

**SINGLE OR SOLE SOURCE WAIVER REQUEST****INSTRUCTIONS**

Complete this form, attach all supporting documentation, and submit to the Department Head (or designee) for review, concurrence and other due diligence. After review and required signatures, forward this completed form and all supporting documentation to the Purchasing via a requisition.

Except for certain declared disaster emergency contracts (see page 3), this form must be submitted to the Purchasing Agent whenever an exception to competitive procurement requirements is requested as to any contract (including contract amendments), as follows:

1. Service contracts over \$50,000 annually; and
2. Goods contracts, regardless of dollar amount.

As required by Sonoma County Code 2-58 and County policy, the form must be approved by the Purchasing Agent before commencing negotiations and in all events prior to entering into a service contract or purchasing goods. The purpose of this form is to ensure compliance with competitive bidding requirements and that all waivers are supported by proper, lawful justifications.

State and local laws and policies subject Sonoma County to competitive procurement rules (bids, RFPs, etc.). Additionally, reimbursement programs (e.g. federal and state) and grant conditions may also require competitive processes or require that local contracting requirements be followed (and, if applicable, properly waived, with all required documentation).

Allow up to two weeks for review and any necessary follow-up by the Purchasing Division.

The Purchasing Agent or authorized designee will determine whether the articulated justification is sufficient. Requests for a Single or Sole Source Waiver must be supported by facts and documentation that will pass internal and outside audits.

For Service Contracts:

New Contract or Extension of Existing Contract (select one):

Does your department, agency, or district have an existing or recent contract with same Supplier for same or similar services?

If yes, provide details of prior contract, including whether competitively procured on the County's Supplier Portal:

Requested Start Date:

Proposed End Date:

Proposed Total Term:

Proposed Total Contract Amount:

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Was an evaluation or demonstration of equipment, products, or services performed?

- ☒ Yes. If yes, please provide all supporting documentation.
☐ No.

List below the name of each County staff member involved in the evaluation and making the recommendation to procure this product or service. Attach additional information if necessary.

Christina Rivera, Assistant County Administrator
Brooke Koop, Assistant Auditor-Controller-Treasurer-Tax Collector
Jennifer Calderon, Revenue Accounting Division Manager

On April 4, 2022 HdL Companies provided a demonstration and discussion of the cannabis compliance services they offer.

Please describe the impact to the County of this request is denied and the product/service is procured via an open and competitive solicitation.

If the service is procured via an open and competitive solicitation, because ACTTC and CAO desire a specialized service provider, it's unlikely that a different provider will meet all the specifications and have the system and algorithms that are specific to the cannabis industry, so we anticipate the outcome would be the same but the contract with HdL Companies would be significantly delayed. If this request is denied we expect the County to be negatively impacted with delays in initiating the required analysis of the cannabis program which will lead to a less informed decision that will impact cannabis operators, and the multiple County departments that rely on cannabis tax funding.

REQUESTOR/USER CERTIFICATION: I certify that the above information is accurate to the best of my knowledge, and a signed copy of this document will be available for audit and kept on file in my department, agency, or district and in EFS.

DEPARTMENT HEAD (OR DESIGNEE OF RECORD) APPROVAL: I have reviewed this form and attachments, and fully agree with and support this request to waive the County's competitive procurement requirement for the purchase listed on this form.

PURCHASING AGENT (OR DESIGNEE):

Brenda Haas
Digitally signed by Brenda Haas
Date: 2022.05.05 10:59:08 -07'00'

Approved: ☒

Denied: ☐

Purchasing Comments:

Services proposed by supplier are unique as explained by the department, "a critical component to be able to audit cannabis operators is data that comes from the State's METRC system (cannabis tracking system), HdL has build a system and algorithms that take the METRC data and performs analytics, etc., our understanding is that similar access/analytics are currently only available at the State level so this makes HdL unique in what they can provide to the County."
HdL offers these services to government only, they do not contract with operators as well, so there is no conflict of interest.

This waiver is approved based upon the unique services that this supplier can provide within the time frame required in order to meet the needs of the County.

Submit this form and required documents on a zero dollar requisition.

Provide a detailed explanation and pertinent documentation for each category checked above. Attach additional sheets if necessary.

