



Procurement, Contracts and Materials Management

Campus Guide to Sole Source

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Introduction

Sole source, or single source, is an allowable non-competitive procurement method for federal funds under 2 CFR 200, §200.320 and for all other funds under OSU Standard 03-010, 5.2.1 (f)(i).

OSU Standard 03-010, 4.12 defines Sole Source as:

The only entity or only suitable entity of a particular product or service reasonably available, including when only one source can meet critical parameters or timeframes in order to meet the research and/or business needs of the university.

In order to be validated as a sole source, the department must demonstrate the following:

1. The required minimum specifications/skills.
2. The research/business need for the required specifications/skills.
3. Documentation of how this singular equipment or sole supplier meets the required specifications/skills.
4. Documentation of investigation conducted that demonstrates that other vendors cannot meet the specifications/skills.

Unjustifiable Sole Sources

To begin, let's look at a few elements that do not justify a sole source:

- Preference of, or previous work with, a supplier:
 - Knowing a supplier and their work is not a justification as a sole source or a reason for excluding them from providing the items or services. This may be an evaluative consideration in a competitive process.
- Only one supplier returned a proposal or quote:
 - If the department performed a competitive process and only one supplier proposed, this is not a sole source, but a reasonable conclusion to a competitive process.
- Specifications or skills written by or provided by supplier
 - Suppliers who propose for the goods or services cannot be involved in defining the research/business specifications or skills as it demonstrates bias and will often create arbitrarily restrictive requirements.
- Sole source justification written by supplier:
 - Suppliers will be bias in their determination of being a sole source. This determination must be made independently of supplier influence.
- Other supplier proposals or quotes exceed research/business needs:
 - If the minimum specifications/skills are well defined and communicated and other suppliers propose more than what is needed, this is an outcome of the competitive process and not a sole source, since more than one supplier could meet the minimum requirements.
- Supplier or equipment named in grant proposal:
 - Naming a supplier or specific equipment in a grant proposal is not a sole source justification.

Considerations

The following are considerations that are reviewed and verified prior to advertising a sole source.

Specifications

Specifications are a detailed description of the design and materials used to make something. Specifications are typically used when procuring equipment or other tangible items where the minimum performance requirements can be detailed by the physical elements. Examples of specification elements:

- Size
- Weight
- Materials
- Design
- Output

If a sole source is based on a set of specifications, consider the following:

- What is the research/business need for the procurement?
- What are the minimum specification requirements?
- How do the minimum specification requirements meet the research/business need?
- Does other equipment have similar specifications? If so, why wouldn't this go out for competitive solicitation?
- How is it known that only this equipment exists on the market?
- What research was done to determine that other equipment does not match the specifications?
- What documentation of the research/evidence of the market and the matching specifications of similar equipment is available?

When purchasing equipment or tangible items, there are two sole source considerations:

1. Equipment or tangible item – why the item being purchased is the only one that can meet the minimum research/business need. If other equipment or tangible item can meet the defined minimum research/business need, then it is not a sole source.

Distributor/reseller of the equipment or tangible item – why the company selling the item is the only one who can sell to OSU. If there are multiple distributors/resellers of the item, then it is not a sole source. This includes if the manufacturer sells the item but also has other distributors. Documentation of the research and verification of the sole distributor/reseller needs to be provided with the justification.

Skills

Skills are the ability or expertise to successfully perform tasks. Skills are typically used when procuring a third party to perform a service. Examples of skill elements include:

- Qualifications
- Certifications
- Years of experience

- Knowledge or expertise areas

If a sole source is based on a set of skills, consider:

- What is the research/business need for the procurement?
- What are the minimum skill requirements?
- How do the minimum skill requirements meet the research/business need?
- Do other companies have similar skills? If so, why wouldn't this go out for competitive solicitation?
- What research was done to determine that other companies do not have similar skills?
- What documentation of the research/evidence of the market and the matching skills of competitors is available?

Timeframe

In addition to the specification and skills based considerations, the sole source may indicate a constricted timeframe as justification. If sole source is based on or includes a compacted or restricted timeframe, consider:

- What elements caused the critical timeframe?
- What is the research/business need for an expedited timeframe?
- Why would receiving the equipment or services after the timeframe be unacceptable?
- Are other companies able to meet the timeframe? If no, is there documentation supporting that other companies can or cannot meet the timeframe?

Documentation

In addition to the Sole Source Request Form, backup documentation is critical in verifying the sole source. This documentation can consist of:

- Email communications with suppliers
- Summary documentation of verbal conversations with suppliers
- Cut sheets with specifications
- Internet searches

Lacking sufficient information and/or supporting documentation may be returned to the requestor for correction and/or completion, which may cause a time delay.

Advertisement of Sole Source

PCMM will provide public notice of all decisions to award a sole source contract on the OSU business and bidding opportunities website for 7 calendar days before the procurement of related goods or services. If there are no appeals to the sole source, the purchase will be completed. If an appeal is received by OSU PCMM then it will be reviewed and a determination will be made if it is a valid appeal or not. If it is determined to be a valid appeal, a solicitation process will be conducted before completion of the purchase.