

Sole Source **CONTRACT** Filing Justification

Specific Problem or Need

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

The commercial laundry dryers servicing the Washington Soldiers Home (Orting) and the Washington Veterans Home (Port Orchard) have exceeded their operational lifespan. Currently, these outdated units lack the capacity to keep pace with the facilities' Milnor washing machines, resulting in critical processing bottlenecks. Maintaining these units has become prohibitively expensive due to the need for custom repairs and frequent downtime. To ensure the health and safety of 340 residents, WDVA requires a high-capacity, durable solution that integrates seamlessly with existing infrastructure. Market research identifies Milnor dryers as the superior choice for performance and longevity. Western State Design (WSD) is the sole authorized distributor for Milnor equipment in the western United States. With a local service team based in Seattle, WSD is uniquely positioned to provide the specialized, timely maintenance required to guarantee uninterrupted laundry operations for these veteran homes.

Sole Source Criteria

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

Western State Design (WSD) maintains a unique position as the premier technical authority for industrial laundry solutions in the Pacific Northwest. With over 90 years of combined field experience, their team provides a level of specialized advice and maintenance support that is unmatched by regional competitors. As an American-owned entity with a dedicated service office in Seattle, WSD ensures a stabilized supply chain for replacement parts and rapid response times for on-site service calls, which are critical for the 24/7 operations of WDVA facilities.

Furthermore, the proposed Milnor M202-Steam dryers offer a proprietary high-capacity design that aligns perfectly with existing facility footprints. Unlike equipment from alternative vendors such as Braun or Dexter, the Milnor units provide the necessary throughput without requiring expensive and disruptive structural modifications to the laundry facility.



- 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.

To ensure the selection of a robust and cost-effective laundry solution, the agency conducted comprehensive market research identifying three primary industrial vendors: Western State Design (WSD), Braun, and Dexter Laundry. The agency's due diligence involved a comparative geographical analysis, a review of service-level availability, and a long-term cost-of-ownership assessment.

Evaluation of Alternative Sources

While Braun and Dexter are recognized industry leaders, the agency's review determined that their logistical frameworks are incompatible with the agency's requirement for localized, rapid-response maintenance:

- **Geographic Constraints:** Both Braun and Dexter operate primarily out of New York State. Market research confirmed they lack a dedicated service infrastructure on the West Coast.
- **Prohibitive Maintenance Costs:** Under a contract with these vendors, the WDVA would be responsible for significant ancillary costs for every service call, including airfare, lodging, and per diem for technicians traveling from the East Coast.
- **Operational Downtime:** The reliance on out-of-state technicians introduces unacceptable delays in machine repairs, potentially compromising the standard of care and sanitary operations within our veteran homes.

Basis for Selecting Western State Design (WSD)

The agency's research concluded that Western State Design is the only viable provider capable of meeting the unique geographical and fiscal requirements of the WDVA.

- **Localized Technical Support:** WSD is the sole vendor with a sustained presence on the West Coast and established service technicians stationed directly within Washington State.
- **Fiscal Responsibility:** While the initial equipment pricing across the three vendors is comparable, WSD eliminates the "hidden costs" associated with out-of-state travel. By utilizing local "on-call" technicians, WSD provides a significantly lower total cost of ownership regarding ongoing maintenance and emergency repairs.

- Tailored Service Capabilities: Further review of WSD’s service model confirmed they offer specialized maintenance packages that can be specifically tailored to the high-volume requirements of our commercial laundry facilities.

Conclusion: Based on this market review, alternative sources were deemed inappropriate due to the lack of local support infrastructure and the excessive long-term costs associated with out-of-state servicing. Western State Design stands as the only source capable of providing the necessary equipment alongside immediate, local technical support.

- 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.

A comprehensive review of the Washington State Department of Enterprise Services (DES) statewide contracts was conducted in December 2024. No existing statewide contracts were identified that provide the specialized heavy-duty industrial laundry equipment required for the DVA facility.

To ensure the most practicable and cost-effective procurement, the agency performed an analysis of the industry’s primary providers.

Justification for Prospective Contractor (WSD) The agency has determined that WSD is the only practicable source capable of meeting the DVA’s long-term operational and fiscal requirements based on the following unbundling and market analysis:

- **Significant Cost Avoidance:** Procurement through WSD represents immediate capital savings of \$30,804.00 (approximately 14%) compared to the only other viable market competitor.
- **Logistical & Geographic Necessity:** The equipment has a projected life expectancy of 20–25 years. Braun’s technical support requires flying technicians from the East Coast, which would result in prohibitive travel costs, extended equipment downtime, and increased hourly labor rates over the next two decades.
- **Critical After-Sales Service:** WSD maintains a dedicated technical team within the Puget Sound area. This proximity ensures rapid response times for repairs and maintenance, which is essential for the continuous operation of the DVA laundry facility.

Because of the specialized nature of the installation and the unique requirement for localized, long-term maintenance to prevent service interruptions for veterans, the agency has determined that no other business can perform the contract under the required economic and operational parameters.

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

Yes

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

OWMBE, WDVA Veterans owned business directory, and WEBS have been utilized to find vendors that could potentially meet agency's needs.

