

Sole Source CONTRACT Filing Justification Template

Use the following justification template for preparing to file sole source contracts in the <u>Sole Source</u> <u>Contracts Database</u> (SSCD). Once completed, copy and paste the answers into the corresponding SSCD question and answer fields. You will also need to include a copy of this completed form in the documents you post to your agency website and in <u>WEBS</u>.

What is a sole source contract?

"Sole source" means a contractor providing goods or services of such a unique nature or sole availability that the contractor is clearly and justifiably the only practicable source to provide the goods or services. (RCW 39.26.010)

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 for a sole source contract**. Time constraints may be considered as a contributing factor in a sole source justification, however will not be on its own a sufficient justification.

Why is a sole source justification required?

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.

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 forgoing the benefits of a competitive contract.

Providing compelling answers to the following questions will facilitate DES' evaluation.

Specific Problem or Need

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

The WTSC has been the recipient of multiple grants to pilot test the utility of using telematics data services to improve traffic safety planning and evaluation (https://wtsc.wa.gov/data-



collaborations/). The Washington State legislature has provided a budget proviso to WTSC solely for the purchase of telematics data from a qualified vendor to provide anonymized information on high-risk driver behaviors at the state and select geographic levels. The WTSC completed a project with Cambridge Mobile Telematics (CMT) to compare their measures of cell phone related distracted driving as an alternative to distracted driving observation surveys conducted by the WTSC. The CMT distracted driving measures were found to be reliable, more comprehensive, continuous, and available for all 39 counties in Washington. Therefore, the WTSC is no longer conducting distracted driving observation surveys (2025 was the last year of the survey) and instead relies on telematics data to measure distracted driving in Washington State.

Following market research, CMT has been identified as the only telematics provider with 1) sufficient driver coverage in all 39 Washington counties to 2) provides cell phone-related distracted driving incidence; one of the few providers that provide telematics-derived distracted driving measures. Two primary business needs for WTSC is to 1) identify unfailing telematics providers with saturated and historical driver coverage in all counties, resulting in reliable county and roadway-level analytics on all road types and jurisdictions in Washington, and 2) identify telematics providers that can provide telematics-derived driver cell phone-related distraction measures.

In addition to these primary business needs, WTSC relies on telematics data as our only source to measure driver speeding behavior statewide, at the county/municipal level, and on specific roadway segments, including tools to measure excessive speeding events, speed distributions, and general travel speeds compared to posted speed limits. Finally, access to telematics data measures needs to be near real-time and consistently updated. The CMT telematics data, provided through license-based access to StreetVision, meets all the WTSC business requirements. No other telematics provider identified to date is able to offer comparable statewide coverage, distracted driving measures, and near real-time data access offered by access to CMT StreetVision.

Sole Source Criteria

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

Telematics (data collected through various sensors and connected devices) gives road safety professionals the ability to scale driving behavior research at a highly efficient cost, which can transform the ways they create and evaluate highway safety plans. CMT uses advanced signal processing and artificial intelligence to make sense of complex sensor data from connected vehicles, Tags, smartphones, and dashcams, and extracts insights about distraction, speeding, hard braking, and hard acceleration. The platform captures over one trillion sensor time series



points per day. This technology and scale allow CMT to directly observe and analyze the most granular events of distracted driving and risks like aggressive driving and speeding in near real time and on all roadways.

The technology is focused on smartphones and smartphone apps. CMT's technology is embedded into a smartphone app where it lies dormant until a person starts driving. It identifies whether a person is the driver or the passenger using advanced algorithms that calculate how the person rotates entering and exiting the vehicle, where they put the phone while driving, if they connect to Bluetooth in the vehicle, and more. When the technology detects driving activity, it begins capturing data from the phone's sensors — primarily the accelerometer and the gyroscope. CMT uses artificial intelligence to transform this noisy sensor data into driving behavior, like hard brakes, rapid acceleration, speeding, and distracted driving. CMT takes the accumulation of these risky events and calculates an overall individual driving score, and maps where drivers can see where they're at risk on the road. CMT works with 21 of the top 25 auto insurers, including Nationwide, and over 95 programs worldwide to power their safe driving programs with telematics. CMT telematics data have also been recognized as a tool to improve road safety by the National Highway Traffic Safety Administration and Federal Highway Administration.

Due to this network of data collection and partnering with the insurance industry, CMT data the resulting analytics is proprietary and unique. Other data sources either lack the scale (number of trips and a representative sample of the population) or aggregate data from multiple parties. Because CMT collects the data directly, it can verify the authenticity and provide a consistent, accurate representation of crash risk. The data and insights produced by CMT have met and exceeded national standards for accuracy in the assessment of driver behavior risk. CMT's methods were assessed by the Insurance Institute of Highway Safety and Stanford University's Computational Policy Lab and found to be representative of the population and exceed methods that have been established to analyze risk prevalence. No other vendors have this verification. CMT does not collect any personally identifiable data from drivers. CMT's privacy standards have been globally and nationally certified.

In 2025, CMT launched their StreetVision platform (<u>StreetVision - Cambridge Mobile Telematics</u>). StreetVision was tested by WTSC staff and partners for six months prior to the official launch via a grant offered by CMT through the Association of Traffic Safety Information Professionals. Through this pilot testing, WTSC has firsthand experience with the data coverage, measures, and analytical insights the platform offers. In addition, telematics data is updated daily and available in StreetVision just three days delayed. Proprietary data from CMT can only be accessed through StreetVision and meets all the WTSC and partner requirements.

 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. Use DES' Market Research Template if assistance is needed.

