SOLE SOURCE PROCUREMENT INSTRUCTIONS

It is the policy of the Commonwealth of Virginia and the IALR that contracts be awarded on a competitive basis and that the use of a sole source procurement must be limited to those instances where only one source is practically available.

Sole source requests must contain a <u>memorandum</u> from the requisitioning department head that addresses in a direct and concise manner the following four points (by number and in order):

RE:

1. Explain why this is the only product or service that can meet the needs of the requisitioner.

The Spectrum Group is a business consulting group with a strategic focus on the defense and aerospace sector and who fields one of the nation's deepest lineups of senior military and procurement leaders from across all branches, complemented by former defense, aviation, technology, and aerospace industry executives. They have the unique capability to be able to connect defense industries with the region, serve as proponents of the region's activities on capitol hill, and provide direct guidance on navigating the federal government processes and flows in submitting for grant and contract funding opportunities. In addition, The Spectrum Group is a current consultant with existing manufacturing and technology partners of IALR and in order to continue current projects, The Spectrum Group is the only source for these partners under current contract and with signed NDAs. They also have served as DoD's program manager for the National Youth Guard Challenge Program, which is a similar model to current IALR projects, and have a proven track record of over 20 years in securing funding for projects of this kind.

2. Explain why this vendor is the only practicably available source from which to obtain this product or service.

The Spectrum group works in both the national and international sectors and provides strategic business development planning and positioning, business and product development, market penetration, Congressional and U.S. military advocacy and liaison, due diligence and M&A strategies. Due to the extensive expertise providing liaison activities in regards to defense sector initiatives, their relationships with current Congressional and Defense staff, and their proximity to the Nation's capital to allow for the in-person time required of such liaison activity, The Spectrum Group is the only practicably available source from which to obtain this product or service.

3. Explain why the price is considered reasonable.

The statement of work establishes multi-track effort with broad scope and aggressive objectives and milestones. Successful execution will require the support of several senior Spectrum members with broad-based expertise in DoD, industry, and in Congress. Achieving objectives on the agreed milestones will require a concerted and persistent effort on the part of the Spectrum team. The overall scope, the extent of involvement of Spectrum members, the rigorous objectives and timetable all justify the proposed price of the project.

4. Describe the efforts that were made to conduct a noncompetitive negotiation to get the best possible price.

Multiple iterations of the statement of work were proposed, and reviewed prior to final approval of the statement of work and contract price. At every step of the way, a "value engineering" process was used to ensure that individual task elements and associated costs were aligned and cost reasonable.

Mark Ly

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Date: 4/3/2020

The memorandum must be attached to the requisition before the requisition is approved. The memorandum must stay with the procurement file.