- 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.

N/A

- 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).

1. Mitigation of Escalating Maintenance Costs

A primary risk identified through historical data is the increased frequency of repairs as industrial dryers reach their second half of life (typically years 6–7). At this stage, machines often require bi-monthly maintenance.

- The Risk: Competitors such as Braun and Dexter are located on the East Coast and in the Midwest. Contracting with these vendors would force the WDVA to subsidize airfare, car rentals, lodging, and per diem for every service call.
- The Mitigation: By utilizing WSD, which employs technicians within Washington State, the WDVA eliminates these travel-related overhead costs entirely, ensuring that maintenance remains cost-effective throughout the machine's full lifecycle.

2. Elimination of the "Two-Phase" Repair Penalty

Industrial repairs are rarely completed in a single visit. The standard process involves an initial diagnostic visit, followed by a waiting period for parts, and a subsequent visit for installation.



- The Risk: For out-of-state vendors, this necessitates doubling the travel expenses (two flights, two sets of hotel stays) for a single repair. This creates a potential "service fee" that can quickly exceed the original value of the equipment.
- The Mitigation: Localized service through WSD allows for a seamless, multi-phase repair process without the compounding travel fees, protecting the agency from inflated repair bills.

3. Spatial Efficiency and Risk of Facility Overcrowding

The WDVA laundry facilities are significantly space-challenged. Integrating oversized equipment creates a safety risk and hinders operational flow.

- The Risk: Competitors like Braun and Dexter offer 200lb dryers with larger physical footprints that would exacerbate existing space constraints.
- The Mitigation: The Milnor units provided by WSD offer a more compact design for the 200lb capacity. This allows the agency to maintain high-volume output without the need for expensive facility modifications or the risk of creating a cramped, hazardous working environment for staff.

4. Technical Continuity and Learning Curve

Contracting with a local, established partner ensures that the "learning curve" associated with veteran-home-specific laundry protocols is minimized. WSD's existing presence in the region means their technicians are already familiar with the unique logistical requirements of Washington State facilities, ensuring a faster "time-to-fix" and higher reliability than technicians flown in from unfamiliar regions.

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

No

- 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

- 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 filing is not approved, the agency faces imminent operational failures that directly threaten the well-being of its residents and the integrity of its fiscal management. The specific consequences include:

1. Critical Health and Safety Risks to Residents

As current machinery reaches the end of its functional lifespan, the probability of catastrophic equipment failure increases. Because these veterans' homes rely on these systems for essential daily operations—such as sanitation and medical-grade laundry—any service interruption poses an immediate health risk. Without a seamless transition to approved replacement units, the agency cannot guarantee a sterile and safe environment for its residents.

2. Disruption of Essential Care Services

The denial of this filing would lead to a breakdown in the continuity of care. In the event of equipment failure, the agency would be unable to provide necessities, leading to significant service gaps. For a population of veterans who require consistent and reliable support, these interruptions are not merely logistical hurdles but a fundamental failure in the agency's mission to provide dignified care.

3. Escalated Operational Costs and Fiscal Waste

In the absence of a dedicated sole source solution, the agency would be forced to implement emergency, short-term measures to meet resident needs. These "stop-gap" solutions—such as outsourcing services to private contractors on short notice or purchasing incompatible temporary equipment—are significantly more expensive than the proposed filing. This would result in inefficient use of taxpayer funds and create long-term budgetary strain without resolving the underlying infrastructure crisis.

4. Administrative and Regulatory Vulnerability

Operating with end-of-life equipment leaves the agency vulnerable to regulatory non-compliance. Should services fail, the agency may face legal liabilities or loss of accreditation, further complicating its ability to serve the veteran community and damaging public trust in the institution's management of state resources.

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.

April 8, 2026.

- 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.

The agency has concluded that the negotiated costs for this procurement are fair and reasonable based on a two-pronged analysis of equipment pricing and specialized labor rates.

1. Comparable Government Pricing (Equipment)

The cost for the laundry dryers is set at \$64,100.00. This figure aligns with standard government contract pricing offered to all public entities. By verifying that this rate is consistent with what other government agencies pay for the same hardware, the agency has ensured that the equipment cost is competitive and reflects established market value without the need for additional formal bidding.

2. Labor and Expertise Value Analysis

The installation costs are calculated based on two primary factors:

- **Prevailing Wage Standards:** All labor rates adhere to mandatory prevailing wage requirements, ensuring the costs are legally compliant and standard for the region.
- **Specialized Technical Expertise:** The agency utilized a "cost-avoidance" comparison based on historical performance.
Comparative Case Study: Three years ago, the DVA procured a laundry lint collector via a Job Order Contract (JOC) with a general contractor. Because the contractor lacked specific expertise in laundry systems, the DVA ultimately paid three times the standard labor rate due to installation errors. Washington State Design (WSD) specialists were eventually required to remediate the faulty work.

Conclusion

By contracting directly with WSD, the agency is leveraging proven expertise that mitigates the risk of "faulty installation" costs seen in previous contracts. The conclusion of fairness is therefore reached by combining standardized equipment pricing with specialized labor that prevents the significant financial loss associated with inexperienced general contractors.