Central Purchasing

PROCUREMENT INFORMATION MEMORANDUM

Subject: Sole Source Acquisitions
Effective Date: November 1, 2023
Issued by: Amanda Otis, Esq., State Purchasing Director

I. **Introduction**
As a means of disseminating relevant state procurement information to state entities, the Central Purchasing division of the Office of Management and Enterprise Services issues Procurement Information Memoranda. To the extent any information in this Procurement Information Memorandum ("PIM") conflicts with information in a previously issued memorandum, the information in this PIM controls.

II. **Summary**
Sole source acquisition is a method that a state agency may utilize in acquiring goods and services outlined in Section 85.44D.1 of Title 74 of the Oklahoma Statutes and OAC 260:115-5-13 and subject to the guidance in this PIM.

A competitive bid for goods and services is the preferred method of acquisition. The competitive bid offers the best value for the State of Oklahoma while also affirming whether or not a product or service is, in fact, a sole source. For questions regarding this or any PIM, please contact central.purchasing@omes.ok.gov.

III. **Instructions for making a sole source acquisition in PeopleSoft**
   A. Creating the ePro requisition
      i.   Sign into PeopleSoft Financial.
      ii. Select **NavBar** (compass icon in right upper corner of the screen).
      iii. Select **Menu**.
      iv. Select **eProcurement**.
      v.   Select **Create Requisition**.
      vi. Enter **Business Unit** (agency three-digit code followed by three zeros). Select **Add**. A window will open with multiple options.
      vii. Select **Special Requests** (create a non-catalog request). A window will open with multiple options.

viii. Enter information about acquisition; fields with an asterisk (*) must be completed. Example:
1. *Item Description: M5Fleet Focus MOD.
2. *Price: $128,000.
3. *Quantity: 1.
4. *Category: 81112201 (make sure you select from CP tree or IT catalog; if you cannot find the correct category code, enter a ticket with Service Now to be routed to the PeopleSoft team).
5. *Unit of Measure – EA.
ix. Go to the bottom of the screen and select **Add to Cart**.
x. Repeat the step as needed to add more lines. When all lines are entered, select **Check Out** at the top right of the screen.
xi. Next new window will open – **Checkout** – **Review** and **Submit**.
xii. Select **Requisition Settings** on the upper right. A window will open with multiple options.
1. Enter supplier information.
2. Ship to code.
3. Accounting information (i.e., account, department, fund type and class fund).
xiii. Select **OK**. A window will pop up with **Distribution Change Options**.
xiv. Select **All Distribution** – this will apply all accounting and supplier information to all lines.
xv. Check – SW Exception: **SS Flag** and **SS Type** must be checked – Most common is TYP2 – there are TYP1 through TYP5 – select which ones apply to your acquisition.
xvi. In the **Requisition Comments and Attachments** enter – "PO Terms – supplier to adhere."
xvii. Complete **Approval Justification** field.
xviii. Attach all required documents as described in Section IV below.
xix. Select **Save** and **Submit**.
B. Expediting the ePro requisition into a purchase order
i. Select **NavBar** (right upper corner of the screen).
ii. Select **Menu**.
iii. Select **eProcurement**.
iv. Select **Buyer Center**.
v. Select **Expedite Requisitions**. A new window will open with multiple fields to fill.
vi. Complete the two required fields notated with an asterisk:
1. Business Unit.
2. Requisition ID.
vii. Select **Search**. **Requisition Schedule Lines** with all the lines of the requisition are at the bottom of the screen.
viii. Check **Include All/Exclude All**.
ix. Select **Submit**.
x. Navigate to **Add/Update POs**.
xi. Select **Find an Existing Value**, then select **Search**.

xii. You will see the PO #, PO Status – Open. If you do not see it then refresh the screen again.

xiii. Select the PO # – work on the PO as you would for any PO.

xiv. Verify the **SS/SW Exception Checked** and **Line SS/SW Type** are selected.

xv. Submit PO for all approvals as required.

xvi. When approvals are completed – dispatch (print or email) and sign the PO.

xvii. Send PO to end user and/or supplier.

xviii. Attach a signed copy in PeopleSoft header comments.

IV. <u>Required attachments.</u> Three items shall be attached to every ePro requisition for a sole source acquisition:

A. A Sole Source Certification Form (OMES-FORM-CP-002) that shall be signed by the agency's Chief Administrative Officer thereby affirming the submitted information is true and accurate. The form shall be retained in the agency contract file. The form shall not be dated more than sixty (60) days prior to the initial acquisition.

B. A Non-Collusion Certification (OMES-FORM-CP-004).

C. Contract terms and conditions
   1. General terms:
      i. Terms and Conditions document provided by a supplier that has been negotiated by the agency; or
      ii. Sole Source Terms and Conditions (OMES-FORM-CP-024). This form may be modified to reflect any negotiated terms of the transaction.
   2. IT Terms: For IT acquisitions, the state's IT terms and conditions must be included as well as the hosting agreement, if applicable.

