

**CITY OF GRAND JUNCTION
SOLE SOURCE JUSTIFICATION FORM**

Date: <u>09/27/24</u>	Requested By: <u>William Baker</u>
Department: <u>Police</u>	Division: <u>Services</u>
Vendor Name: <u>Skydio Inc</u>	Net Cost Delivered: \$ <u>31,517.30</u>

Provide G/L Account where funds are budgeted: 100-420-390-620.7900_07
 Project code, if applicable _____


SOLE SOURCE JUSTIFICATION
(INITIAL ALL ENTRIES THAT APPLY)

Material/Service Description: Drone for Law Enforcement Utilization

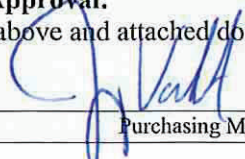
1. _____ - Uniqueness: Is unique and unavailable from any other source due to proprietary rights, patents, copyrights, secret processes, or monopoly control;
2. X - Compatibility: There is a need for compatibility with existing equipment, technologies, or processes, and only a specific product or service can satisfy that need;
3. _____ - Urgency: Delay would lead to serious injury, death, or significant financial loss;
4. _____ - Expertise: The vendor has unique experience, expertise, or capabilities unavailable elsewhere;
5. X - Standardization: There is a need to standardize specific equipment or supplies to reduce training, inventory, or maintenance costs, and only one vendor can meet this need;
6. _____ - Written demonstration and justification is available which reasonably and practicably establishes that the selection of a sole source vendor is in the best interest of the City.

**Attach Justification Memo and Pricing Documentation, then proceed with signatures below.
 After Dept Head approval, forward to Purchasing.**

Department Director Approval:
 I recommend that competitive procurement be waived and that the service or material described herein be purchased as a sole source.

Signed: Matt Smith  , 09/30/24
Department Head Signature Date

Purchasing Approval:
 Based on the above and attached documents, I have determined this to be a sole source with no other vendor practicably available.

Signed:  , 9/30/24
Purchasing Manager Signature Date

Final Authorization
 City Manager Approval Required (\$25K to \$50K) yes / no

Signed: Andrea Phillips , 10/11/2024
City Manager Signature Date

City Council Approval Required (over \$50K) yes / no

TO: City Manager Andrea Phillips
FROM: Deputy Chief William Baker
DATE: 09/27/24
SUBJECT: Sole Source Justification for Skydio Inc. Drone Purchase

City Manager Phillips,

This memo is to provide justification for the sole source procurement of Skydio Inc. drones by the Grand Junction Police Department. After conducting market research and evaluating available drone solutions, we have determined that Skydio Inc. is the only vendor capable of providing the necessary equipment that meets our operational and technical requirements. Specifically, the compatibility of Skydio drones with the Axon Evidence.com system is a critical factor in this decision.

Product Description:

The product in question is the Skydio X10, an autonomous, AI-powered drone with advanced obstacle avoidance capabilities and seamless integration with Axon's Evidence.com system. This drone will be used by GJPD members to support crime scene mapping, tactical missions, search and rescue operations.

Justification for Sole Source Purchase:

The sole source procurement of Skydio Inc. drones is required due to the following reasons:

- Axon Evidence.com System Compatibility: Our organization currently utilizes Axon Evidence.com for managing digital evidence. Skydio is the only drone manufacturer that offers direct and seamless integration with this system, ensuring efficient and secure transfer of drone-captured video and images into our existing evidence management workflows. No other drone manufacturer provides this level of integration, which is crucial for maintaining chain-of-custody protocols, security, and data integrity.
- Operational Efficiency: Using drones from multiple manufacturers would introduce complexity and inefficiencies in our workflow. Having a Skydio drone that integrates directly with our Axon Evidence.com system allows for streamlined evidence handling and processing. This compatibility eliminates the need for manual transfers or additional software, reducing the risk of errors and saving significant time and resources.
- Proprietary Technology: Skydio drones employ proprietary AI and machine learning algorithms for obstacle avoidance and autonomous navigation, features that are unmatched in the current market. These capabilities are critical to the operational success of our missions and are not offered by other manufacturers in a way that is fully integrated with the Axon ecosystem.

- Compliance with U.S. Laws and Regulations Regarding Chinese Drones: In recent years, U.S. government agencies have raised concerns about the use of drones manufactured by Chinese companies, particularly due to potential cybersecurity risks and national security issues. As a result, several U.S. federal laws and policies, including the **National Defense Authorization Act (NDAA)**, have restricted the purchase and use of drones and drone components from Chinese manufacturers such as DJI. Many state and federal agencies have been required to transition away from Chinese-made drones.

