



4.11 Sole Source Purchases

Policy Statement

The State Purchasing Division (SPD) and Board of Regents (BOR) policies require that purchases which exceed the competitive bid threshold be justified if the purchase will not be made through open competition. One type of non-competitive purchase is a sole source purchase. A sole source purchase simply means justifying that only one company can provide the good or service that is needed.

Reason for policy

To establish the requirements necessary to restrict a purchase to a sole source and to ensure compliance with governing regulations.

Procedures

A sole source purchase must be justified. Before making a determination that a purchase is truly a sole source, research must be conducted by the end-user to determine if other brands and vendors exist which can also satisfy the need. When purchasing a good, the sole source justification will include a sole brand justification (see section [3.2.1.1](#)) that addresses why the specifications restrict the goods to the sole source's specific brand. Sole source may not be used as an attempt to contract with a favored provider.

For purchases \$25,000 and over:

Departments desiring to purchase an item or service under a sole source justification, must:

- 1) Ascertain that the item or service is not available on a mandatory statewide or UGA contract. If the item or service is available on a mandatory statewide contract, contact Procurement to discuss preparation and submittal of a waiver request to State Purchasing. If the item is not on a mandatory contract, proceed to #2 below.
- 2) Justify the existence of a sole source requirement by completing the sole source/sole brand form (see link in "Related Information" below). Note the form requires both the originator's and department head's signature. Attach the completed signed form to your UGAmart requisition.

Justifications must address the following:

- Information to establish the context of the sole source (i.e. the item's function, how it is to be used, operational environment and/or previous experience or history)
 - Identify efforts to locate other possible sources.
 - Provide proposed suppliers unique/exclusive capabilities making them the only company/person who can complete the task. Some examples include:
 - Exclusive source can furnish services because of its previous experience with the University and hiring another source would result in excessive cost to the University. The excessive cost must be quantified. Simply stating that a vendor "did a good job before" is not justification for sole source.
 - Exclusive source has unique technical competence or expertise. Explain.
 - Exclusive source possesses patents or other exclusive rights to the item being furnished. Provide documentation.
- 3) If purchasing an item, obtain an original equipment manufacturer letter (OEM letter). The OEM letter should state that the vendor is the sole manufacturer and seller of the product. In cases where the vendor is a reseller or

distributor, the letter must still come from the OEM and it should state that the reseller/distributor is the only authorized source to the State of Georgia.

4) If purchasing an item, and the unit price is \$10,000 or greater and the total purchase price is \$25,000 or greater, submit a matrix with your UGAmart requisition.

For purchases \$10,000 - \$24,999.99:

- 1) If the purchase is not federally funded, the end user needs to provide an explanation for the sole source purchase and a quote. Please refer to # 2 below if federally funded.
- 2) If the purchase is federally funded, the sole source/brand form with two signatures, a quote, and the original equipment manufacturer (OEM) letter are required. Procurement will obtain any additional forms needed to meet federal requirements.

Forms/Instructions

Sole Source/Sole Brand Form (to be completed by the department)

Additional contacts

Procurement Office Staff: 706-542-2361

Policy definitions

Sole source – Only one company can provide the good or service that is being requested

Responsibilities

Responsible University Senior Administrator: Vice President for Finance & Administration

Responsible University Administrator: Procurement Officer

Policy Owner:Procurement

Policy Contact: Annette Evans

Phone Number: 706-542-2361

Responsibilities:

The end-user is responsible for completing research to determine if other brands exist that could meet their needs and obtaining/submitting the sole source/sole brand form, OEM letter, and matrix with the purchase request if there are no other brands and only one supplier that could provide the needed items.

Record Retention

For sole source purchase order files:

Record Copy: Procurement

Retention: 7 years, BOR 072-03-009

FAQs

Question 1? How is a sole source purchase different from a sole brand purchase?

Answer 1: Sole source purchases are distinguished from sole brand purchases as more than one supplier is capable of providing the specific good or service in a sole brand purchase.

Question 2? If only one brand meets my needs, but there are multiple vendors that provide the needed item, is this considered a sole source purchase?

Answer 2: No, this would be considered sole brand procurement. Please see section 3.2.1.1.

Related information

Matrix Examples

Date Reviewed: 02/05/2018

[◀ Maintenance](#) | [Study Abroad](#) ▶

Policy Dates

Effective Date: 01/01/2016

Date Last Updated: 06/17/2016

Date of Last Review: 02/05/2018

Date of Approval:

Previous Version of Policy: