

## **SOLE SOURCE/SOLE BRAND JUSTIFICATION**

### **OVERVIEW:**

On rare occasions there may be a need to purchase goods or services from one vendor/contractor without going to formal bid or requesting competitive quotations. This is known as “Sole Source” purchasing. This document does not replace an Agreement.

“Sole Source” purchasing is authorized by Monterey County Code 2.32.040, Emergency Purchases, and by Monterey County Code 2.32.070, Competitive Bidding Not Required.

“Sole Source” purchasing may be necessary under certain circumstances such as an emergency wherein the department head or other County Official who is authorized to sign requisitions may purchase items for the continuance of the department function, or that items purchased are necessary for the preservation of life or property, and that no authorized purchasing department personnel are immediately available to make the purchase.

A sole source may be designated when it is apparent that a needed product or service is uniquely available from the source, or for all practical purposes, it is justifiably in the best interest of the County. The designation of a “Sole Source” supplier must be authorized by the County Purchasing Agent or Deputy-Purchasing Agent before the requirement for competitive quotations is waived.

In an effort to expedite sole source/brand requisition requests through Contracts/Purchasing, we would encourage you to review the criteria for Sole Source/Brand form herein. If you feel your request meets such criteria, follow the instructions in filling out the form, along with a Department Head signature approving the request on behalf of their department. If sole source/brand justification is warranted and accepted by Purchasing, the request shall be signed by the Contracts/Purchasing Officer (CPO).

This is an internal review process. Departments are requested to use discretion in their discussion with vendors so as not to compromise any competitive advantage the Buyer may utilize, regardless of the acceptance or rejection of the sole source/brand justification.

Contracts/Purchasing will advise you when a particular competitive review process may both serve the County better and/or be required by governing law.

The **JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST** is **NOT** an agreement.

### **PROCEDURE:**

Sole source/brand purchasing is an exception to the normal procurement function and requires a detailed justification. In processing sole source/brand requests for supplies, services and/or equipment, Contracts/Purchasing adheres to and is governed by the principles set forth in both the Federal and State Laws governing public purchasing and the Public Contract Code, and by the adopted and approved County of Monterey Policies and Procedures.

If you are requesting a particular vendor, brand, or product, you must make this fact clear on your request. Such a request should not be made unless the request is reasonable and appropriately justified to meet legal requirements and can withstand a possible audit. The County requirements and the format for submitting such requests are contained herein.

The **JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST** is **NOT** an agreement.

The following factors **DO NOT** apply to sole source/brand requests and should not be included in your sole source/brand justification. They will not be considered and only tend to confuse the evaluation process.

1. Personal preference for product or vendor
2. Cost, vendor performance, and local service (this may be considered an award factor in competitive bidding)
3. Features which exceed the minimum department requirements
4. Explanation for the actual need and basic use for the equipment, unless the information relates to a request for unique factors
5. A request for no substitution submitted without justification. This is a sole source/brand request requiring detailed justification including established sole source/brand criteria

Please make copies of the Criteria for Sole Source/Brand form for your future use.

**County of Monterey**  
**General Services- Contracts/Purchasing Division**  
**JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST**

Date October 2, 2025

1. Please indicate the following:

Procurement: ☒ Goods  
☒ Services

Description of Item: Palo Alto network devices and multi-year support purchase, financed through Insight Investment LLC.

(Check One)

- ☐ Sole Source: Item is available from one source only. Item is a one-of-a kind and is not sold through distributors. Manufacturer is the exclusive distributor.
- ☒ Sole Brand: Various sources can supply the specified model and brand and competitive bids will be solicited for the requested brand only. Meets form, fit and function- nothing else will do.

Note: Sole Source/Sole Brand Requests are not maintained as a standing request. Each request is for a single one-time purchase only.

Sole Source/Sole Brand Request is not an Agreement.

2. Vendor Selection:

- ☒ Preferred Vendor  
☐ Sole Source

Vendor Name: Insight Investments LLC  
Address: 601 Anton Blvd. Suite 700 City: Costa Mesa State: CA  
Phone Number: (714) 939-2849 Fax: ( )  
Contact Person: Kim Williams Title: Lease Administration Lead  
Federal Employer #: 33-0249383

3. Provide a brief description of the goods/services to be purchased and why this purchase is being proposed under a sole source acquisition.

- a) Why were product and/or vendor chosen?

ITD has standardized on Palo Alto Networks firewalls and security products to safeguard the County's network infrastructure. In 2023, Digital Scepter was approved as the preferred Palo Alto Networks vendor through a sole source request, based on their extensive expertise in the design, operations, and maintenance of data security systems. To ensure continued protection, ITD has negotiated a multi-year support package for the renewal of Palo Alto Network firewall devices and associated support services. Insight Investments LLC, the financing partner for Palo Alto Networks and Digital Scepter, provides flexible financing arrangements that enable the County to spread costs across multiple years while maintaining critical security protections without adversely impacting departmental cash flow.

- b) What are the unique performance features of the product/brand requested that are not available in any other product/brand? For Services: what unique qualifications, rights, and licenses does the vendor possess to qualify as a sole source/brand request?

