

UTM Procurement - Sole Sourcing FAQ

1. What is the definition of a Sole Source?

Sole source is a *non-competitive* purchase or procurement process accomplished after soliciting and negotiating with only one source, thus limiting competition.

2. When to use a Sole Source?

A sole source is only used when other procurement methods, namely seeking quotations and competitive procurement procedures like tenders, or competitive proposals, are not applicable. A sole source does not promote competition and should only be used when no alternative options exists, and when it can be validated and justified. Departments should consider all other sourcing options prior to proceeding with a Sole Source process. Sole sourcing may constitute contravention of policy, unless sufficient supporting details can be provided and it is justified referencing one of conditions described in the Agreement on Internal Trade:

- a) No alternative or substitute exists that meet specific or unique technical or research requirements
- b) To ensure compatibility, recognize exclusive rights or maintain specialized products
- c) No bids were received in response to an invitation
- d) An unforeseeable urgency exists
- e) The subject matter of the procurement is of a confidential or privileged nature
- f) To honour guarantees or warranties
- g) To procure a prototype
- h) To fulfill lease requirements
- i) The procurement is for construction materials where transportation costs and technical considerations impose geographical limits
- j) To make an award in a design contest
- k) To engage the following licensed professionals: accountants, architects, land surveyors, lawyers, notaries, engineers, medical doctors, dentists, nurses, pharmacists, and veterinarians
- l) To engage financial services or investment managers
- m) To purchase real property, subscriptions or original works of art
- n) Tendering would interfere with security, order or protection of human, animal, plant life or health
- o) The subject matter of the procurement is financed by an international cooperation organization

3. How to use the Sole Source Request Form at UTM?

In order for the UTM Procurement department to validate the purchase of sole-sourced goods or services, you should:

- a) provide a recent quotation from the required sole source provider;
- b) prepare a Justification Statement based on one of the conditions described above in Question 2, providing specific details that relate to the rationale;
- c) send the quotations and the Justification Statement to UTM Procurement at procurement.utm@utoronto.ca for assessment and/or validation;
- d) allow two business days for the UTM Procurement department to provide a recommendation on how to proceed. The Sole Source may either be validated and approved for processing, or an alternate procurement method will be recommended;
- e) once the Sole Source is approved and validated, fill out a Sole Source Request Form ensuring the appropriate criteria is selected and the justification is inserted;
- f) obtain the approval and signatures on the Form of an appropriate authority for the procurement, ensuring the Department Head and/or CAO signatures are on the Form; and

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- g) send the UTM Procurement department a request for a Purchase Order(PO) by joining your Sole Source Request Form to all relevant backup document and a requisition number in FIS.

4. What is sole source justification?

It is the rationale of the decision to use sole source solicitation as a procurement process. The onus to justify sole source procurement falls to the requester who should prepare a Justification Statement providing additional rationale, after the selection of one of the above mentioned conditions. Justification should be in detail.

5. What is considered an inappropriate Sole Source justification?

Sole sourcing is not appropriately justified and defensible when used as a method of selecting a preferred vendor, or used as a result of poor planning. This may lead to solicitation protests, and when put under scrutiny, will not be defensible.

6. What are the risks associated with Sole Sourcing?

- Increase auditors' interest
- Potential loss of granting funds
- Policy non-compliance
- Solicitation protests

7. References

Agreement on Internal Trade – Chapter Five – Procurement

Refer to Article 506: Procedures for Procurement #12

<http://www.ic.gc.ca/eic/site/ait-aci.nsf/eng/il00006.html>

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Sole Source Workflow