The WTSC has been conducting ongoing market research since the allocation of budget proviso funds for this work. Market research has been mainly conducted through traffic safety conference attendance, networking, and inviting telematics vendors to provide product demonstrations to WTSC staff and partners. The WTSC has also partnered with the Department of Enterprise Services to share all market research findings in preparation for a potential statewide contract covering telematics analytics services. To date, the WTSC has shared the information of nearly a dozen telematics providers for consideration, however only CMT StreetVision has been able to meet all the business needs of the WTSC and traffic safety partners.

An internet search for organizations offering analysis of proprietary or purchased telematics data for statewide traffic safety results yielded few results. Several iterations of reports and telematics were searched and revealed that many telematics offerings are targeting the individual or fleet, rather than being used or offered in the desired planning/evaluation context the WTSC is seeking. Among larger-scale telematics providers, all but CMT lack the cell phone-related distracted driving measures as part of their service offerings, or lack coverage on less traversed roadways in Washington, or generally lack sufficient coverage in Washinton state.

 As part of the market research requirements, include a list of statewide contracts reviewed and/or businesses contacted, 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.

There is no statewide contract for telematics analytics services, and the WTSC requested the DES to develop a master contract for this service, which is currently in process. The following telematics service providers have been reviewed (and also provided to DES for considering a statewide contract) and been determined to 1) lack sufficient coverage on Washington roadways 2) lack historical coverage on Washington roadways 3) lack near-real time and direct user access to the telematics data 4) lack some required measures, most notably cell phone related driver distraction or 5) are cost prohibitive. Some vendors were contacted directly and through conferences, and WTSC reviewed publicly available information regarding their telematics service offerings. Companies reviewed include Michelin Mobility Intelligence, Arity, Mapbox, Replica, Medidas, LexisNexis, Inrix, Iteris, and Flow Labs. Furthermore, CMT StreetVision seems to be the only platform that is already production-ready for the entire state of Washington (as opposed to select geographies or road types) and has a licensing model to support multiple Washington users.



• Per the Supplier Diversity Policy, DES-090-06: was this purchase included in the agency's forecasted needs report?

No, this purchase was not included in the agency's forecasted needs report. The agency's FFY 2026 Annual Grant Application (AGA) to NHTSA was not approved until September 18, 2025. Due to the uncertainty of funding approval when the forecasted needs report was prepared, this purchase was not included. OMWBE was consulted when the forecasted needs report was prepared and submitted. WTSC strives to adhere to the state's Supplier Diversity Policy and considers opportunities to support Washington's small, diverse, and veteran-owned businesses when planning forecasted purchases. To the extent possible, the agency incorporates supplier diversity considerations into its planning and forecasting process to help ensure that future purchasing opportunities align with these goals.

• Describe what targeted industry outreach was completed to locate small and/or veteranowned businesses to meet the agency's need?

Due to the required scale of telematics data coverage and driver behavior measures needed in Washington state, no small or veteran-owned businesses were identified through WTSC's market research efforts. The legislative budget proviso requires us to work with qualified vendors that provide substantial anonymized information on a statewide basis.

What considerations were given to unbundling the goods and/or services in this
contract, which would provide opportunities for Washington small, diverse, and/or
veteran-owned businesses. Provide a summary of your agency's unbundling analysis for
this contract.

CMT telematics data is a proprietary source and CMT is the direct collector/steward of the data. No other business can deliver the proposed services using this specific telematics data source. This sole source request is for licenses to access CMT's StreetVision platform. There is no unbundling that can be performed for this contract, as we are only purchasing user access to StreetVision through license purchasing.

• 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).

The WTSC and multiple partners have been pilot testing StreetVision since May 2025, and therefore are already familiar with the system, and WTSC staff can serve in a support and onboarding role for new license holders. This is substantial savings in learning curve and ongoing user support since we already have a handful of "power users". In addition, the StreetVision is already loaded with full Washington data and roadway network, ready to use as soon as licenses are issued.



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

No, the agency is not proposing this sole source contract because of special circumstances.

• 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, the agency is not proposing this sole source contract because of time delays or issues.

 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 this sole source is not approved, the WTSC will not have access to statewide distracted driving measures since we have already discontinued funding for the observation survey in lieu of using telematics data, and CMT is the only identified vendor with cell phone related distracted driving telematics insights. We will also not have access to speeding information, of which telematics data is the only comprehensive source. Finally, the WTSC risks expiration of the CMT price quote for StreetVision licenses should we not be able to proceed with the sole source contract at this time, leading to higher costs for the same platform access in the future.

Sole Source Posting

- Sole Source Posting on Agency Website Provide the date in which the sole source
 posting, the draft contract, and a copy of the Sole Source Contract Justification Template
 were published on your agency's website.
 - If failed to post, please explain why.
- Provide the date in which the sole source posting, the draft contract, and a copy of the Sole Source Contract Justification Template were published in WEBS.
 - If failed to post, please explain why.
- Were responses received to the sole source posting in WEBS?



 If one or more responses are received, list name of entities responding and explain how the agency concluded the contract is appropriate for sole source award.

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.

During the StreetVision pilot testing grant with the Association of Transportation Safety Information Professionals, CMT advertised the financial benefit to participating states to be \$1,000,000, which covered six months of StreetVision access for five users. The WTSC negotiated with CMT and received cost concessions based on our initial pilot testing of StreetVision, and the higher number of licenses needed for our traffic safety partners. Through this price negotiation process and comparing costs to other telematics grants in which WTSC provided match dollars, the fees outlined in the proposed contract are fair and reasonable. In addition, CMT has substantial driver coverage in Washington, and the statewide deployment readiness of StreetVision covering all roadways in Washington has not been demonstrated by other vendors.