



SOLE SOURCE FILING JUSTIFICATION

TO: Choose or Type a Name.
CONTRACT # 25-1033
TODAY'S DATE: 11/22/2024
CONTRACT SUB OBJECT CODE: CD - Computer & Info Serv

CONTRACTOR'S LEGAL NAME	TIN/UBI NUMBER
Third Sector Intelligence (aka "3Si")	

ADDRESS	1932 1 st Ave, Suite 204, Seattle WA 98101
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CONTRACT PURPOSE
<p>The purpose of this project is to build the next set of data and programmatic updates to the Early Learning Data Store (aka "CUSP", or the <i>Child Universal Success Platform</i>) to align and integrate CUSP inputs and outputs with other cloud-based integrated early learning data products that OIAA staff already have or are building. This work is necessary to ensure consistency across OIAA data products and processes. This work includes child care assessment and rating data obtained through a previous contract between the Contractor and the Washington State Department of Early Learning.</p> <p>This sole source will be the last contract with 3Si for these services, as the agreement will be sunset on 12/31/2025. In 2025, DCYF will develop a 'transition plan' to either transfer the work currently performed by 3Si for CUSP to an in-house team, or repackage the end product in such a way as to allow future work to be competitively solicited for an acceptable alternative or new product. This transition will be effective January 1, 2026.</p>

FUNDING	
FEDERAL FUNDING \$ 624,448.56	STATE FUNDING \$ N/A

CONTRACT TOTAL \$ 624,448.56

CONTRACT DATES	
START DATE: 1/1/2025	END DATE: 12/31/2025

<p>SOLE SOURCE CRITERIA</p> <p><u>What is a sole source contract?</u> <i>"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)</i></p> <p><i>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, however will not be on its own a sufficient justification.</i></p> <p><u>Why is a sole source justification required?</u> <i>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.</i></p> <p><i>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 for going the benefits of a competitive contract.</i></p>

SPECIFIC PROBLEM OR NEED

1. What is the business need or problem that requires this contract?

The previous Department of Early Learning (DEL) contracted w/3Si to create and maintain a linked database for clients receiving services across the various early learning programs. Since merging into DCYF, this database, previously known as ELDS (and then ELDS 2.0) has been maintained due to the need to track and understand clients utilizing EI-services but has also expanded to include new work necessary for the department to track outcomes for clients. This new work, aka CUSP, is a combination ELDS development and transitioning the database onto DCYF servers, which is an on-going effort. It will continue to track progress on Early Learning expansion at a critical time (for example: Fair Start for Kids Act (2021), RCW 43.216.828, RCW 43.216.802(3), and possibly RCW 43.216.775). This system is proprietary, and includes licensure which required review and approved by the Washington Assistant Attorney General's office.

Additionally, this sole source contract **will be sunset on December 31, 2025**, and is intended to finalize in-progress tasks and products, as well as package remaining work for transition to either a DCYF in-house team (or be re-worked for a competitive solicitation for an appropriate, alternative system) to launch on January 1, 2026.

History and events supporting this sole source:

In December 2011, Washington was among the winners of the US Department of Education's Race to the Top – Early Learning Challenge (RTT) grant. The \$60 million RTT grant was used to drive a comprehensive range of activities led by the Washington State Department of Early Learning to improve the quality of early learning in the state and increase access to high-quality early learning for children in low-income and disadvantaged families. The largest portion of the RTT-ELC funding is used to support Washington's Early Achievers program, a quality rating and improvement system for child care and early learning programs.

The initial work with 3Si was contracted in response to the Early Start Act (ESA) passed the Washington State Legislature as HB 1491. ESA in July 2017, this work originally was contract with 3Si to support quality improvements in the early care and education system and provide sustainability for activities initially funded by RTT-ELC. The ESA requires Washington State to successfully transition Early Achievers, ECEAP and child care licensing to a one-system quality framework and has many deliverables and reporting requirements.

In 2018, DCYF contracted with 3Si to support the development of data and research capacity within DCYF's OIAA division to create greater transparency and productivity in OIAA analytics and reporting. This work included using assessment data obtained through a previous contract between the Contractor and the Washington State Department of Early Learning. This contract was intended

to inform strategic investment choices by assuring program integrity, guiding support for child care and early learning providers and the workforce, and enabling program accountability.

PROVIDING COMPELLING ANSWERS TO THE FOLLOWING QUESTIONS WILL FACILITATE THE EVALUATION

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

Third Sector Intelligence (3Si) has been working with DEL/DCYF since 2017 on the development of the data analysis system (ELDS) to meet critical data needs of DCYF. 3Si has content and technical expertise necessary to fulfill the scope of this work. 3Si does similar work with other state agencies and local governments, and is well known in their field for the expertise needed to continue managing/storing DCYF information, as well as the transition to DCYF servers.

3Si's software solution, called the Child Universal Success Platform (CUSP), is the only Software as a Service (SaaS) Early Childhood Integrated Data System (ECIDS) of its kind available in the United States. CUSP is unique in many respects: it contains many features that are not otherwise available in the market; it contains data assets offered and maintained only by 3Si; it can be hosted, controlled, and configured within the state's cloud, etc. Because these characteristics are exclusive to CUSP, all state governments who use CUSP (CA, GA, MA, WA, and WY) have executed sole source contracts and/or used specialized procurement methods to account for its unique position in the market.

