

ECCC Procurement & Contracting

Sole Source Justification Form



Instructions to clients: This form must be completed and submitted for all sole source contract requests. All questions must be answered in detail before the request will be considered.

SAP Purchase Requisition #: _____

Proposed Contractor: Ott Hydrometric

As per the [Government Contracts Regulations \(GCR\)](#) and the procurement values of fairness, openness and transparency, before any contract is entered into **the contracting authority must solicit bids**. [Treasury Board Contracting Policy](#) requires sole source rationale to be documented on file.

1. **A contracting authority may enter into a contract without soliciting bids when the following exceptions apply:** *(please check the relevant exception)*

- (a)** the need is one of **pressing emergency** in which delay would be injurious to the public interest.
 - Clients can refer to ECCC Guidelines on Emergency Contracting Procedures on our [Client Procurement Portal](#).
- (b)** the estimated expenditure does not exceed
 - (i) \$40, 000 for services;
 - (ii) \$40,000 for construction;
 - (iii) \$25,000 for goods (all incl. taxes).
- (c)** the nature of the work is such that it would not be in the public interest to solicit bids.
- (d)** only one person is capable of performing the contract. *(complete Appendix 1)*

Refer to [TBS Contracting Policy Notice 2007-4 – Non Competitive Contracting](#) for additional information.

2. **Provide a rationale for the selection of the exception above:**

The Water Survey Canada program in Manitoba has been purchasing EDAS Dataloggers from K3D35-160849/002/TOR (Sutron Satlink 3 dataloggers) since 2016. This standing offer has expired and Ott Hydrometric is the manufacturer and supplier of this product, there is not an available alternative to supply the Sutron Satlink 3 datalogger.



3. **Please describe or provide support as to how you determined that the price proposed is fair and reasonable.** This may include market research, previous invoices for similar good or services, publically advertised price or standing offer lists, for example. We request supporting documentation (e.g. copies of invoices) be attached to this form where relevant. Please note your procurement officer may require additional price support as required.

The quote was based on the last option year price listed in K3D35-160849/002/TOR plus 3% which is a reasonable increase given the recent inflationary pressures.

4. **What was the nature of the previous strategy for the provision of the requirement?** *(Choose all that apply)*

- Sole source
- Competitive
- Advance Contract Award Notice (ACAN)
- Staffing action (Casual/student/term/indeterminate)
- Not applicable: first time request

Provide previous PR#s: K3D35-160849/002/TOR _____

Completed by *(please print)*: Chris Kahler

Signature:

Date:

For Procurement Officer Use Only:

Insert Vendor Search from SAP

Appendix 1: Sole-source contracts

where only one person is capable of performing the contract (exception d) to the GCRs)

1. Is the proposed sole-source contract linked to a previous procurement and strategy for obtaining additional quantities and/or in-service support? If yes, what was the approved strategy? Notwithstanding the approved strategy, is it feasible and affordable to compete the requirement? If not, provide the related rationale in terms of cost, schedule, etc.

A national standing offer K3D35-160849/002/TOR was used to fulfill requirements and the final option year expired March 31, 2023.

2. Does the vendor or its approved distributors have exclusive ownership of, and rights to use, the intellectual property for the goods or services in question? If yes, provide details. What rights, if any, does the Crown have to use the intellectual property?

They are the manufacturer/supplier of the Sutron Satlink 3 and owners of it's IP. As a purchaser, the Crown would be authorized to use the equipment.

3. Are there legal and/or regulatory considerations that preclude open competition for this good or service? If yes, provide details.

None

4. Are there alternative sources of supply for the same or equivalent materiel or support? If no, explain. If yes, what other options were considered and why were they not recommended?

Ott Hydrometric is the sole supplier of the Sutron Satlink 3. A supplier for another brand of EDAS (FTS) under K3D35-160849/001/TOR also expired on March 31, 2023. Purchasing from FTS would also require a sole source however this would have implications to our operations clarified below.

5. Is the proposal related to commonality or compatibility with existing equipment? If yes, what are the operational costs or implications of managing multiple versions?

The Manitoba office of Water Survey Canada, has been purchasing the Sutron Satlink 3 from K3D35-160849/002/TOR since it was active in 2016. As a result, we have developed a strong skillset for installation, maintenance and troubleshooting this particular equipment. This has saved us training costs and improved our successes in mission critical field operations, including servicing equipment in remote locations accessible by aircraft only, by having one type of EDAS to operate. Additional brands would require a mixed skillset with reduced ability to specialize and deploy equipment successfully.

6. Explain why the price is fair and reasonable, describe how price support was obtained, and summarize negotiations.

The price was obtained from a quotation to supply the equipment. The quoted price was 3% higher than the final option year price of K3D35-160849/002/TOR, which given our recent inflationary pressures, is a reasonable adjustment and consistent with the 2nd last option year increase K3D35-160849/002/TOR (2.5%).

7. Are there any other factors that have led to a recommendation for a non-competitive process? If yes, provide details and the rationale.
 - a. What is the likelihood of an amendment or follow-on contract to the same person? Describe the efforts taken to identify a variety of suppliers and explain any impact that the trade agreement thresholds or Appendix C of the Treasury Board *Contracting Policy* contract entry or amendment limits will have on the proposed procurement strategy.

- b. Given the nature of your organization's mandate, describe any efforts taken to put in place long-term procurement arrangements to address similar requirements or activities in future (for example, establish standing offer).

Water Survey Canada HQ is currently working to secure a new SO for EDAS. This is not expected to be completed until October, 2023, at the earliest. Assuming there are no delays, this leads only 4-5 months for a PO to be secured and executed which would potentially put the acquisition for this fiscal in jeopardy. The acquisition of new EDAS are critical to our continuing operations and requirements to meet needs for technological shifts in the data transmission technologies expected in 2026. Without acquisition of these EDAS our ability to have 100% compliance will not be met. Using a sole-source to secure the EDAS now, helps to ensure we will have adequate supply to be compliant and meet our program mandate.