



## JUSTIFICATION FOR SOLE SOURCE CERTIFICATION

**Sole Source Purchases** are defined clearly, based upon a legitimate need, and are limited to a single supplier. Sole source purchases are normally not allowed except when based upon strong technological grounds such as operational compatibility with existing equipment and related parts or upon a clearly unique and/or cost effective feature requirement. The use of sole source purchases must be justified and shall be limited only to those specific instances in which compatibility or technical performance needs are being satisfied.

**Sole Source Services** are defined as a service provider providing technical expertise of such a unique nature that the service provider is clearly and justifiably the only practicable source available to provide the service. The justification shall be based on the uniqueness of the service, sole availability at the location required, or warranty or defect correction service obligations of the service provider.

This form must be filled out for the request to purchase any good or non-professional service that requires a competitive procurement process (informal quotes (\$1001-\$10,000), formal quotes (\$10,001 - \$19,999.99), or formal bid (\$20,000 or more) as defined in the LFUCG's Purchasing Manual. This form must be completed in its entirety and attached to the purchase requisition.

**Note: Sole Source Purchase requests for goods exceeding \$20,000 will require approval by the Urban County Council by submitting an Administrative Review Form. A copy of this form must be signed off by Central Purchasing and attached to the Administrative Review Form.**

### Requesting Division

Name Eddie Dean Division/Dept Waste Mgmt/EQPW  
Phone 859-425-2838 Email edean@lexingtonky.gov

Type of Purchase:  Goods/Materials/Equipment  Services

Cost: \$ 22,000

Sole Source Request for the Purchase of: Custom inventory management software and handheld RFID/bar code scanners to track RFID container inventory and stockroom supplies.

One Time Purchase  To Establish Sole Source Provider Contract  
(subject to annual review and approval by Central Purchasing and/or Urban County Council)

### Vendor Information

Business Name Raco Interactive  
Contact Name Ken Onetto  
Address 5480 Creek Road, Cincinnati OH 45242  
Phone 800-446-1991 x 4678 Email konetto@racointeractive.com



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### STATEMENT OF NEED: (Add additional pages as needed)

My division/department's recommendation for sole source is based upon an objective review of the product/service required and appears to be in the best interest of the LFUCG. I know of no conflict of interest on my part, and I have no personal involvement in any way with this request. No gratuities, favors, or compromising actions have taken place. Neither has my personal familiarity with particular brands, types of equipment, materials, persons or firms been a deciding influence on my request to sole source this purchase when there are other known suppliers to exist.

### 1. Describe the product or service and list the necessary features this product provides that are not available from any other option.

This is a customized inventory tracking software and hardware solution that will enable Waste Management(WM) to track new RFID enabled containers,as well as track stockroom inventory supplies at WM base. This solution will monitor all by site all new containers via RFID tags, will enable testing of RFID tags on heavy duty trucks and scan stockroom supplies.

### 2. Below are eligible reasons for sole source. Check one and describe.

Licensed or patented product or service. No other vendor provides this. Warranty or defect correction service obligations to the consultant. Describe why it is mandatory to use this licensed or patented product or service.

Existing LFUCG equipment, inventory, custom-built information system, custom-built data inventory system, or similar products or programs. Describe. If product is off-the-shelf, list efforts to find other vendors (i.e. web site search, contacting the manufacturer to see if other dealers are available to service this region, etc.)

RACO Interactive will provide a custom built inventory solution using RFID/bar code scanning equipment that will track heavy duty trucks, RFID tagged garbage containers and stock room supplies. This solution will provide both the hardware and software used to support this system.

Uniqueness of the service. Describe.

The LFUCG has established a standard for this manufacturer, supplier, or provider and there is only one vendor. Attach documentation from manufacturer to confirm that only one dealer provides the product.

Factory-authorized warranty service available only from this single dealer. Sole availability at the location required. Describe.

Used item with bargain price (describe what a new item would cost). Describe.

Other – The above reasons are the most common and established causes for an eligible sole source. If you have a different reason, please describe:

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**3. Describe efforts to find other vendors or consultants (i.e. phone inquires, web site search, contacting the manufacturer to see if other dealers are available to service region, etc.).**

Research of completed off the shelf inventory packages and none were able to complete all requirements. Current Vendor, RACO Interactive, has an inventory solution that was able to be modified with custom coding in order to track various items inside one tool to enable WM to properly track various inventory items by site. The solution also allows WM to monitor RFID tags in containers from shipping to delivery plus tests and tracks different RFID tags used on the heavy duty trucks.

**4. How was the price offered determined to be fair and reasonable?**  
(Explain what the basis was for comparison and include cost analyses as applicable.)

Several meetings with the vendor were conducted and requirements were gathered after vendor's product could meet the requirements for managing different types of items across different WM areas. Formal quote request to determine price and quote was discussed by WM and vendor. Vendor's quote is detailed in items needed.

**5. Describe any cost savings realized or costs avoided by acquiring the goods/services from this supplier.**

WM is already working with the vendor on another project for the division. The division will be able to track container purchases and make better forecasts on containers and stockroom inventory items plus enables WM to properly account for items in stockroom; proper tracking of key items will improve inventory levels and provide cost savings by not ordering materials until they reach a certain level.