

Sole Source Procurement Requirements

1. State of Tennessee Sole Source Procurement Policy

Sole source procurements may be made when an item or service possesses specific characteristics that can only be filled by a single source or where exclusive rights exist.

All sole source procurements require advance written justification and prior approval from the Chief Procurement Officer (CPO).

1.1 Vendor possesses exclusive or predominant capabilities.

1.2 Product or service is unique and available from only one source.

1.3 Program requirements cannot reasonably be modified to allow competition.

1.4 Items must be interchangeable or compatible with existing equipment.

1.5 A pilot program is in the State's best interest.

1.6 Economic, technical, or other circumstances make sole source procurement more prudent than competition.

2. Fiscal Review Committee Requirements

Certain contracts and amendments require Fiscal Review Committee approval.

2.1 Noncompetitive contracts exceeding one year and valued at \$250,000 or more.

2.2 Amendments that increase or decrease funding.

2.3 Amendments that extend or shorten the contract term.

2.4 Amendments changing the contracting entity.

2.5 Other substantive contract changes.

3. University Sole Source Procurement Requirements

3.1 Written Justification Required

- Only one company can meet the institution's needs.
- Compatibility with existing equipment or products is required.
- The good or service is protected by patents or copyrights.
- Continuity of results depends on a specific product or service.
- The supplier possesses exclusive capabilities.

- An unusual or compelling urgency exists.
- Users have extensive training and alternatives would require significant retraining.

3.2 Sole Source Procurement Approval Process

Departments must submit written justification to Procurement Services before award. Only the Director of Procurement may approve a sole source procurement.

3.3 Director/Chief Procurement Officer Review Factors

- Exclusive or predominant vendor capabilities.
- Uniqueness and single-source availability.
- Ability to modify requirements for competitive products or services.
- Need for compatibility with existing items.

3.4 Required Department Documentation

- Justification for Non-Competitive Purchases and Contracts form.
- Supporting documentation requested by Procurement Services.
- Annual signed vendor exclusivity letter when exclusive rights are the basis for the request.