SOLE SOURCE PROCESS AND PROCEDURES

PURPOSE:

The purpose of this procedure is to delineate different selection options for vendors by SLPS. To ensure that sole source procurement is used appropriately, transparently and in accordance with established procurement guidelines.

SCOPE:

A sole source purchase is one where there is only one vendor capable of providing an item or Service in a specific category, and therefore it is not possible to obtain competitive bids. This is very rare and must be vetted by a member of the Procurement team and approved by the CFO or Procurement Lead. Preference for one vendor, product, or service, quotation, acquisition, or demonstration testing by a department does not constitute a sole source. A vendor may even say they are "Sole Source," this still must be vetted.
All purchases and contracts for equipment, goods ($5000) and services ($50,000 and over) are awarded through a competitive process by either a bid (RFP) process or a pilot/test to the reasonable bidder.

Policy

1. **Periodic Review**
   The Procurement Department shall conduct regular evaluations of sole source requests submitted by user departments. These reviews are intended to verify adherence to the established criteria and intent of the sole source procedure.
2. **Compliance and Accountability**
   Departments are required to strictly follow the sole source procurement process. Failure to do so may result in the suspension or revocation of the department's ability to utilize sole sourcing as a purchasing method.
3. **Clarification of Intent**
   Sole sourcing shall not be used as a means of selecting preferred vendors. It is intended solely for use in circumstances where legitimate restrictions exist that limit the selection of potential vendors to a single source, based on clearly stated and justifiable reasons.
4. **Documentation and Audit Preparedness**
   All sole source justifications must be documented thoroughly and included in the purchase contract file. These records must be accurate, complete, and capable of withstanding scrutiny during audits.

AUTHORITY:

The Chief Financial Officer or designee will review, approve and challenge any sole source request for equipment, goods and services. This approval or challenge must be addressed prior to any Board Approval prior to issuance of purchase order.

Note: A request for a proprietary item does not justify a sole source procurement if there is more than one potential bidder for the item (remember that if your requirement is available from more than one source, it is not considered a sole source). Additionally, budget considerations are not sufficient grounds to approve a sole source purchase.

SOLE SOURCE JUSTIFICATION:
Should you request that products/services be purchased on a sole source basis, it must meet one of the criteria shown below. The requisitioning department must provide a written explanation form, commonly referred to as a "sole source justification", to support your department's request.

Examples of Sole Source Purchases are:

Licensed or patented	The supplier has a license or patent that makes them the sole provider in the category of products and/or services.
One-of-a kind	The commodity or service has no competitive alternatives available on the market and is available from only one supplier. This is RARE.
Sole Distributor	The supplier is the sole distributor for a specific geographic area.
Compatibility	The commodity or service must match existing system for compatibility for continued operation.
Replacement Part	For a specific brand or existing equipment. Also known as OEM, original equipment manufacturer.
Warranty	Sole provider of a factory authorized warranty service.
Unique Design	The commodity or service must meet pre-determined physical design or quality standards and is available from a single supplier. This is RARE
Emergency	URGENT NEED for the item or service does not permit soliciting competitive bids.

SOLE SOURCE PROCEDURES:

1. A sole source purchase must be based on the requestor's investigation and evaluation of the requested product and its availability (or lack of availability) from multiple sources.

2. The Sole Source Justification form must be completed and signed by the Deputy Superintendent or designee, Deputy Superintendent of Accountability & Technology (if required), Chief Financial Officer or designee Prior to Superintendent or designee.

3. Requisitioning departments are to submit a written justification as to why no other source of goods or services can be obtained to meet the district's requirements to the Procurement Department. The burden of proof is on the requester to justify sole source purchases.

   DO NOT INCLUDE WRITTEN JUSTIFICATION ON PURCHASE REQUISITION.

4. No request will be processed without proper documentation, including a written quotation from the sole source vendor.

5. Upon receipt, Chief Financial Officer or designee will evaluate the sole source request and decide within five (5) business days whether there are other known vendors who can provide the requested equipment, goods, or services.

   Note: Approximately five (5) business days are required to evaluate and process a sole source request. Please consider this when submitting a request, and allow sufficient time prior to deadlines (quote expiration, grant expiration, etc.) for the sole source request to be evaluated.

6. If Sole Source form request is denied, the request will be returned to the requestor by email stating the reason why the rejection and documented by the Procurement department.

7. If Sole Source form request is approved, the Procurement staff, under the supervision of the Procurement Director, reviews the terms and conditions before processing the requisition request.

8. Any requisition for goods greater than $5,000 or $50,000 for services shall be presented to the Superintendent for review and Board approval. Sole Source documentation approval is needed prior to Board Approval.

10. Once Sole Source procurement is approved, the requester must enter a purchase requisition for the requested equipment, goods, and services.