

iTech Sole Source Guidance for Technology Purchases

1. ITech will need a business justification from you documenting your business needs for the sole source purchase. In addition, you should document why other products or services cannot substantially meet the documented needs. If similar products or services exist in the marketplace, your business justification for the unique functionality or characteristics of the sole-sourced item must be compelling for the procurement to be sole-sourced under state statute. The business justification needs to be on a letterhead and signed as well. The written proposal should clearly document the exact product and services to be provided, timeframes for delivery or service provision, and all associated pricing information, including retail price, discount structure, volume-related tiered pricing structures, ongoing support costs, and price escalation caps. Additionally, acquisitions of IT services must include the following information to be authorized as sole source:

- a. An explanation about why the amount to be expended is reasonable, and
- b. An explanation regarding the efforts by the purchaser to obtain the best possible price.

2. ITech will also need the answers to the questions below in order to complete the ITS Sole Source Form. Please answer these questions even if the answers are already in your business justification requested above.

- a. Narrative Description of Project
- b. Discuss Funding (e.g., how much of needed funding is definite; total project budget; any matching or other non-state funds):
- c. Anticipated Lifecycle of Products/System (i.e. estimate years effective use):
- d. Describe any projected utilization or connectivity to the State's infrastructure (voice/data/video networks; State Data Center; eGovernment portal, payment engine, hosting, co-location; security; VPN, firewalls):
- e. Specific business requirements to be met by the requested products or services:
- f. Other products/vendors research or evaluated:
- g. Unique features (i.e. special functionality) of the requested product(s) or vendor:

3. ITech will need a sole source letter from the vendor signed, dated, and on company letterhead. The manufacturer must certify, on company letterhead, the unique features of the product or service within the marketplace and must also certify that the product or service is available only through the manufacturer or from a single specified distributor or reseller.

What Criteria Constitutes a Sole Source?

ITS Sole Source acquisitions must meet certain criteria. Per public purchasing law, the following criteria must be met for a procurement to be authorized as sole source:

1. The product or services being purchased must perform a function for which no other product or source of services exists,
2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services, AND
3. The product or services must be available only from the manufacturer and NOT through resellers who could submit competitive pricing for the product or services.

What Does NOT Constitute Valid Criteria for a Sole Source:

- Quality of the product or services: The competitive process has been established to determine the lowest and best offering.
- Price of the product or services: The competitive process has been established to determine the lowest and best offering.
- Product that performs in a unique way but does not provide unique functionality: A unique algorithm or patented search process is not a sole source unless there is significant functionality that is only available through the requested product.
- Project timetable or other scheduling constraints: The emergency purchase statute was established for situations meeting the statutory definition of "emergency," in which the delay incident to following a competitive process would be detrimental to the interests of the state. In some situations where the need is immediate, but an emergency purchase cannot be justified, ITS can assist the purchasing entity in acquiring a temporary or interim solution until a competition can be conducted.
- Incumbent products or service providers: An award from a competitive process for the acquisition of products or services does not constitute a permanent purchasing mechanism. All products and services are re-evaluated from time to time to determine when a full competition and potential replacement are warranted. For service providers, this competition may include a reasonable learning curve for time required by non-incumbents to become acclimated to the particular customer, product, and/or environment.
- Sole source designation by other states: Mississippi's sole source requirements are more stringent than those in many other states.