Skydio, as a U.S.-based company, manufactures drones that fully comply with U.S. laws, including the NDAA, and offers a secure alternative to Chinese-made drones. This makes Skydio the most suitable option for our organization, as it ensures compliance with current and future U.S. government regulations. The need for secure and compliant equipment further solidifies the necessity of procuring Skydio drones.

Market Research:

A thorough evaluation of available drone solutions has been conducted, and no other vendor offers drones with the required integration into the Axon Evidence.com system. Other drone manufacturers were reviewed; however, they do not provide the necessary compatibility or equivalent features. Additionally, many alternative vendors, including leading manufacturers such as DJI, are subject to restrictions under U.S. federal laws concerning national security and cybersecurity risks, making them unsuitable for our needs.

Conclusion:

In summary, Skydio Inc. is the only vendor capable of providing drones that meet the specific operational requirements of GJPD due to their unique compatibility with the Axon Evidence.com system, their proprietary technology, and their compliance with U.S. laws and regulations concerning foreign-made drones. For these reasons, we respectfully request approval for this sole source procurement.

Thank you for your consideration.

Sincerely,

William Baker
Deputy Chief



Skydio, Inc.
 3000 Clearview Way
 San Mateo, CA 94402
 United States
 (855) 463-5902
 orderadmin@skydio.com

Order Form

Order Form #: Q-27705
 Created Date: 9/24/2024
 Expiration Date: 10/24/2024
 Prepared By: Chris Morton
 Prepared By Email: chris.morton@skydio.com

Customer Information

Customer: Grand Junction Police Department

Billing Information

Grand Junction Police Department
 555 Ute Avenue
 Grand Junction, CO 81501
 United States

Billing Contact (for Invoices)

Trent Rundquist
 trentr@gjcity.org
 970-549-5170

Shipping Information

Grand Junction Police
 Department
 555 Ute Avenue
 Grand Junction, CO 81501
 United States

Shipping Contact

Trent Rundquist
 trentr@gjcity.org
 970-549-5170

Order Contact

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 trentr@gjcity.org
 970-549-5170

A La Carte

Hardware + Perpetual Software

Product Code	Product Name	Quantity	Terms (Months)	List Unit Price	Net Unit Price	Total (USD)
DR4ERKT2IZG0000NA	Skydio X10 Ready Kit (2.4/5 GHz with Cellular, IR) NA + VT300-Z	1.00		\$16,846.00	\$16,846.00	\$16,846.00
DR4ATTSPTL	Skydio Spotlight for X10	1.00		\$265.00	\$265.00	\$265.00
DR4ATTSPKM	Skydio Speaker/Mic for X10	1.00		\$320.00	\$320.00	\$320.00
DR4ACCBAT	Skydio Battery (150W) for X10	1.00		\$369.00	\$369.00	\$369.00
DR4ATTSWNAIR	Skydio NightSense with IR Attachment for X10	1.00		\$2,800.00	\$2,800.00	\$2,800.00
Hardware + Perpetual Software Subtotal:						\$20,600.00

Services

Product Code	Product Name	Quantity	Terms (Months)	List Unit Price	Net Unit Price	Total (USD)
CEDR45G300Z3YRNA	Skydio Care for X10 with Cellular 5G + VT300-Z, 3-year	1.00		\$5,249.00	\$5,249.00	\$5,249.00
TRN113NADR4	Skydio X10 Blended Training	1.00		\$5,605.00	\$5,605.00	\$5,605.00
Services Subtotal:						\$10,854.00

Totals

Total Fees	\$31,454.00
Estimated Shipping	\$63.30
Grand Total	\$31,517.30

Special Terms

Certain items in this order may be subject to certification requirement(s) under United States federal and/or state law. Skydio's delivery of any such item within the United States is contingent upon completion of applicable US-

based certification processes. Skydio shall bear sole responsibility for, and will provide a full refund to Customer for any items for which Skydio is unable to obtain applicable US-based certification. The foregoing is inapplicable to items purchased for export from the United States.

With respect to any geographic location into which Customer will import the Products or Services, Customer represents and warrants that it has all necessary licenses, waivers, or other regulatory approvals necessary in order to import and operate the Products and Services. Customer is solely responsible for any costs, fees, penalties, judgments or other liabilities arising from Customer's import, export, transfer or operation of the Products or Services outside the Authorized Territory.

