

## **Part III Chapter 05 Sole Source Procurement of Services**

- A. Requirements.** The following procedures must be used by Agencies when services are to be procured without seeking competitive bids, proposals or quotes. These procedures do not apply to:
1. Procurements that have a total value not exceeding the Small, No-Bid Procurement Threshold identified in [Part I Chapter 07, Thresholds and Delegations](#).
  2. Procurements of legal counsel or a litigation consultants selected by the Office of General Counsel.
  3. Procurements of investment advisors or managers selected by the Public School Employees' Retirement System or the State Employees' Retirement System.
  4. Procurements of financial or investment experts selected by the Secretary of the Budget.
  5. Procurements of expert witnesses selected by Commonwealth attorneys.
  6. Procurements of clergy (or equivalent) providing chaplaincy services.
  7. Procurements from UniqueSource.
- B. General.**
1. All sole source procurements must be approved by DGS.
  2. For each sole source procurement Agencies must complete the on-line [Source Justification Form, BOP-001](#). Unless a written waiver is obtained from DGS, the completed form will be posted on the DGS website for public inspection and comment for a period of 10 calendar days unless DGS determines that public posting would be inappropriate or the urgency of need does not permit the delay involved in public posting.
  3. For sole source procurements exceeding \$100,000, the supplier must submit a signed [Cost or Pricing Data Certification](#) that certifies, to the best of its knowledge and belief, that the submitted cost and pricing data is accurate, complete, and current. If the contract price is based upon established catalog or market prices, the supplier may submit copies of catalog or published market prices in lieu of cost and pricing data. Agencies shall be responsible for obtaining the Cost or Pricing Data Certification from the supplier. The Cost or Pricing Data Certification form can be found on the [DGS BOP website](#).
  4. The Supplier Price Request (SPR), the Source Justification Form BOP-001, and the PO or Contract will provide the record of the sole source procurement. Agencies shall be responsible for preparing and sending the SPR to the supplier for completion, execution and return.

5. When the purchase order or contract is issued to the supplier, the Agency shall send the [Political Contributions letter](#) to the supplier reminding the supplier of its responsibility to file a report, by February 15 of each year, with the Secretary of the Commonwealth of all political contributions made by:
    - a. Any officer, director, associate, partner, limited partner or individual owner or members of their immediate family whose political contribution exceeded one thousand dollars (\$1,000) by any individual during the preceding year; or
    - b. Any employee of the supplier or members of his immediate family whose political contribution exceeded one thousand dollars (\$1,000) during the preceding year.
- C. Conditions for Sole Source Procurement.** A service can be procured on a sole source basis only if one or more of the conditions listed below exist:
1. Only known source: Only a single supplier is capable of providing the services. If similar services are available from another supplier, the procurement cannot be made on a sole source basis using this criterion.
  2. Compatibility: Service must be provided by a specific supplier to ensure compatibility with existing equipment; and the cost exceeds the threshold identified in the exceptions in Part I Chapter 07, Thresholds and Delegations. Documentation must be provided from the manufacturer.
  3. Exempt (Law): A federal or state statute or regulation specifically exempts the procurement from the competitive procedure.
  4. Feasibility: It is clearly not feasible to award the contract on a competitive basis.
- D. Procedures.**
1. **Agency.**
    - a. Determines that the service to be purchased meets one of the conditions for sole source procurement.
    - b. **Agency Utilizing SRM:** Creates a Supplier Price Request (SPR) document type in SRM. Attached to the SPR shall be a statement of work to be performed, the terms and conditions created using Document Builder, the Cost or Pricing Data Certification (if the cost is expected to exceed \$100,000), and any other required documents.
    - c. **Agency Utilizing SRM:** Using the SPR document type, the Agency obtains a quote from the supplier through the SRM Supplier Portal. If the supplier does not have access to the SRM Supplier Portal, the Agency shall print out the SPR form and all attached documents from SRM and send them in hard copy to the supplier. The supplier shall then provide the signed SPR with its price quote and all required documents to the Agency.

- d. **Agency That Does Not Utilize SRM:** Downloads the [Supplier Price Request Form, BOP-1210](#), from the DGS website. Attaches to the printed SPR the statement of work to be performed; the standard terms and conditions (BOP-1202) for purchase orders or (BOP-1204) for contracts, as applicable; the Cost and Pricing Data Certification (if the cost is expected to exceed \$100,000); and any other required documents. Sends the printed SPR with all attachments to the supplier to obtain a quote. The supplier shall then provide the signed SPR with its price quote and all required documents to the Agency.
- e. Reviews the quote from the supplier and, if acceptable completes the on-line Source Justification Form by entering all appropriate data and attaching required documentation.
- f. Secures required internal Agency approvals on the on-line source justification form.

## 2. **DGS, Bureau of Procurement (BOP).**

- a. Acceptance of Sole Source Requests: BOP accepts the on-line Source Justification Form BOP-001 and posts the proposed sole source to the DGS website for 10 days for public inspection and comment.
  - (1) Email notification is automatically sent to the requesting agency when the source justification form has been accepted.
  - (2) **NOTE: ACCEPTANCE OF THE SOURCE JUSTIFICATION FORM DOES NOT MEAN THAT THE PROCUREMENT HAS BEEN APPROVED AS A SOLE SOURCE.**
- b. The sole source request is assigned to a Commodity Specialist for BOP review.
- c. Reviews comments received by the public, if any, in response to the posted Source Justification Form BOP-001.
- d. Contacts the Agency if more information is required.
- e. If approved by the Commodity Specialist and supervisor, the Commodity Specialist prepares a written Determination Summary explaining the basis for the approval of the sole source and attaches it to the Source Justification Form BOP-001; the on-line Source Justification Form is then routed for DGS approval based on the dollar amount of the sole source request.
- f. After the sole source request is approved by DGS, an automatic email notification is sent to the requesting agency stating the sole source is approved. The Determination Summary is available for the agency to review the details of the approval.
- g. At any step in the review process a sole source request can be disapproved. The disapproving party will provide an explanation for

the disapproval which will be included in the email notification which is automatically sent to the requesting agency when the Source Justification Form has been disapproved. If the Commodity Specialist disapproves, all details will be available in the Determination Summary.

**3. Agency.**

- a. Determines supplier responsibility in accordance with [Management Directive 215.9, Contractor Responsibility Program, Amended](#).
- b. Creates a sole source Purchase Order or Contract and attaches all documents. For agencies utilizing SRM, the sole source Purchase Order or Contract is created in SRM as a follow on document to the SPR. If the SPR documents were signed and returned to the Agency in hard copy, the documents shall be attached to the sole source Purchase Order or Contract.
  - (1) The total dollar amount shall include costs associated with the original contract period plus all subsequent renewal periods as specified on the Source Justification Form.
  - (2) Any Purchase Order issued as a result of the Sole Source process shall not exceed the term or scope of services of the original request. Agencies must resubmit a new sole source request for an extension of the term or a change in the scope of services.
- c. Routes the sole source Purchase Order or Contract for approval.
- d. Issues approved Purchase Order or Contract.
- e. Sends Contributions Letter to the supplier reminding the supplier of its responsibility to file a report of political contributions.

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**References:**

1. [Part I Chapter 07, Thresholds and Delegations](#)
2. [BOP-001, Source Justification Form, BOP-001](#)
3. [Cost or Pricing Data Certification](#)
4. [DGS BOP website](#)
5. [Political Contributions letter](#)
6. [BOP-1210, Supplier Price Request](#)
7. [Management Directive 215.9, Contractor Responsibility Program, Amended](#)