



Purchasing Office
SOLE SOURCE FORM

Type or clearly print all information

You MUST complete this form before beginning any procurement where the basis for vendor selection is:

- There is only one product or service that can reasonably meet your need, AND
There is only one vendor who can reasonably provide that product or service.

(You MUST meet BOTH criteria to have a sole source procurement. Procurement Rule R-24-103-205-01)

Department: Division:

Address:

Contact Name: PO or Contract #:

Phone: FAX:

Department Approving Official Name:

Department Approving Official Signature:

Describe in detail the products and /or services to be procured and how they meet your needs.

Vendor Name: FEIN #:

Vendor Address: Phone:

Have you procured products and/or services from this vendor in the past 2 years? If Yes explain [] No [] Yes

Start Date: End Date:

Estimated Total Dollars for this Procurement: \$

Provide estimated cost breakdown of supplies and/or services covered by this procurement:

Supplies \$ Services \$

Attach a detailed explanation of Vendor's Sole Source Status - what is the basis for your identifying this or as a sole source?

Do you have an actual or potential conflict of interest in this purchase request? [] No [] Yes

If yes, please explain on an attached sheet.

UNC Purchasing Use Only:

Comments: *** Approved for one time purchase as described on this request ***.

Approved:

UNC Purchasing Director or Authorized Representative

Date

Use of Sole Source Form/Summary of Price and Cost Analysis Requirements:

Both sole source and emergency procurements require a written determination by the head of a purchasing agency, or a designee, of the basis for the approval. This form is designed for approval of a “sole source,” not an emergency procurement. Consult with your procurement official regarding requirements for emergency procurements.

This form should be completed and approved before formal negotiations leading to execution of an agreement with a vendor where a competitive process (documented quote, sealed bid, or competitive sealed proposal) is not used because a sole source is justified.

Normally, the actual pricing cannot be evaluated until after execution of the contract or issuance of the purchase order. The price or cost analysis should be included with the procurement file before execution of a purchase order or when the contract is routed for approval.

The methods of price cost analysis are explained in Chapter 5 of the *Colorado Contract Procedures and Management Manual*. Normally, price analysis is not done in competitive solicitations where “adequate competition” exists, because the competitive process takes care of the “fairness and reasonableness” of prices. However, in a sole source situation where no price competition exists, some analysis must be done to insure that the requirements of the controller’s statute are met, i.e., that prices or rates are “fair and reasonable.”

Common methods of price/cost analysis include:

a. Comparison of prices and rates to established catalog prices or market prices. In a sole source situation, there commonly are similar prices or rates, e.g., those on price agreements, that can serve as a guide to fairness or prices or rates proposed by a sole source provider. In some cases, e.g., some utilities, prices and rates are set by law or regulation (utility tariff rates).

b. Historical prices or rates for similar items or services procured in the past also serve as a guide to fair and reasonable prices.

c. In either case, even though neither historical or market prices involve the identical service, some analysis can often be done which evaluates the differences in the types of services or goods, and concludes that the nature of the differences warrant the differences in pricing. In other cases, judgments must be made that proprietary aspects of the service or commodity warrant expenditure of the prices or rates in excess of what is customary.

d. In cases where neither historical or catalog prices exist, cost analysis must be used. Vendors can be asked to provide summary level detail of materials and labor costs, as well as markups and other indirect cost rates included in the price. Technical judgments concerning labor hours can be applied to labor hour rates to evaluate the reasonableness of the overall price. Reasonable profit, of course, is another element of price. The Procurement Rules require the submission of cost or pricing data for noncompetitive acquisitions exceeding \$50,000.