

## SOLE SOURCE JUSTIFICATION REQUEST FORM

**Instructions:** Briefly describe the items or service requested and list in detail the reason for requesting the Sole Source designation. Include substantiating data such as; companies contacted and the reason for elimination, technical data, etc. Since this is a request to depart from the mandated procedure for competition, request without support cannot be considered. The CNM Buyer may require additional information and remains the final authority in the determination of a Sole Source acquisition.

**Date:** 05/21/2019

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**Prepared by:** Tobe Phelps

### Vendor/Contractor

**Name:** Learning Machine Technologies, Inc.  
**Address:** 134 W 4th Street, PH  
**City, State, Zip:** New York, NY 10012

**Cost:** 132,500

**Term of Contract:** 3 years

**Description of Item/Service to be procured:** (listing of the services, construction or items of tangible personal property procured under the contract)

Learning Machine provides a platform that allows CNM to issue blockchain diplomas and certificates to our students in order to allow them to own their own credentials. These credentials can be verified instantly without coming to CNM to validate. The service includes:

- Issue Diplomas, Certifications, Awards, Badges, and Microcredentials
- Issue Transcripts
- Issue Student ID Cards
- Custom Issuing Domain
- Custom Verification Portal
- Custom Metadata Schemas
- Unlimited Administrators
- User-Specific Permissions
- 120 Issuing Events per Year (up to 2,000 recipients per Event)
- Multi-Chain Issuance (Bitcoin and Ethereum)
  - o Support for additional blockchains (i.e. a Hyperledger implementation or a different permissioned chain) may be developed as a separate scope of work.
  - o All blockchain transaction fees are included within the scope of the Contract. Customer will not be charged any transaction fees over and above the annual license fee so long as Customer remains within the annual transaction limit of 120 Issuing Events per year.
  - o Additional Issuing Events may be purchased as needed.
- Unlimited Test Issuing
- Unlimited Open Badges Issuing
- Analytics Dashboard
- Reporting Capabilities
- REST API integrations with back-end systems (up to 10)
- Recipient Single Sign-On (SAML-2 Protocol)
- Alumni Back-Issuance
- Platform extensions during the life of the contract

**Below is the summary of information regarding the justification for your request for the Sole Source Procurement.**

**1. Explain why this is the only available source that can meet the needs of your department.**

Learning Machine is the only vendor that currently has a blockchain issuing platform that is fully operational. We have also already conducted a two year long pilot with Learning Machine where we have issued several thousand blockchain diplomas and certificates to our students.

**2. Explain why this vendor is the only available source from which to obtain this product or service.**

**The company has affirmed (memo from vendor is attached) that there is no other source for this item. Our search for possible vendors proved futile; OR**

**Other reason, please explain in full. Attach additional sheets if necessary.**

Blockchain is a new technology and there are very few companies that are providing this type of service. Learning Machine is the only one that provides an educationally focused service that meet the needs of the college for issuance of blockchain credentials for our students.

**3. Explain why the price is considered fair and reasonable.**

The price of the contract is very low considering the cost of maintaining the platform and providing support services for the issuance of blockchain diplomas and certificates. The contract price provides year to year savings over the course of three years. The services provided are cost effective compared to comparable services.

4. Describe the efforts made to obtain the best possible price from this sole source vendor for the taxpayers. What (if any) is the total cost savings from the original quote? (Attach additional sheets if necessary).

This contract represents a total cost savings of \$17,500 over a year to year contract with the vendor.

**APPROVALS:**

Based on the above stated facts, the Purchasing Department has made the determination the justification for the Sole Source procurement is in accordance with §13-1-126 and will be posted for a 30-day period prior to award.

