

## PROCUREMENT SOLE SOURCE GUIDANCE AND INSTRUCTIONS

This document is designed to provide guidance and instructions as it relates to the Sole Source Justification Request Form.



Procurement and  
Payment Services

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**Requestors should fully review this document prior to completing the Sole Source Justification Request Form.**

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- Policy and procurement standards help ensure that for each purchase, the benefit to the University and compliance with regulatory requirements are clearly documented and can be plainly understood by both internal and external reviewers of all financial transactions.
  - As a state agency the public has the right to request documentation detailing how University funds are spent, including all the many purchases and contracts awarded each year. Documenting sole source purchases through the Sole Source Justification Request Form means having detailed information available should the public or even a competing supplier ever question the decisions you have made.
  - Sole source procurement is rare and should be avoided, except when no reasonable alternative sources exist.
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## DEFINITIONS

### Sole Source:

1. A non-competitive method of procurement used when only one supplier possesses the unique ability or capability to meet the particular requirements of the university or is the only source known to be in existence for a good or service.

### Single Source:

1. A procurement decision whereby purchases are directed to one source because of standardization, warranty, or other factors, even though other competitive sources may be available.
  - a. This may qualify for the same exception as a sole source depending on review of the justification.

### Policy and Procedure:

1. It is university policy that a contract may be awarded for a good or service without competition if the Senior Director of Procurement or designee determines in writing that there is only one source for the required good or service.
  2. This **Sole Source Justification Form** is to be used by departments to document sole source purchase requests of \$10,000 or more, in an effort to ensure purchases are being made in compliance with university Policy and Procedures.
  3. Requestor identifies circumstances that justify a sole source procurement by completing the Sole Source Justification Request Form and emails to [procurement@uwyo.edu](mailto:procurement@uwyo.edu) for review.
  4. If the purchase is an emergency as defined in the Justification section. Please take care of the emergency and follow up with the form after steps have been taken to mitigate the situation.
  5. Procurement reviews the form to determine whether the sole source request is sufficiently justified and to assure compliance with procurement rules and regulations and policy. If approved, Procurement signs form and returns to the requestor. If denied, (i) the good or service must be acquired through a competitive process (i.e., formal or informal competition) or (ii) the form must be resubmitted to provide further justification.
  6. If request is approved and over \$99,999, a Sole Source Notification (SSN) is posted on BidNet for a minimum of five days. If there are no responses, Procurement signs form and returns to the requestor.
  7. Procurement marks the supplier selection on each applicable contract and requisition involved for future reporting purposes.
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## ADDITIONAL INFORMATION

1. **Requests with missing information will be returned to requestor for completion.**
  - a. Attach supplier's non-expired, valid quote/proposal (F.O.B. Destination, inclusive of all delivery charges) including any terms and/or conditions. For more information on quotes, please refer to the [Guidance on Obtaining Quotes](#).
2. A sole source must be documented and justified using **MEASURABLE CRITERIA** (specific quantifiable metrics and standards used to evaluate a good or service) and include a valid [business purpose](#).
3. Please do not start any preliminary work or make any commitments with supplier before the sole source request is approved.
4. Sole source justifications are valid during the fiscal year in which they were signed. New forms are required for contract renewals and for new purchases in different fiscal years. New requisitions must be submitted, when applicable.
5. Completion of this form does not guarantee the approval of the request. Procurement and Payment Services have the discretion to bid goods and services at any dollar value when the Procurement Agent deems it is in the University's best interest to pursue more competitive pricing.
6. Sole source justifications are to be supported by factual statements that will pass an internal and/or Federal audit. It is the unique features of a product/service that make it a sole source. Sparse or incomplete information will require greater investigation by Procurement Services and will result in a less expedient resolution to your needs. The more relevant information you include in each section, the better.

## JUSTIFICATION

1. The justification for the sole source purchase should set forth the bases for not making the purchase through a competitive process. Sole source justification may exist when the good or service is (i) only available from one source, (ii) unique, special, or involves specific professional or technical expertise; (iii) compatible with existing equipment or systems, (iv) an addition to limited or proprietary systems like increase in licenses, updates, specialized replacement parts, etc., (v) limited or available within specific geographical boundaries or sales territories. You should also describe attempts to facilitate competition, locate other sources, and other actions you took before deciding that acquisition via sole source was necessary. In preparing the justification, consider the following:

### One-of-a-kind:

- There is no other competitive alternative available on the market.

### Emergency:

- The emergency must be public and imperative. The Sole Source Form is not a substitute for poor planning. Delay in purchasing goods and/or services will create likelihood of imminent:
  - a. Adverse effects on the health, welfare or safety of university students, faculty, or the public or,
  - b. Damage to property or,
  - c. Excessive financial risk or liability exposure for the University.
- Could it have waited and if not why?

