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CHAPTER 13. Sole Source

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13.1 Policy

Sole source procurements may be used only when competitive procurement methods are not appropriate, such as when goods, services, including construction are available only from one vendor or contractor. The procurement record for a sole source procurement must include the appropriate approval in support of the action to forego the competitive process.

13.2 Use of Sole Source

Goods, services, including construction may be purchased without competition only if it determined that only one vendor or contractor, or product can satisfy the Authority's requirements, and no other source will meet the Authority's need. In addition, the following procurements may be made without competition:

1. Specific replacement parts or components for equipment where there is no alternative supplier or where the use of an alternative would void a warranty.
2. Equipment upgrade and repair, repair services, or parts unavailable from any other source except the original equipment manufacturer or its designated service representative.
3. Upgrade to existing software, available only from the producer of the software who sells only on a direct basis and where alternatives to the proprietary solution are not feasible.
4. When there is a need to standardize equipment or to facilitate the interoperability of equipment or systems which is greater in value than costs that could be recovered through competition and the maintenance of alternative sources of supply.
5. When substantial cost duplication in selecting an alternative source is not expected to be recovered through competition.
6. Utility services, when available from only one source.
7. Intellectual property rights that are owned or controlled by one source and made available through that source; these rights would include patents, copyrights, licenses, secret processes, material monopolies or other established rights that affect distribution of goods and services.

Any of the procurement methods authorized elsewhere in this manual for small or large purchases may be used.

13.3 Justifications

Negotiations for a sole source contract or purchase order award may commence without providing for full and open competition only after the Contracting Officer justifies the use of such actions in writing, certifies the accuracy and completeness of the justification, and obtains any required approvals. A justification must contain sufficient facts and rationale to justify the use of the sole source method. The program/project office is responsible for preparing the findings on which the justification for sole source procurement is based.

13.4 Sole Source for Small Purchases

A simplified procedure may be used for sole source procurements where the estimated value is below the large purchase threshold unless the Contracting Officer determines that another method, such as noncompetitive negotiation for large purchases as described hereinafter, will achieve better value. A quotation or price offer shall be obtained and a purchase order will be issued. If delivery cannot be obtained according to the original terms of the purchase order, the purchase order may be modified in writing. Each purchase order modification shall identify the order it modifies and shall contain an appropriate modification number. A contractor's written acceptance of a purchase order modification may



be required if it is determined to be necessary to ensure the contractor's compliance with the purchase order as revised.

13.5 Sole Source for Large Purchases

Noncompetitive negotiation shall be used for sole source procurements where the estimated value is greater than the large purchase threshold unless the contracting Officer determines that another method, such as a simplified procedure, will achieve better value. An acquisition plan including an independent cost estimate shall be prepared for sole source purchases where the estimated value is greater than the large purchase threshold; the simplicity or complexity of the plan shall be appropriate to the specific procurement. Noncompetitive negotiation includes a Request for Proposal (RFP), the submission of the proposal to the Authority in response to RFP, and evaluation of the proposal. At the conclusion of discussions, all price and other revisions to the proposal, if any shall be submitted in writing.

13.6 Determination of Price Reasonableness

Before award of any sole source procurement, the proposed price must be determined to be fair and reasonable using the method most appropriate to the procurement.