Tobe Phelps  
Print Requester Name

Luis Brown  
Print Dean/Chairman/Director Name

CHIEF TECH/INNOVATION OFFICER 5/28/19  
Title and date:

IT COO/CISO 5/28/19  
Title and date:

[Signature]  
Requester Signature

[Signature]  
Dean/Chairman/Director Signature

Pursuant to §13-1-126, the 30-day posting period of the Notice of Intent to Award this Sole Source request was met and no objections to award to the above referenced contractor were received. This Sole Source determination will be valid for the term indicated on page one (1) of this form.

Robert Ortiz 6/28/19  
Purchasing Buyer Date

Genie J. Beck 6/28/19  
Purchasing Director Date

Required Attachments:

- Letter from Contractor, if applicable.
- Campaign Contribution Form (Buyer)
- Other supporting documentation.



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To Whom It May Concern:

Learning Machine Technologies, Inc. located at 134 W. 4th St. PH, New York, NY 10012 is the sole source and sole provider of the products and services offered as per Learning Machine Quote QU-0004, attached. The pricing quoted is at the lowest, best obtainable price available to Central New Mexico Community College.

Please don't hesitate to reach out if you have any questions.

Best regards,

Natalie Smolenski  
SVP Business Development  
Learning Machine Technologies, Inc.  
+1 (469) 468-0099  
[nsmolenski@learningmachine.com](mailto:nsmolenski@learningmachine.com)  
[www.learningmachine.com](http://www.learningmachine.com)



## QUOTE

Central New Mexico Community College  
Attention: Accounts Payable  
P.O. Box 4586  
ALBUQUERQUE NM 87196-4586  
UNITED STATES

**Date**  
May 29, 2019

**Expiry**  
Jun 28, 2019

**Quote Number**  
QU-0004

**Learning Machine**  
61-1846858

Learning Machine  
Technologies, Inc  
134 West 4th Street PH  
NEW YORK NEW YORK  
10012  
UNITED STATES

### Learning Machine 2019 License Renewal

A renewal of the annual license for the Learning Machine Issuing System.

Service Capacity: Premium Plan

- Issue Diplomas, Certifications, Awards, Badges, and Microcredentials
  - Issue Transcripts
  - Issue Student ID Cards
  - Custom Issuing Domain
  - Custom Verification Portal
  - Custom Metadata Schemas
  - Unlimited Administrators
  - User-Specific Permissions
  - 120 Issuing Events per Year (up to 2,000 recipients per Event)
  - Multi-Chain Issuance (Bitcoin and Ethereum)
    - o Support for additional blockchains (i.e. a Hyperledger implementation or a different permissioned chain) may be developed as a separate scope of work.
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- o Additional Issuing Events may be purchased as needed.
  - Unlimited Test Issuing
  - Unlimited Open Badges Issuing
  - Analytics Dashboard
  - Reporting Capabilities
  - REST API integrations with back-end systems (up to 10)
  - Recipient Single Sign-On (SAML-2 Protocol)
  - Alumni Back-Issuance
  - Platform extensions during the life of the contract

Support: Premium Support

Includes dedicated account management for CNM Staff by phone and email. Support may also include in-person visits by the Learning Machine Delivery Team. In addition, CNM receives the following benefits:

- Training Workshops
- Issuing Roadmap Development

- Communications Plan Development
- Certificate Design Services
- Recipient Data Preparation Services
- Quality Review
- Test Issuing Assistance
- Live Issuing Assistance
- Level 1 and 2 (M-F 9am-5pm Eastern Time) User Support
- Support Documentation & Resources
- Membership in Learning Machine Customer Advisory Board

Item	Description	Quantity	Unit Price	Tax	Amount USD
Annual	Year 1: 2019-2020	1.00	50,000.00	Tax Exempt	50,000.00
Annual	Year 2: 2020-2021	1.00	42,500.00	Tax Exempt	42,500.00
Annual	Year 3: 2021-2022	1.00	40,000.00	Tax Exempt	40,000.00
Subtotal					132,500.00
<b>TOTAL USD</b>					<b>132,500.00</b>

#### Terms

Each annual license will be billed on the first day of the annual contract term. Payment terms are Net 30 days.