V. <u>Required approvals</u>

A. All IT acquisitions (no matter the dollar spend) must be approved by the State Chief Information Officer ("CIO"). The CIO is approving or denying whether the acquisition meets the state's IT requirements and security standards but is not approving, affirming, or signing the Sole Source Certification. The agency's responsibility to certify the sole source does not operate to exempt the agency from Oklahoma procurement laws including, but not limited to, the duty of the CIO to approve acquisitions for information technology and telecommunication products or services.

B. When a sole source acquisition is over the agency's purchasing threshold, it requires approval by the State Purchasing Director. To submit it to the State Purchasing Director, the agency shall submit the ePro requisition for the acquisition with all supporting documentation attached.
   1. All documentation requirements for sole source acquisitions by an agency must be submitted via ePro to the State Purchasing Director prior to contract award.
   2. The responsibility and accountability for the Sole Source Certification remains with the chief administrative officer of the agency. The State Purchasing Director is not approving, affirming, denying, or signing the Sole Source Certification. The State

Purchasing Director is only accepting the required certification form and acknowledging receipt of the document.

3. The State Purchasing Director may request additional information necessary to adequately review a requisition to ensure compliance with the Central Purchasing Act and associated rules. *See,* 74 OS. § 85.7.A.2.

VI. Practitioner comments

A. Additional Sole Source Acquisition Guidelines are attached to this PIM to aid in the determination of whether a sole source is the proper acquisition method and to provide examples of supporting documentation.

B. When submitting the ePro requisition to the State Purchasing Director or the CIO, indicate the applicable code from the attached guidelines and provide any supporting documentation required to support the sole source acquisition. Please note inadequate supporting documentation can cause a delay in processing the certification document.

C. Amendments to a sole source contract made within the 12-month contract period which are made within the scope of the original certification do not require a new Sole Source Certification. Amendments to a sole source contract made within the 12-month contract period which are made outside of the scope of the original certification do require a new Sole Source Certification made on OMES-FORM-CP-002.

D. Agencies shall not enter into a sole source contract with a supplier when that supplier is on statewide contract and the purchase is within the scope of that contract. If an agency has a compelling reason for wishing to pursue a sole source instead of utilizing the statewide contract, the agency must request an exception from the State Purchasing Director from this requirement.

E. The following Purchase Order Type and Origin shall be selected when establishing the purchase order in PeopleSoft:

Type of Purchase	PO Type	PO Origin
Sole Source <$50,000.00 or the agency's approved purchasing threshold	OMKT	AGY
Sole Source >$50,000.00 or the agency's approved purchasing threshold	OMKT	CP
IT Sole Source <$50,000.00 or the agency's approved purchasing threshold	OMKT	OSF
IT Sole Source >$50,000.00 or the agency's approved purchasing threshold	OMKT	OSF

Sole Source Acquisition Guidelines

Code	Reason for Sole Source	Certification must clearly:
1	Market research clearly shows there is only one responsible supplier and it can be demonstrated that no other supplies or services will satisfy agency requirements.	State why the specified makes, models or unique services are absolutely essential to the agency's requirements and explain what market research was accomplished to clearly establish that only one supplier can provide the supplies or services, and whether it is copyrighted material.
2	Requirement is for additional units or replacement parts of specified makes and models of technical equipment and only one vendor is available.	State why the specified makes and models are absolutely essential to the agency requirements, and what market research was accomplished to clearly establish that only one supplier can provide the supplies or services.
3	Agency needs to purchase supplies or services from the original supplier in the case of a follow-on contract because award to any other supplier would result in substantial duplication of costs to the state that would not be recovered through competition, or in unacceptable delays in fulfilling agency requirements.	Provide data, estimated cost and how those costs were derived, extent of delay and impact of delay, and other rationale as to the extent and nature of the harm to the state, i.e., license fee, software maintenance support, custom software. Question: Are same supplier personnel available from the last project to work on this project?
4	Agency has an unusual and compelling urgency for supplies or services and the state would be seriously injured unless the agency is permitted to limit the number of vendors from which it solicits bid/proposals. (i.e., existing software).	Provide data, estimated cost and how those costs were derived, and other rational as to the extent and nature of the harm to the state. (Justification may be prepared and approved within a reasonable time after contract award when preparation and approval prior to award would unreasonably delay the acquisitions.)
5	Agency needs to acquire services of an expert, such as expert services to support a current or anticipated litigation or dispute, involving the state in any trial, hearing or proceeding whether or not the expert is expected to testify. Examples of such services include, but are not limited to, assisting the state in the analysis, presentation or defense of any claim or request for adjustment to contract terms and conditions, whether asserted by a supplier or the state, which is in litigation or dispute, or is anticipated to result in dispute or litigation.	Indicate why the source for expert services is absolutely essential to the state's requirements, thereby precluding consideration of other sources.