ITD has standardized on Palo Alto Networks firewalls and security products to protect the County's network infrastructure. As part of this partnership, Insight Investments LLC provides the financing component, enabling ITD to secure multi-year support at a significant discount. This arrangement ensures that critical security protections remain in place while spreading costs over multiple years, thereby avoiding negative impacts on the department's cash flow.

- c) Why are these specific features/qualifications required?

ITD has standardized on Palo Alto Networks firewalls and security products to protect the County's network infrastructure. In 2023, Digital Scepter was approved as the preferred Palo Alto Networks vendor through a sole source request, based on their extensive expertise in the design, operation, and maintenance of data security systems, as well as their deep knowledge of the County's network architecture and security requirements.

To ensure continued protection, ITD negotiated a multi-year support package for the renewal of Palo Alto Networks firewall devices and support services. As part of this arrangement, Insight Investments LLC serves as the financing partner for Palo Alto Networks and Digital Scepter, providing the County with flexible financing options that deliver cost savings and help manage departmental cash flow effectively.

d) What other products/services have been examined and/or rejected?

Prior to standardizing on Palo Alto Network Firewalls, the County's network was protected by Cisco Firewalls. While Cisco solutions met security requirements at the time, they lacked the advanced application visibility, control, and threat prevention features of a state-of-the-art Next Generation Firewall. After extensive evaluation and product comparison, Palo Alto Networks Firewalls were determined to be the superior solution, providing enhanced protection and significantly strengthening the County's overall network security posture. With the adoption of Palo Alto Networks products as the County-wide standard, Digital Scepter became the clear choice as the County's security partner due to their specialized expertise in Palo Alto technology. Digital Scepter has consistently delivered effective design, deployment, and support services, building a deep understanding of the County's security environment.

As part of this partnership, Insight Investments LLC provides financing options that allow the County to secure multi-year support contracts at a substantial discount, while avoiding negative impacts on ITD's annual cash flow. This arrangement enables the County to maintain up-to-date protections and support while optimizing financial resources.

e) Why are other sources providing like goods or services unacceptable (please give a full meaningful explanation)?

The County's security policies, network infrastructure, and security requirements are complex, cumbersome to learn, and critical to the protection of County data. Other security vendors lack familiarity with the County's specific security policies and network systems. Engaging a new vendor would result in significant duplication of effort, delays in service delivery, and increased risk exposure during the transition period. Continuing with Digital Scepter ensures consistency, reduces operational risk, and upholds the County's security policies—ultimately protecting the County from potential data breaches and compliance issues.

County would benefit by continuing and expanding the partnership with Digital Scepter through the multi-year financing deal by using Insight Investment LLC at no interest cost to County.

f) What are the unique performance features REQUIRED (not merely preferred), and how would your requirement be inhibited without this particular item or service?

In partnership with Palo Alto Networks, Digital Scepter has introduced Insight Investment, which is offering the County a 5-year financing arrangement to update the firewall infrastructure at no interest cost. This unique opportunity allows the County to modernize critical network security defenses while spreading costs over multiple fiscal years without additional financial burden. The continued supportability and expertise provided by Digital Scepter and Palo Alto Networks are essential to protecting County data, ensuring compliance, and preventing potential security and data breach incidents.

The County's Palo Alto Network firewall hardware and support contract will expire in October 2025. This project and purchase are necessary to renew and upgrade the firewall infrastructure to ensure continued protection of County systems. As noted, Digital Scepter are network security experts specializing in Palo Alto Networks security systems, which are deployed throughout the County's networks.

g) Estimated Costs:

Total amount: \$1,692,895.24, financed over 5 years, with an annual payment of \$338,579.05.

4. Is there an unusual or compelling urgency associated with this project?

☐

No

☒

Yes (Please describe)

The County's Palo Alto Network firewall hardware and support contract will expire in October 2025. This project and purchase are necessary to renew and upgrade the firewall infrastructure to ensure continued protection of County systems. Without this investment, the County would face increased risk of security vulnerabilities, potential data breaches, and non-compliance with cybersecurity best practices. Up-to-date firewall hardware and support are essential to maintaining a secure, stable, and compliant network environment that safeguards County data and services.

### THE FOLLOWING TO BE COMPLETED BY THE REQUESTOR

I hereby certify that:

1. I am an approved department representative and am aware of the County's requirements for competitive bidding, as well as the criteria for justification for sole source/brand purchasing.
2. I have gathered the required technical information and have made a concentrated effort to review comparable and/or equal equipment.
3. The information contained herein is complete and accurate.
4. There is justification for sole source/brand purchasing noted above as it meets the County's criteria.
5. A sole source/brand purchase in this case would withstand a possible audit or a vendor's protest.

Signed by:

*Alex Zheng*

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Requestors Signature

10/3/2025 | 9:40 AM PDT

Date

Signed by:

*Eric A. Chatham*

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Authorized Signature by Department Head

10/3/2025 | 9:41 AM PDT

Date

DocuSigned by:

*[Signature]*

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Approved by Contracts/Purchasing Officer

10/3/2025 | 9:43 AM PDT

Date