

Sole Source Notification

Smartsheet Licenses

It is the intent of Washington State to promote open competition and transparency for all contracts for goods and services. In accordance with Department of Enterprise Service (DES) policy #DES-140-00, all intended sole source contracts must be made available for public inspection for a period of not less than ten (10) working days before the start date of the contract. This Sole Source Notification satisfies the requirement.

This Sole Source Notification is available at the [Office of Superintendent of Public Instruction \(OSPI\) website](#) and at the Department of Enterprise Services, [Washington Electronic Business Solution \(WEBS\) Procurement website](#) under the following commodity codes: 208-51: Human Resources Software; 208-54: Internet and Web Site Software for Microcomputers; 208-84: Spread Sheet Software; 209-54: Internet and Web Site Software for Main Frame Computers; 209-56: Inventory Management; 209-64: Personnel Software; 209-69: Project Management; 209-85: Spread Sheet Software

The Office of Superintendent of Public Instruction (OSPI) intends to complete a sole source purchase of licenses from Smartsheet for the period of September 2023, through September 2024. The amount of the proposed purchase is \$72,200. The purchase includes 87 Licensed Users, Dynamic View up to 500 configurations, and the DataMesh App.

OSPI began using Smartsheet in 2018 and was it adopted more broadly in 2020 to help us navigate the shift from archaic and outdated paper processes, to streamlined electronic business processes. The agency adoption and consistent use has saved the agency money and time so that staff and leaders can execute mission related work efficiently, effectively, and remotely, as needed. SmartSheet is also the preferred software for project management within OSPI.

Consultants contemplating the above requirements shall submit capability statements detailing their ability to meet the state's requirements **no later than 3:00 pm on September 8, 2023**.

Capability statements must address the following state requirements:

- Ability to sell Smartsheet licenses

In the absence of other qualified sources, and pending approval by the Department of Enterprise Services, it is OSPI's intent to make a sole source award of the contract mentioned above to Smartsheet.

Although this Sole Source Notification is not an invitation to bid, if you feel your firm is able to provide the goods or services listed above, you may submit a capability statement to:



Washington Office of Superintendent of
PUBLIC INSTRUCTION

Kyla Moore
Office of Superintendent of Public Instruction
Email: contracts@k12.wa.us

In accordance with DES Sole Source policy process #PRO-DES-140-00A, the following documents are attached:

- *Attachment 1 – A copy of the Sole Source Contract Filing Justification*
- *Attachment 2 – A copy of the proposed draft sole source contract* in significantly final form*

Attachment 1 – Sole Source Contract Filing Justification

Specific Problem or Need

- *What is the business need or problem that requires this contract?*
OSPI needs to renew existing licenses and Smartsheet Premium Applications that currently support important internal business processes such as Time and Effort, Contracts Management, and legislatively mandated data collections. Many of these processes are also being prepared for integration with the One Washington project. Changing software at this time would have a significant change management impact for OSPI users and their business processes. If OSPI were to move to a different project and process management platform, the financial processes in operations and being developed to integrate with One Washington would cause a major disruption. .

Sole Source Criteria

- *Describe the unique features, qualifications, abilities or expertise of the contractor proposed for this sole source contract.*
Smartsheet has been operationalized and adopted within OSPI as our business workflow and Project Management solution for the past five years.
- *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.*
Smartsheet has been the agency's preferred software for project management, approvals, information/data collection, etc. for the past five years. Human Resources,

Payroll, Procurement, Training, and countless other processes, both internal and external, rely on Smartsheet to perform critical agency functions. Since Smartsheet has been our enterprise solution for the past several years, and has been well received and successfully implemented by internal and external users, the agency determined additional research on other business workflow and project management solutions would not be necessary.

Last year through market research, we identified three Smartsheet resellers available through Master contracts. Only one returned a quote in response to our inquiry request, with a cost that was approximately \$10,000 higher than purchasing directly from Smartsheet. We believe it is reasonable to expect that we would receive similar responses and costs this year.

- *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.*
None.
- *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).*
As mentioned, Smartsheet has been adopted and operationalized for several years within the agency, and many of our existing processes have been altered to function solely on its platform. As our agency's business workflow and Enterprise Project Management tool, a competitive replacement would not be as well received as popular endeavor as the majority of the agency would highly resist such an organizational change internally and with our external partners that continue to leverage the intuitiveness and functionality within our business. This includes the several years of not only operationalized processes, notifications, and collaboration but templates and organizational structure created through years of lessons learned and best practices across all programs, divisions and project teams. The impacts of suggesting a change after five years of adoption would greatly add risk to our internal users, partners, and customers across the State of Washington K-12.
- *Is the agency proposing this sole source contract because of special circumstances such as confidential investigations, copyright restrictions, etc.? If so, please describe.*
No.
- *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.*

With 87 internal users, many of whom are “super users” who have created stand-alone business workflows that rely solely on Smartsheet’s platform to complete critical agency functions, if this purchase is not approved, the consequences to the agency will be severe. The result would require reverting many critical agency functions, processes, and approval structures to outdated, inefficient, archaic methods, which we have worked hard to streamline over the past several years. It would also create substantial barriers for employees who are teleworking and unable to be in the office to route paper documents for approvals.

