction procurement?

Special Facilities
Single Source
Sole Source
Market Condition

Supplier Name

Supplier Number

Purchase Type

* Estimated Total Purchase Cost

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If you indicate that this waiver for goods is to be specified in an upcoming construction procurement, your request will be routed to P&P's construction procurement team.

The screenshot shows a 'Request Detail' form with the following fields and values:

- Waiver Type: Special Facilities
- Purchase Type: One Time Purchase
- Estimated Total Purchase Cost: 600,000.00
- Will services be provided on King County property?: Yes
- Is this waiver for goods to be specified in an upcoming construction procurement?: No
- Supplier Name: Yes
- Supplier Number: No

Waiver Type Justification

Waiver Type Justification Considerations

Use the questions below to help guide your development of the waiver justification. Refer also to the examples of successful waiver requests in Appendix B.

- ✓ Why are these goods and/or services unable to be competitively bid?
 - What is the cost and risk to King County?
- ✓ What analysis was conducted to determine that King County is receiving a fair and reasonable price? If Federally Funded, include an Independent Cost Estimate (ICE).
- ✓ How will King County hold the supplier accountable to deliver performance and quality?
- ✓ Is there a future opportunity for competition?
- ✓ What market analysis and research were conducted?
- ✓ What expertise, standardization, or previous experience does this supplier have?
- ✓ What is the unique situation that this supplier alone can address?
 - How will the supplier protect data and privacy?
 - What makes the supplier's facility/site unique?

Required Documentation

Submit all supporting documentation as attachments with your waiver request. Documentation will vary depending upon the unique circumstances for the waiver.

- ✓ If submitting a waiver request for a sole source, you will upload a formal letter (on letterhead) from the manufacturer, stating that XYZ company is the sole authorized distributor for YYY product
- ✓ If other suppliers offer similar products, you may want to include a justification document that compares the products and identifies why the others are incompatible with King County's needs
- ✓ If applicable, include a detailed list of specifications that only the one supplier can meet

Waiver Request Approvals

Purpose: Depending on the funding source and dollar amount, your waiver may require many levels of approval before your request can be completed. You can track the status of your service request in King County's E-Procurement Portal.

All waiver requests are reviewed for approval or rejection by Agency Leadership, the assigned P&P Contract Specialist, and King County's Chief Procurement Officer (CPO). Approval is required from the manager of King County's Business Development & Contract Compliance (BDCC) unit if the funding type is Federal Funding. Approval is also required from the Division Director of the Finance & Business Operations division of the Department of Executive Services for waivers over \$500,000.

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Approvers can change the approval status value to 'Request for more information' if needed to complete their review/approval.



Waiver Request Approvals Overview:

#	Tasks	Who is Responsible
1	Approvals	Agency
	Agency Approvals: Supervisor & Agency Director	Agency
	P&P Contract Specialist Review and Approval	P&P
	BDCC Approval (For Federal Funds)	Agency
	CPO Approval	P&P
	FBOD Director Approval (For waivers \$500,000+)	P&P
2	After Final Approval	P&P

Step 1 – Agency Approvals (Agency)

After you submit your waiver request, your supervisor and department director must approve the waiver. Agency approvers will receive an email and bell notification when it's their turn to approve. If an agency approver requests additional information about the waiver, you will receive an email and bell notification, and are expected to provide the requested information.

Next Step – P&P Review & Approvals (P&P)

After being approved by your Agency Director, the service request is automatically routed to P&P. It will be reviewed by P&P and assigned to a contract specialist (CS) who will review and approve the waiver request. If the CS approves the waiver, the CS will be expected to justify the waiver and will receive the bell and email notification when approvers (CPO, FBOD Director) request additional information. If the funding type is Federal Funding, the waiver will route to BDCC for approval after the CS approves the waiver.

Step 2 – After Final Approval (P&P)

After CPO or FBOD Director approves the waiver, the CS will contact the Agency User to begin the process of creating, negotiating, and executing the contract. This may require several steps, such as promoting the supplier to "Spend Authorized" in E-Procurement, and obtaining the [Responsibility Detail & Attestation Form](#) and Insurance Certificate & Endorsements from the supplier. P&P must review and route the final contract through the County's electronic signature software or ensure the Agency User utilizes County approved electronic signature software.