### Compatibility:

- Compatibility with existing equipment: may be used if your products or services are being purchased to directly interface with or attach to equipment of the same manufacturer, and no other manufacturer's products will correctly interface with existing equipment.
- The parts/equipment are not interchangeable with similar parts of another manufacturer.

- Upgrade of existing equipment: the item required must be identical to equipment already in use by the end user, to ensure compatibility of equipment, and that item is only available from one source.
- Maintenance or repair calls by the Original Equipment Manufacturer (OEM) or a single certified OEM provider qualify for sole source based on compatibility. This also applies to replacement or spare parts required from the OEM or the OEM does not have distributors for those parts.
- Sole provider of factory authorized warranty service.

License or Patent:

- Supplier has a license or patent in place that makes them the sole provider. Provide number(s) on form.

Public Utility Service:

- Necessary adjustment of utility facilities.

Sole Distributor:

- Supplier is the sole distributor for the region and other resellers cannot sell to the University.

Standardization:

- The policy or practice of identifying a specific group of goods or services with set specifications to be procured by an entity or through an agreement with other entities (e.g., fleet vehicles).

Continuity of Research:

- May be used if the main purpose for acquiring equipment or supplies is to replicate specific experiments, using the exact products that produced the original results. You may also use this justification if you are collaborating with another researcher and can show that identical products are required to fulfill your part of the agreement.

Legacy System:

- System is an essential part of a larger university-wide system. A change would result in other required changes to the larger system that the university does not have the bandwidth or the budget to complete at this time. This should be fully explained on the form to include history and information about current situation. This should only include main systems used by a majority of campus and will be part of a solicitation process when appropriate. Using a system for a long period of time does not necessarily make it a legacy system.

## **PRICE REASONABLENESS**

1. This section should describe the research done and why you feel the price that the supplier provided is fair to both parties, considering the market range for the good or service, agreed upon conditions, promised quality, and timeliness of contract performance. Consider the following:
  - The proposed price is similar to what was previously paid for the same or similar goods and/or service. (Provide PO numbers or attachments).
  - The proposed price is similar to current published catalog, price lists, or market prices for similar goods. (Attach relevant documentation).
  - Based on your knowledge of the market, your experience of prior similar proposals, or knowledge imparted by technical experts, the pricing is within a similar range.
  - The price is set by law or regulations.

## A Quick Reference Guide on What is Eligible vs. Not Eligible for Sole Source Purchase

Eligible for Sole Source	Not Eligible for Sole Source
This supplier is the only supplier than can manufacture or provide this specific product that meets the requirements	I have worked with this supplier in the past and liked their work.
This is the only Wyoming area distributor of the original manufacturer or provider. (Attach the manufacturer's – not the distributor's – written certification that identifies all regional distributors.)	The distributor said that they were the only supplier that could provide what we need.
This consultancy is the only one with the unique mix of experience and knowledge/ skill set that can provide the service needed in the timeframe	This supplier provides a great discount if we buy now.
This supplier is the only one that can provide the needed maintenance/repair on this equipment that they manufactured. No other suppliers are certified to do so.	I was recommended to use this supplier by a fellow researcher.
Only one manufacturer makes the item meeting unique specifications; that manufacturer only sells direct/exclusively through one regional/national	A product that is made by one manufacturer but is sold through multiple distributors.
The public exigency or emergency for the required purchase will not permit a delay resulting from competition.	We have always used this company.
Item required must be identical to equipment already in use by the end user, to ensure compatibility of equipment, and that item is only available from one source; same reasoning applied in the continuation of research situation.	This company has really great people.
Maintenance or repair calls by the original equipment manufacturer (OEM) are required for a piece of equipment, and the manufacturer does not have multiple agents to perform these services.	We don't want the low bidder.
Replacement or spare parts are required from the OEM, and the OEM does not have distributors for those parts.	This is the only company that understands our needs and who we are.
Patented items or copyrighted materials, which are only available from the patent or copyright holder.	We don't have time for a solicitation.
Unique expertise, background in recognized field of endeavor, the result of which may depend primarily on the individual's invention or talent. Consultant has advanced or specialized knowledge, or expertise gained over an extensive period of time in a specialized field of experience.	This company has the superior product.
The requested product is essential in maintaining research continuity or to remain in compliance with established university standards.	A requirement for a particular proprietary good or service is insufficient justification if there is more than one potential supplier for that good or service.
Only a particular brand or "make" is compatible with existing equipment or inventory.	The cost of a good or service alone is not sufficient justification.
The requested product is an integral repair part or accessory compatible with existing equipment.	Absent harm to the University, a timing delay by itself is not sufficient justification.
	Personal or professional preference cannot serve as a justification.
	<i>Grant funding with specific suppliers does not justify a sole source, it is only meant to obtain budgetary information.</i>
	<i>My Grant/ funding is ending soon.</i>