Terms and Conditions

This Order Form shall be incorporated in, governed by, and subject to the Skydio Sales Terms and Conditions ("T&C") located at <https://www.skydio.com/legal> (unless there is a separately negotiated agreement between Customer and Skydio). The product descriptions and definitions are set forth in Exhibit A. In the event of any conflict, the order of precedence shall be the Order Form, followed by any Underlying Agreement, and finally the T&C. **The Purchase Prices and Fees listed in this Order Form are exclusive of taxes or duties of any kind.**

All Orders are non-cancelable, and any fees paid are non-refundable.
All standard Skydio Lead Times and Standard Shipping, as stated below, apply to all orders.

Lead Times: Manufacturing lead times are at least 30 days from the date of Order Booking.

Standard Shipping: Standard Shipping encompasses ground shipping based on weight and package size for delivery. Shipping fees shown on the Order Form are for Standard Shipping.

Expedited Shipping: Any expedited shipping requests, or requests to ship to multiple locations, post order form signature, will incur additional fees, which will be added to your invoice at time of shipping. Should Skydio receive any such requests after the execution of the Order Form, Skydio will do its best to respond to customer's requests but reserves the right to advise customer of increased shipping fees for customer to decide if they would like to proceed, in which case revised shipping charges will be communicated to customer for their acceptance to proceed. Any such requests will require email confirmation of request and acknowledgement that additional incurring fees have been approved.

Additional Information

Is there a purchase order (PO) number or other reference number that you would like us to include on your invoice and packing slip (if applicable)?

- No
 Yes - Please complete below

PO or Reference Number: _____

Please email any purchase orders or tax exemption documentation to orderadmin@skydio.com

Any inclusion of Customer's PO Number or PO Amount is for reference purposes only. Furthermore, any terms or conditions contained on any Customer PO shall not be binding on Skydio, and no action by Skydio (including the reference of the Customer's PO Number on invoicing, shipment of the ordered products, activation of any licensed software, etc.) shall be construed as Skydio's acceptance of such terms or conditions.

This Order Form has been executed by the parties' authorized representatives as of the dates of their respective signatures below.

Customer	Skydio Inc.
Signature:	Signature:
Name: William Baker	Name:
Title:	Title:
Date:	Date:

Exhibit A: Product Descriptions and Definitions

Product Name	Description
Skydio X10 Ready Kit (2.4/5 GHz with Cellular, IR) NA + VT300-Z	Kit includes one (1) Skydio X10 Vehicle with Sensor Package (2.4/5 GHz with Cellular, IR) NA + VT300-Z, one (1) Enterprise Controller, one (1) Ready Case, two (2) wall adapters, one (1) set additional propellers, three (3) batteries, and one (1) dual charger. Includes one (1) subscription to Skydio Autonomy Drone Software that allows the drone to see, understand, and act upon the world. License is perpetual and non-transferable.
Skydio Care for X10 with Cellular 5G + VT300-Z, 3-year	Skydio Care for X10 with Cellular 5G + VT300-Z, 3-year includes bundled Care for the Skydio X10 with Cellular 5G and the VT300-Z Sensor Package. Skydio Care for X10 with Cellular 5G (3yr plan) includes: (a) three (3) Damage Replacement with advance shipment and up to one (1) Lost Drone Replacement with advance shipment. Skydio Care for VT300-Z (3yr plan) includes: (a) three (3) Damage Replacement with advance shipment and up to one (1) Lost Sensor Package Replacement with advance shipment. In either event, Customer will be charged the full cost of the replacement sensor package if Skydio fails to receive payment of associated replacement fees (covered in T&C) within thirty (30) days of the shipment.
Skydio Spotlight for X10	One (1) spotlight attachment that can be carried by the Skydio X10.
Skydio Speaker/Mic for X10	One (1) speaker and microphone attachment that can be carried by the Skydio X10.
Skydio Battery (150W) for X10	One (1) battery for Skydio X10.
Skydio NightSense with IR Attachment for X10	Skydio NightSense for X10 includes access to advanced autonomy functionality in no and low light situations. Includes one (1) perpetual license and one (1) infrared light spectrum active illumination attachment that can be carried by Skydio X10.
Skydio X10 Blended Training	Self-paced online training course on the operation of Skydio X10, the Skydio Enterprise App, and Skydio software via the Skydio LMS, followed by one (1) day of in-person live flight training in the field. For up to four (4) students. Participants will receive a course completion certificate upon the successful completion of this training. Travel and lodging costs are included in this price.