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

The sole source contractor, 3Si worked exclusively with DEL/DCYF to develop this specialized data analysis system. Program leadership conducted an online review to identify contractors providing similar services with deep experience in Washington State agency early learning data systems, policy and practice. DCYF was not able to identify any other contractors with the same expertise as 3Si for this project.

This contractor has a specialized focus and over 5 years' experience specifically working with DCYF subsidized child care and public preschool enrollment, authorization, and payment data. These are custom and dated on-prem data systems that are difficult to work with. Contractors are generally able to work effectively with these data system only after substantial ramp-up time. No other company brings the same level of knowledge and experience with these specific DCYF data without significant impact (loss) to the State's value for services, or timeliness (i.e. the learning curve would be tremendous at this point).

This data is critical to our ability to respond to Legislative requests during session in a timely and through manner, in addition to enabling DCYF to track progress on Early Learning expansion at a critical time, as it relates to Fair Start for Kids Act (2021), RCW 43.216.828, RCW 43.216.802(3), and possibly RCW 43.216.775.

4. Provide a detailed and compelling description of the costs and risks mitigated by contracting with this contractor (i.e. learning curve, follow-up nature).

3Si's work and the deliverables directly support the Secretary's Office in pursuit of Department's mission and vision. The data provided by the CUSP system aids in the partnership with state and local agencies, tribes and other organizations in communities across the state of Washington, with the goal of supporting children and families at their most vulnerable points, and giving them the tools they need to succeed.

DCYF has invested deeply and worked closely with 3SI for 4+ years, to maximize our understanding the application of CUSP. The availability, type, and arrangement of the data remains critical to meeting the mission need. The learning curve for DCYF staff or a new contractor would likely result in twice the costs for services and deliverables, as well as at least a year of momentum being lost (depending on another contractor's potential to learn about the schema of the data). These delays could prove challenging, as we currently rely on the CUSP system to respond to child care supply and demand requests from Legislature during session. Additionally, this system is protected as proprietary and associated licensure would result in additional costs, oversight, and effort for like or less refined outcome.

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

NOT APPLICABLE

Yes. The CUSP system (fka - ELDS and ELDS 2.0) includes specific "license agreement" language – which DCYF has added to terms and conditions of this contract, to protect their work product, while also assuring DCYF maintains ownership of the data itself. This language was thoroughly reviewed and approved by WA AAG's office in 2022.

6. 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 which work must be accomplished.

NOT APPLICABLE

7. 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.

NOT APPLICABLE

8. 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.

If disallowed, DCYF would lose the momentum and progress achieved in the last 5 years to the development and improvement of these dashboards. This contract, written with a 12/31/2025

sunset provision, is approaching this agreement as the final bridge between this critical work and our long-term ability to transform these responsibilities to an in-house team. Without necessary conversion efforts, DCYF would face substantial learning curves and would be required to completely 'reinvent the wheel.' This would create tremendous delays in services, dashboard development and lost opportunity to utilize an established (and successful) resource into a long-term asset for the division. This database maintains confidential client data records and has been formatted to make determinations about supply and demand, access to childcare, and other incredibly important bodies of work that inform our programs and staff on needs across the agency. DCYF uses this data to create public dashboards and is also used by communities in WA to target recruiting for early learning providers and informing the public on various aspects of childcare.

9. What considerations were given to providing opportunities in this contract for small businesses, including but not limited to unbundling the goods and/or services acquired.

3Si is a certified small business.

REASONABLENESS OF COST

10. 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 comparison with comparable contracts, use the results of a market survey, or employ other appropriate means calculated to make such a determination.

Early Childhood Integrated Data Systems (ECIDS) bring together early childhood data from disparate sources to help governments understand and serve children. Marketing research resulted in no comparable services for the work contracted in this agreement. Other data sources provide individual links to disparate data, but not in a comprehensive system which can “enhance and accelerate decision-making; identify disparities in childcare access and need by race/ethnicity, income, and geography; improve program performance; optimize public policies; and enable agencies to work together to improve child and family outcomes.” Yet other companies will provide the research and data collection services for an agency, but do not offer a system to be used in-house at DCYF.

Further – other, multiple state child welfare agencies currently participate in the ECLID system (CUSP), including California, Colorado, Georgia, Massachusetts, and Oklahoma and Texas as the newest participants of this membership. DCYF-OIAA pays the same membership rates as the other states including Utah, Nebraska, Wisconsin, Illinois, Michigan, Pennsylvania, Rhode Island, and Maryland also all benefit from data consulting and technical assistance from this system.

Data resources found during marketing research can provide individual types of data – but we were unable to locate an integrated system of equal caliber for comparison of cost. Some examples of results include:

- Individual resource depot - but not integrated system for agency use
 - <https://ectacenter.org/portal/ecdata.asp>

- <https://researchconnections.org/>
- <https://www.nccp.org/research-connections/>
- <https://eric.ed.gov/>
- Performs services but does not create or maintain system for DCYF in-house use
 - <https://ectacenter.org/portal/ecdata.asp>