On March 15, 2022 the Board of Supervisors directed ACTTC and CAO to analyze the pros and cons of changing the County's cannabis cultivation tax program from taxing based on square footage to a model based on gross receipts. The Board also approved the use of a consultant to assist with the analysis and recommendation that must be brought back to the Board no later than February 2023. Of the 58 California Counties, 9 Counties have a cannabis cultivation tax program that uses the gross receipts model. ACTTC engaged the 9 Counties in order to gain information about their program and through these discussions received recommendations to engage HdL Companies as a subject matter expert in cannabis compliance services. The legal cannabis market is still very new and evolving and due to this we need a specialized service provider in order for the County to make the most informed decision. HdL Companies has proprietary systems and algorithms which contain cannabis information normally available only at the State level and combines that with a County's local cannabis operator information in order to yield reports and gross receipts data, as well as determine operations to sample and audit. These services are also for trial purposes. We would want the services to include a sample audit or review of cannabis cultivators to inform the Board what to expect if a gross receipts model was selected. Although any number of firms could perform an audit or revenue review, the cannabis market and its operators have unique challenges which is why it makes most sense to engage a service provider who understands these and specializes in this sector. Due to the unique nature of the cannabis industry and the turnaround time required by the Board, the competitive process would be disadvantageous and not in the County's interest.

For Goods Contracts (including software):

Estimated Total Cost:

Does your department, agency, or district have an existing or recent contract with the same Supplier for the same or similar goods?

Select One:

If yes, provide details of prior contract, including whether competitively procured on the County's Supplier Portal:

If a continuing agreement (e.g. software annual subscription fees), list the estimated total cost for the duration of the contract:

Proposed Supplier:

Are grant funds associated with the proposed contract, or will federal or state reimbursement be expected from the contract (e.g. FEMA or others)? If yes, please attach a copy of the grant's terms and conditions to this request.

No



Have you checked with Purchasing to see if an existing contract may meet the procurement need? If yes, provide details, including the name of Purchasing staff:

No

**Type of Waiver Requested:**

Type of waiver requested:

Single Source



Has your department, agency, or district requested a Single or Sole Source Waiver for this service or good before?

No



If yes, please list the dates of the previous request(s). Attach previously submitted Single or Sole Source Waiver Request(s) to this form.

Single Source - Similar products/services are available from other sources, but there is legitimate lawful justification to procure a specific product or service from the proposed supplier. Proper single source justifications include:

1. Continuity of service is less costly and/or beneficial to the County
2. Circumstances require a local or specialized service provider
3. Services are wanted only for experimental or trial purposes
4. Services are being procured via another public agency's competitive procurement (piggybacking)
5. Interim, short-term agreement in preparation for long-term procurement to meet new need
6. Competitive process would be disadvantageous, unavailing, or otherwise not in County's interest.

Sole Source - Alternative product or service is not available.

Please check all applicable categories below and provide additional information where indicated.

☐

The requested product is an integral repair part or accessory that is uniquely compatible with existing equipment or system.

Existing Equipment/System:

Manufacturer/Model Number:

Age:

Current Estimated Value:

Original Purchase Date:

Original Purchase Order/Contract Number:

☐

The requested product has unique design/performance specifications or quality requirements that are not available in comparable products. Requests for goods and/or services from a specific supplier or that are limited to a specific brand must be accompanied by explanation of the circumstances that make alternatives unacceptable.

☐

The requested product is one in which I (and/or department staff) have specialized training and/or extensive expertise. Retraining would incur substantial cost in time and/or funding.

☐

The requested product is used or demonstration equipment, which is available at a lower-than-new cost.

☐

Repair and/or maintenance service is available only from manufacturer or designated service representative.

☐

Upgrade to or enhancement of existing software is available only from manufacturer with no resellers.

☐

Emergency or exigency (other than disaster-related; see below), i.e., sudden or unforeseen situation, including breakdown of service, in which substantial risk or harm is threatened, including to life, health and safety, property, or provision of essential County services. (Note: Declared disaster-related requests are subject to different process. All requests for contracts directly related to disaster and other declared emergency response must be submitted through the Emergency Operations Center and require a 213 Resource Request Form.)

☒

Service proposed by supplier is unique; therefore, competitive bids are not available or applicable. (Must provide a detailed explanation below.)

☒

Other factors, such as those outlined on Page 1. (Must provide a detailed explanation below)

Provide a detailed explanation and pertinent documentation for each category checked above. Attach additional sheets if necessary.

See attached.