Non-Competitive (Sole Source) Procurement

The purchasing of material, equipment, supplies and services costing $25,000 or more individually or in aggregate should be by competitive sourcing, regardless of the funding source. However, circumstances may dictate forgoing the competitive sourcing process and purchasing from one unique supplier for certain products or services. Such situations require documented justification explaining the exceptional circumstances of the purchase. The documentation must show that an equitable evaluation been made and that rejection of alternative suppliers or solutions is based on objective and relevant criteria.

Procurement Services and Medical Supply Sourcing have the final responsibility for determining whether a Sole Source requisition meets the requirements of this policy.

On the back of the Purchase Requisition forms, space is allocated for documenting sole source purchases. Special signature approvals are required from the department for all sole source requisitions prior to review and approval by the Director of Procurement Services.

Instances when sole source purchasing may be applicable include the following:

1. Property or services can be obtained only from a specific supplier (i.e., real estate; one of a kind items, etc.)

2. Competitive sourcing is precluded because of the existence of patents, copyrights, secret processes, control of raw materials by suppliers or similar circumstances.

3. Procurement of electric power or energy, gas, water or other utility services where it would not be practical or feasible to allow other suppliers to provide such services.

4. Procurement of support services in connection with the assembly, installation or servicing of equipment or software of a highly technical or specialized nature.

5. Procurement of parts or components to be used as replacements in support of equipment manufactured by a particular supplier.

6. Procurement involving construction where a contractor is already at work on the site and it would not be practical to engage another contractor.

7. Procurement where only a single supplier in a market is licensed or authorized to service or sell a specific product line.

8. Procurement of compatible additions to existing equipment where a different manufacturer's equipment would be impractical for the specific need.

9. The supplier or products are specified and required by the funding agency of a grant or Federal contract.

10. VUMC Clinical Enterprise – For clinical supplies, services or capital, a full explanation from the requisitioning department documenting the reasons for this restriction is required and must be presented to the appropriate MEOC subcommittee for review and approval or denial. The reasons should not only include justification as to why or whether the requisitioner needs the item but must contain other elements such as: specific characteristics essential to the proposed applications not available through other suppliers.