MEMORANDUM

To: All UCR Departments
From: David M. Gee (Campus Purchasing Manager)
C.c. Russ Lewis (Director of Materiel Management)
Re: SOLE SOURCE JUSTIFICATION
Date: January 7, 2013

Completion of a sole source justification form is REQUIRED for equipment and service requisitions with a total value greater than $100,000 when competition is to be restricted. In addition, Materiel Management/Campus Purchasing reserves the right to request submission of a completed form for any requisition less than $100,000 as a matter of employing 'Best Practices' or in cases where additional rules and/or regulations apply. Departments are responsible for notifying Procurement Services (Campus Purchasing) of any award specific requirement or FAR associated with the contract or grant of the designated funding source. Purchasing does not maintain this information as a matter of record.

Submission of a form does not guarantee that the proposed vendor will be selected. Materiel Management/Campus Purchasing may require additional information for clarification purposes or it may determine it is in the best interest of the University to seek competition. It is the end user’s responsibility to provide all the required information indicated on the form as well as any additional supporting documentation which may be further requested.

Sole Source Justification requests are not to be utilized in order to circumvent normal or standard purchasing policy and procedure. They are to be used only in exceptional cases, when all attempts to pursue competitive purchasing practices have failed. Approval of any request shall be at the discretion of the Materiel Manager/Campus Purchasing. Pricing is not a justification for a single or sole source purchase; final determination of competitive pricing must be obtained through Procurement Services (Campus Purchasing).

POLICY: Pursuant to University of California system-wide policy as stated in UCOP Business and Finance Bulletin (BUS-43) http://www.ucop.edu/ucophome/policies/bfb/bus43.html, Negotiation is allowed for transactions below $100,000, however, competition is sought if the Materiel Manager determines that the competition is necessary to develop a source, validate prices, or for other compelling business reasons. Negotiation may be used in conjunction with competitive quotations as well as in situations when competition is not obtainable or required. The Public Contract Code of the State of California (Public Contract Code Section 10507, et seq.) requires competition must be sought, for any transaction expected to involve an expenditure of $100,000 or more for goods or services, other than personal or professional services, unless it is determined that a brand or trade name article, thing or product, or proprietary service is unique, available only from a sole source, or is designated to match others used in or furnished to a particular installation, facility, or location. Requirements shall not be artificially divided into separate transactions to avoid competition.
The Materiel Manager, on behalf of the University, may waive the competitive process and approve sole source procurement provided the end user can adequately justify such action. In cases where an alternate supplier for a similar product or service cannot be identified, the end user must document that a good faith effort has been made in seeking other sources. A listing of the unique technical specifications required of the product or service and the companies that were contacted in the search for alternate sources is required. Campus Purchasing’s Buyers may use this information in conducting their own market search and establishing price reasonableness. Sole source justification cannot be based price alone.

Examples of Justifiable Sole Source requests may include, but are not limited to:

1. "One of a Kind" - Available only from one manufacturer or single authorized distributor. No commercially available alternatives are available or suitable for end user’s research purposes.

2. "Match Existing" - Specific equipment or service required to match others within the project or department/unit for consistency and/or compatibility reasons.

3. "Unique Design" - Item or service fulfills a unique physical design or capability which is essential to end user’s research, protocol or other need and is not available in similar or comparable products.

4. "Personal or Professional Service" - Only available from a single source based on specialized project or department/unit knowledge or highly unique skills not available elsewhere.

5. "Research/Teaching Continuity" - Specific item or service required to maintain research or teaching continuity.

6. "Replacement Part" - Item is a replacement part for a specific brand of existing equipment. Aftermarket parts either not available or not suitable as substitutes in this application.

7. "Delivery Date" - Only ONE supplier can meet a critical delivery date requirement.

8. "Emergency" - Urgent Need (danger to life, limb, or cessation of a mission critical project or program) for the item or service does not permit soliciting competition.

NOTE: All sole source justifications are subject to public review. Excluded suppliers have the right to review submitted justification forms upon request. Suppliers also have the right to protest any purchase for which they believe the justification given is not adequate or is based on invalid or inaccurate grounds. Accordingly, end users are advised to ensure that submitted justification forms contain clear, reasonable, in depth, accurate and defensible information in order to avoid the possibility of incurring legal expenses and or suspending/delaying the procurement process.