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.*

We conducted an analysis of three other similar project and process management platforms: Wrike, Asana and Monday.com. Market research shows that compared to Smartsheet, Asana and Wrike would be around \$200 less per seat, but that does not include the premium apps from Smartsheet that we use. Monday.com is around \$576 per seat which is comparable to Smartsheet. Any effort to move away from Smartsheet to any of these other platforms would cost an estimated minimum of \$300,000 in resource time to build and a year to implement existing solutions.

Attachment 2 – Proposed Draft Sole Source Contract*

See next page.

*OSPI is using a Purchase Order to secure this purchase rather than a standard contract for services

FORM A17-A (REV 10/21)				STATE OF WASHINGTON PURCHASE ORDER		DATE ORDERED 8/24/2023		PURCHASE ORDER NUMBER LU1805			
FROM				AGENCY NO 3500	MAIL STOP 47200	SHIP TO				AGENCY NO 3500	MAIL STOP 47200
SUPERINTENDENT OF PUBLIC INSTRUCTION 600 WASHINGTON STREET SE PO BOX 47200 OLYMPIA WA 98504-7200						SUPERINTENDENT OF PUBLIC INSTRUCTION ATTN: RECEIVING 600 WASHINGTON STREET SE OLYMPIA WA 98501-1359					
TO				AGENCY NO 3500	MAIL STOP 47200	MAIL INVOICES TO				AGENCY NO 3500	MAIL STOP 47200
SMARTSHEET ATTN: OLU FOLARIN 500 108th AVENUE NE, #200 BELLEVUE, WA 98004 olu.folarin@smartsheet.com						SUPERINTENDENT OF PUBLIC INSTRUCTION ATTN: ACCOUNTS PAYABLE PO BOX 47200 OLYMPIA WA 98504-7200 ospi.accounts.payable@K12.wa.us					
AUTHORITY OR CONTRACT NUMBER											

ITEM NO	COMMODITY CODE	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL COST
		Quote: Q-3038129 (see attached)				
		Enterprise Plan plus Pro Support - Licensed Users	87		600.00	\$52,200.00
		Dynamic View up to 500 configurations	1		15,000.00	\$15,000.00
		DataMesh App	1		10,000.00	\$10,000.00
		Subscription Term 9/13/23-9/12/24				
Total:						\$77,200.00

Instructions to vendor: Show purchase order number on all invoices, packages & shipping documents.
 Washington State sales tax applies to this order.

NAME Kyla L. Moore				CONTACT purchasing@K12.wa.us				AGENCY APPROVAL				DATE 8/24/2023	
DOC DATE 8/24/2023		PMT DUE DATE		CURRENT DOC NO + SFX		REF. DOC NO.		VENDOR NO + SFX SWV0155857-00		USE TAX		UBI NUMBER	
REF DOC SUF	TRANS CODE	M O D	ORG INDEX	PROGAM INDEX	FUND	APPN INDEX	PROJ	SUB PROJ	PROJ PHASE	SUB OBJECT SUB-SUB OBJECT	AMOUNT	INVOICE NUMBER	
							TECH	YY	YY	EYY000			
ACCOUNTING APPROVAL FOR PAYMENT								DATE		WARRANT TOTAL		WARRANT NUMBER	
VENDOR COPY													

Customer Information

Customer Name	OSPI
Contact Name	Eric Thornburgh
Contact Email	eric.thornburgh@k12.wa.us
Contact Phone	(360) 725-4958

Quote Details

Created Date	August 9, 2023
Expiration Date	9/12/2023 12:00:00 AM
Prepared By Name	Olu Folarin
Prepared By Email	olu.folarin@smartsheet.com
Prepared By Phone	

Product	Region	Annual / Unit Price	Unit Quantity	Extended Price	Billing Frequency	Subscription Term	Total Price
Enterprise Plan plus Pro Support - Licensed Users	US	600.00	87	52,200.00	Annual	9/13/2023 to 9/12/2024 (12 Months)	52,200.00 USD
Dynamic View up to 500 configurations	US	15,000.00	1	15,000.00	Annual	9/13/2023 to 9/12/2024 (12 Months)	15,000.00 USD
DataMesh App	US	10,000.00	1	10,000.00	Annual	9/13/2023 to 9/12/2024 (12 Months)	10,000.00 USD

Total	77,200.00 USD
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Pricing information within this document is confidential and proprietary. Prices above exclude applicable tax. This quote is valid until the Quote Expiration Date listed above. All new subscription purchases or expansions will require the submission of a separate order form. Any subscription renewals will be renewed and invoiced in accordance with the terms of the agreement governing your use of Smartsheet. Minimum differences in feature availability may exist between Regions, for details see <https://help.smartsheet.com/regions-capability-differences>

Smartsheet Inc. acquired Brandfolder, Inc. as a wholly owned subsidiary in September 2020 and is working to integrate the companies' services and business operations. Accordingly, Smartsheet is now issuing transactional documentation with respect to Brandfolder services. Please visit www.smartsheet.com/platform for more information.