SOLE SOURCE JUSTIFICATION FORM

For Internal Use Only

Contact Name: _____ **Date:** _____

Provide contact information. Check the box next to your preferred method of communication.

- ☐ Phone _____
- ☐ Email _____

Requisition # _____

Proposed Source:

Supplier Name: _____

Contact Name: _____

Telephone: _____ **Fax:** _____

Email: _____

What is the purpose of this purchase? Click here for instructions

- ☐ Environmental Health and Safety **IS REQUIRED** and ATTACHED. Click here for information
- ☐ Environmental Health and Safety **IS NOT REQUIRED.**

If the requested product is an integral part or accessory compatible with existing equipment please provide the following information:

Existing equipment: _____

Manufacturer: _____

Model/Serial #: _____ **GT #** _____ **Dollar Value:** _____

Why is this the only available source/supplier? Click here for instructions

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Are there any extenuating circumstances or considerations?

Is there a requirement for a sole brand? Click here for instructions

What efforts have you made to find other sources? Click here for instructions

Provide a price quote or price analysis for this request. Click here for instructions

Attach a quote from supplier for similar goods/services or Cost Analysis. Purchasing will review documents for price reasonableness.

PURPOSE OF PURCHASE
for
Services and Equipment

Provide information to establish the context of the sole source, e.g., item's or service's function. Where and how the item or service is to be used, operational environment, previous experience or history, etc.

Example - Equipment

This request is for the design, manufacture and installation of a unique low frequency scanner to be used as part of test instrumentation in STL's "High-Bay" measurement facility in connection with a sponsored research project. Working drawings, engineer notes, parts inventories with notations as to sources as well as training and instructions regarding operation of the system.

Example - Services

This request is for service and support for RxMedic automated dispensing and inventory system. RxMedic provides the only service and support approved for the equipment and software. Failure to use RxMedic would void the lifetime warranty on the equipment.

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ENVIRONMENTAL HEALTH AND SAFETY
Approvals

If the product contains any of the following items Environmental Health and Safety will have to approve the purchase:

- Radioactive material and is capable of producing x-rays
- Explosives, pyrophorics or highly toxic gases
- Class 3b or 4 lasers

Refer to the Environmental Health and Safety website for additional guidance.

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EXCLUSIVE CAPABILITY

Describe the proposed supplier's unique capabilities and explain why this is the only source available. Provide specifics. The following are examples in which Sole Source could be acceptable:

- Only the proposed source can furnish the goods/services because of previous performance, specifications, etc.
- Institute experience. Having an alternative source duplicating these capabilities would result in excessive cost to the Institute. (Excessive cost must be quantified).
- Only one supplier can satisfy the technical requirements because of unique technical competence or expertise. (Technical requirements must be valid and verifiable).
- The item does not satisfy the requirements for Sole Source, but the use of any other manufacturer's product would result in excessive cost to the Institute. (Excessive cost must be quantified).

- Only one source possesses patents or exclusive rights to furnish the item/service. For example, the product is only available from the manufacturer, software developer, etc.) or only one supplier has the ability to furnish the item or service.
- Other Extenuating Circumstances or Considerations: Include, as applicable, adverse impacts on the Institute if not using the proposed source, and other considerations not previously stated.

Example #1

SciFI Equipment Source is the only firm that has the capability to analyze and test the components developed for the project. Testing is conducted onsite by engineers that specialize electromagnetic testing. Sci-Fi Equipment Source is the only firm that has the capability onsite testing, analyzing results to ensure compliances with specific tolerances and providing detailed reporting. Attached you will find a list of the required tests.

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SOLE BRAND JUSTIFICATION

State requirements that are specific to certain manufacturers (for example: to match existing uniforms). Explain why only a particular style, type or manufacturer is acceptable. A request for “Sole Brand” does not automatically eliminate bidding requirements, as the item(s) may be available from more than one supplier.

Applicable for sole source/sole brand justifications

- Components of a major assembly.
- Compatible items to be added to an existing system (provide GIT#, model #, manufacturer of existing equipment).
- Compatibility with substantial parts inventory and/or service capabilities.
- Physical design characteristics to satisfy aesthetic requirements.
- The requested product is essential in maintaining experimental continuity (give details).
- Matching and inter-membering with preponderance of existing equipment.

