

PENNSYLVANIA TREASURY DEPARTMENT
PROCUREMENT SOLE SOURCE JUSTIFICATION

Bureau: Savings Programs

Contractor: The Vanguard Group, Inc. (Vanguard)

Agency Purchase Requisition No. _____

A) Reason(s) for Sole Source Procurement:

- Only a single contractor is capable of providing the service.
- Only known source; similar services/commodities are not available from another contractor.
 - Service must be compatible with existing equipment.
- A federal or state statute or federal regulation exempts the service from the competitive procedure and there is appropriate justification to do so.
- It is clearly not feasible to award the contract for services on a competitive basis.
- The services are to be provided by attorneys or litigation consultants selected by the Department.
- The services are to be provided by expert witnesses.
- The services involve the repair, modification or calibration of equipment, and they are to be performed by the manufacturer of the equipment or by the manufacturer's authorized dealer, provided the contracting officer determines that bidding is not appropriate under the circumstances.
- The contract is for financial or investment experts to be used and selected by the Department.
- The contract is for supplies or services is in the best interest of the Commonwealth.
- Part I, Chapter I of the Pennsylvania Procurement Handbook issued by the Department of General Services under the authority of Commonwealth Procurement Code, 62 P.S. Section 101 *et seq.*, exempts Treasury from the policies, procedures, and guidelines of the handbook for the licensing of specialized computer software.

B) Briefly describe the supply or service item you are requesting and its function.

The Treasury Department (Treasury) administers the Pennsylvania 529 Plan College Savings Program (PA 529) in accordance with 24 P.S. § 6901.301 et seq. When enrolling in the PA 529, there are two options that can be chosen: 1) the Guaranteed Savings Plan and 2) the Investment Plan (IP). The IP allows individuals to choose from fifteen individual investment portfolios and twelve target enrollment portfolios. These investment portfolios are credited, managed, and overseen by investment

professionals at Vanguard. Treasury approves the portfolio options.

C) Describe the unique features/compatibility of the supply, service or construction item that precludes competitive procurement.

N/A.

D) What research has been done to verify the contractor as the only known source?

N/A.

E) Does the contractor have any distributors, dealers, resellers, etc., that sell the supply, service, or construction item?

N/A.

F) Must this supply, service or construction item be compatible with present inventory/equipment or in compliance with a manufacturer's warranty or existing service agreement? If yes, please explain.

N/A.

G) If this is an initial procurement, what are the future consequences of the procurement? That is, once this procurement is approved and processed, what additional upgrades/additions/supplies/ services/construction, etc., are anticipated/projected over the useful life of this item?

N/A.

H) If this is an upgrade, addition, alteration, etc., to an existing service? How was the original service procured (sole source or competitive)? What additional, related, sole source procurements have occurred since the initial procurement? Please identify the previous purchase order or contract number(s).

N/A.

- I) How has this service been procured in the past? (Competitive sealed bidding, competitive sealed proposals, sole source, other). Please provide document numbers.

In 2006, the Department issued an RFP for the entire 529 Program as the then-current vendor, Delaware Investments, was exiting the 529 business and an RFP was issued for the entire program. Ascensus College Recordkeeping Services, LLC (then Upromise) and Vanguard partnered in submitting an RFP proposal and won the RFP. They successfully provided the services since the original contracts were

- J) What are the consequences of not procuring this specific supply or service item?

Treasury is statutorily obligated to administer the IP. In order to do so, an investment manager must be utilized.

- K) How long has the agency known that the supply or service was needed, and why wasn't the contract process started earlier?

N/A.

- L) If timing is a factor, who established the time frame and why?

N/A

- M) What are the consequences of not procuring this specific service within the established time frame?

See Question J, above.

- N) List any other information relevant to the acquisition of this service.

N/A.