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If this is a waiver for goods to be specified in an upcoming construction project, the CS will add a note to the Final Summary field to remind the Agency to include the waiver number in the service request for the new construction solicitation.

Emergency Waivers

In order to apply for an emergency waiver, there must first be an Emergency Proclamation from the Executive to waive the competitive procurement process. After the Emergency Proclamation is made, you can complete a Service Request in E-Procurement to initiate a procurement waiver. Be sure to select the “Emergency Waiver” as your request type and attach the approved proclamation to your waiver request.

Non-competitive procurements in support of an Emergency Declaration require a waiver and must be directly related to the emergency declaration with documentation, e.g., COVID-19 pandemic.

NOTE: The funding source (e.g., COVID-19 Relief & American Rescue Plan Act) does not automatically support the use of an emergency waiver.

Waivers for Construction Services are only available if the Executive declares an emergency that waives the standard procurement processes. These are obtained on the department level, but P&P can assist in drafting the memo to be sure they include the appropriate language for the procurement needs.

Name Brand vs. Sole-Source (Non-Federal Funds)

A name brand (single source) waiver is not the same as a sole source waiver. A name-brand product cannot be used to justify a single source waiver for federal funds.

Name-brand product: In your Waiver service request, you must indicate the specific brand required, why only this supplier’s product meets current needs, and why another supplier’s product could not be substituted. This documentation should be maintained and periodically evaluated to ensure the specific brand is still required.

Sole-source purchase: A sole-source waiver is where there is only one supplier capable of providing an item or service, and therefore it is not possible to obtain competitive bids. If an item (even a specific name brand) is available from more than one supplier, a sole source waiver is not appropriate. To justify a sole-source waiver, the purchase must be clearly and legitimately limited to a single supplier. A Waiver request must be sent through the E-Procurement portal for approval prior to using the terms “no substitutions allowed”. Nonetheless, purchasers should make reasonable efforts to ensure it is receiving the lowest price and best terms from the supplier.

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Change Orders/Amendments to Contracts Based Upon a Waiver

Change Orders/Amendments on contracts that were the result of a waiver will need to be reviewed against the original waiver request. Waivers that were written and approved for a one-time purchase cannot be used to justify further purchases. Contracts that resulted from waivers requested by one agency cannot be amended and used by another agency, unless a separate waiver is approved that addresses those unique circumstances. Waivers for term contracts can be extended and increased not to exceed:

Original Waiver	Extension Limit	Increase Limit
Up to 1 year	2 months	10%
2 years	4 months	15%
3 years	6 months	20%
4 years	8 months	25%
5 years	10 months	30%

Increases to CPAs that pass the \$500,000 threshold requiring approval by the FBOD Director will require a new waiver to capture the new required approval.

Example:

A 4 year, \$1,000,000 CPA that was a result of an approved waiver could be extended and increased up to an additional 8 months and \$250,000 without requiring a new waiver.

A 5 year, \$400,000 CPA that was a result of an approved waiver could be extended up to an additional 10 months, but only increased by \$100,000, as going over the \$500,000 threshold would require a new approver. Anything beyond the \$500,000 would require a new waiver.

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Appendix A – Special Note on Federally-Funded Waivers and Applicability to Contractors versus Subrecipients

The federal procurement requirements summarized in this guide apply when an agency enters a contract for the purpose of obtaining goods or services for the agency’s own use, which are needed to carry out a project or program under a federal award. An agency must complete P&P’s waiver process for the procurement of a federally funded contract. However, these procurement requirements do not apply when an agency selects and makes subawards to subrecipients to carry out part of a project or program under a Federal award. The decision to select a subrecipient without any competitive process is approved solely at the agency level.

The agency is responsible for determining whether each agreement it makes for the disbursement of federal program funds casts the entity receiving the funds in the role of a contractor or a subrecipient. The agency should consult the County’s [Guidance](#) and [Checklist](#) in making this determination. The agency also is encouraged to consult with P&P about this determination at any stage, including before, during, or after the P&P waiver process.

Before applying for a waiver, the agency should make the initial determination whether the entity will be a contractor or subrecipient. If ambiguous, the agency may elect to move forward with the P&P waiver process to ensure that the more stringent procurement requirements for contractors are met. During the waiver process, P&P may ask the agency for its determination of contractor or subrecipient. The agency should indicate its initial determination, but this may be subject to change based on final scope of work. Before executing the agreement, the agency should follow up with P&P to confirm the agency’s final determination on contractor or subrecipient. If the agency ultimately determines the entity is a subrecipient, P&P will close the waiver request, with a comment that the agency has determined the entity is a subrecipient.