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EFFORTS MADE TO FIND OTHER SOURCES

Use layman's terms to identify any efforts made to locate other possible sources; such as, review of Thomas Register, industry organizations, Internet searches, consultants, Requests for Information (RFI), Buyers Laboratory, Advertisements in Industry Publications, contact with Buyer, etc.

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PRICE ANALYSIS

A price analysis is an examination of the proposed price to assess or evaluate whether or not it is fair and reasonable. Consideration is given to quality, delivery, reasonableness to both parties and other factors. Price analysis also takes into consideration overhead or indirect rates, quantity discounts, and other associated costs, e.g., investment of time and effort to implement/transition/change. Price analysis looks at the whole price not the individual cost for items.

There are several methods used to check price. Purchasing will use one or more of the following methods to determine price reasonableness. One of these methods alone may not be sufficient in determining price reasonableness.

Catalog or Established Price List

Suppliers should be able to provide a ***current*** published or established price list for commercial or off-the-shelf goods.

GSA Contracts or Pricing Agreements

Suppliers may offer GSA pricing or discounts to GSA pricing. Purchasing will assist you in working with supplier to determine if GSA pricing is available for your purchase.

Comparison to a Substantially Similar Item

Suppliers offering commercial items with modifications may be able to provide published base pricing plus an itemized list additional items. The price analysis will include comparison of the item plus modifications against purchases of substantially similar recent purchases.

Sale of the Same Item to Other Purchasers

Suppliers who do not have an established price list may provide invoices from recent past sales.

Market Prices

Established price lists for commodities, e.g., oil, silver, gold, grains, have established price lists. Market prices fluctuate and must be checked to determine if quoted prices if fair and reasonable.

Historical Prices

Purchases made of the same or similar items over the course of several years taking inflation into account.

COST ANALYSIS SAMPLE

Cost analysis takes the whole cost into consideration. Factors such as labor rates, material costs, expenses and profit for fee. Cost may also include the cost of transition to a new product/service.

Cost analysis may compare the cost of purchasing two different solutions, e.g., the determination of whether to continue using the current software solution or transitioning to a new solution may be illustrated through cost analysis.

COST ANALYSIS - SOFTWARE

Software Company A - Current Solution				
Description	**Qty.**	**Unit**	**Unit Price**	**Extended Price**
Software Master Agreement 15 seats	1	each	$ 37,740.00	$ 37,740.00
Integration	40	hours	$ 250.00	$ 10,000.00
Data Transfer	40	hours	$ 250.00	$ 10,000.00
Training (Train-the-Trainer)	4	hours	$ -	$ -
Training - As needed	1	hours	$ 150.00	$ 150.00
Support (annual cost)	1	each	$ 5,000.00	$ 5,000.00
Total Cost	**1**	**each**	**$ 5,000.00**	**$ 62,740.00**

Software Company B - Competing Solution				
Description	**Qty.**	**Unit**	**Unit Price**	**Extended Price**
Software Master Agreement 15 seats	1	each	$ 34,000.00	$ 34,000.00
Integration	120	hours	$ 250.00	$ 30,000.00
Data Transfer	40	hours	$ 250.00	$ 10,000.00
Training (Train-the-Trainer)	4	hours	$ 1,200.00	$ 4,800.00
Training - As needed	1	hours	$ 150.00	$ 150.00
Support (annual cost)	1	each	$ 5,000.00	$ 5,000.00
Total Cost	**1**	**each**	**$ 5,000.00**	**$ 83,800.00**

When ALL costs are considered current solution provides the lowest overall

COST ANALYSIS - ENGINEERING EFFORT

Simple Estimate for Engineering Services				
Labor category	**Hours**		**Rate**	**Extended Price**
Senior Research Engineer	150	X	$ 70.50	$ 10,575.00
Research Engineer II	200	X	$ 44.65	$ 8,930.00
Research Engineer I	250	X	$ 37.60	$ 9,400.00
Compensation Absences				$ 4,335.75
Fringe Benefits				$ 8,093.40
Computer Support Costs				$ 2,890.50
Total Cos t				**$ 44,224.65**

Provide the fully loaded rates or calculate fully loaded rates for cost analysis.

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