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Appendix B – Sample Waiver Request 1

Buying Detail

King County Information Technology (KCIT) is executing a contract extension with a current supplier, Smith Incorporated (SI) for a Period of Performance of 03/01/2021 to 2/28/2022 with a total contract value of \$5,000,000. SI's quality/delivery performance has exceeded expectations with no late deliveries, service failures, or quality concerns. The specific products that are being purchased are a Cloud Exchange, rack space in a 99.99% uptime facility, two 10GB connection into SI's Cloud Fabric Aggregation, & two 1GB remote connections to Oracle for the Business Resource Center (BRC).

The Cloud Exchange gives King County access to all major cloud providers, content providers, external networks, & Internet Service Providers. Additionally, the Cloud Exchange will continue to 1) provide a connection to Microsoft Azure through Microsoft ExpressRoute which provides a high-performance, private, & secure connection between King County's IT environments, Azure, & Office 365, 2) facilitate King County's connection to Oracle for the BRC, and 3) allow KCIT to continue to do a simple configuration within the County's existing account to create the connections to Oracle.

SI provides a single location in Downtown Seattle to several providers that reduces the overall cost for standing up the King County Exchange (KCX) Service. KCX infrastructure is housed in SI Datacenters that provide 99.999% uptime and is currently providing a reliable regional service saving King County over \$100K annually.

Purchase Details Example 1 – KCIT Waiver Request

Purchase Details

KCIT Regional Services has developed a regional aggregation service, KCX, to provide easy, direct, secure, and affordable access to the major cloud providers for both King County agencies as well as external Public, Education, Government (PEG) entities. The service provides access to cloud providers for PEGs at a significantly reduced price as compared to individual customers going through commercial providers. KCX infrastructure is currently deployed and relied on by Bellevue, Kirkland, Redmond, Renton, KCIT, BRC, & KCSO. If King County does not move forward to purchase the items from SI, the impact will be significant to KCIT, BRC, & other PEG entities.

This procurement is not a part of any Emergency Declaration & funded through local funding. A competition was unable to be conducted because Smith Incorporated (SI) is the only provider of the current service & enables King County to gain access to all other major cloud providers through one connection. In lieu of the relationship with SI, King County would need to create separate agreements with each individual cloud provider which is cost & time prohibitive; without SI Cloud Exchange, there would be a significant investment required in both hardware, contract negotiations, & administration. The benefit of the services/hardware provided for King County would be continuity in its cloud infrastructure without an impact to operations & enabling PEGs to leverage a contract with multiple stakeholders with a single cost-effective solution, thus benefiting the public/taxpayers.

SI is a small business located in Bellevue, WA that is minority owned & supports King County's Equity & Social Justice initiatives.

Waiver Type Justification

Smith Incorporated (SI) has been identified as the single source provider for cloud aggregation ports & physical rack space facilities, plus is the industry expert in Cloud computing that has been conducting this type of work for King County since 2010. If King County was to compete this

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contract, the transition fees to a new supplier would be \$3,000,000 (analysis attached) thus outweighing any savings; a competition would introduce significant risk into the value stream from a quality/reliability perspective, force King County/EPGs to be removed by 2 degrees of Separation vs 1 degree of contracting directly with SI, & PEGs would be unable to obtain favorable pricing by having to contract on their own. The proposed contract value of \$5,000,000 has been deemed as a fair & reasonable price through a market analysis (attached). The Microsoft ExpressRoute website listed (attached) shows other providers available in Seattle, but the physical location for the ports is always provided by SI – other Cloud providers are contracting with SI to provide the same service, thus there would be a mark-up.

Through the bid process, Procurement & Payables (P&P) conducted a stakeholder analysis (attached) on SI based on SI's current performance for areas of opportunity, evaluate potential solutions (attached), & incorporated Key Performance Indicators (KPIs) that SI will be measured against to ensure quality, cost, & delivery performance. A data privacy, protection, & security evaluation (attached) was conducted by KCIT to verify that the SI has the appropriate controls & measures in-place

Going forward, P&P will work with stakeholders to continue to evaluate opportunities to introduce competition & ensure that King County is receiving a fair and reasonable price.