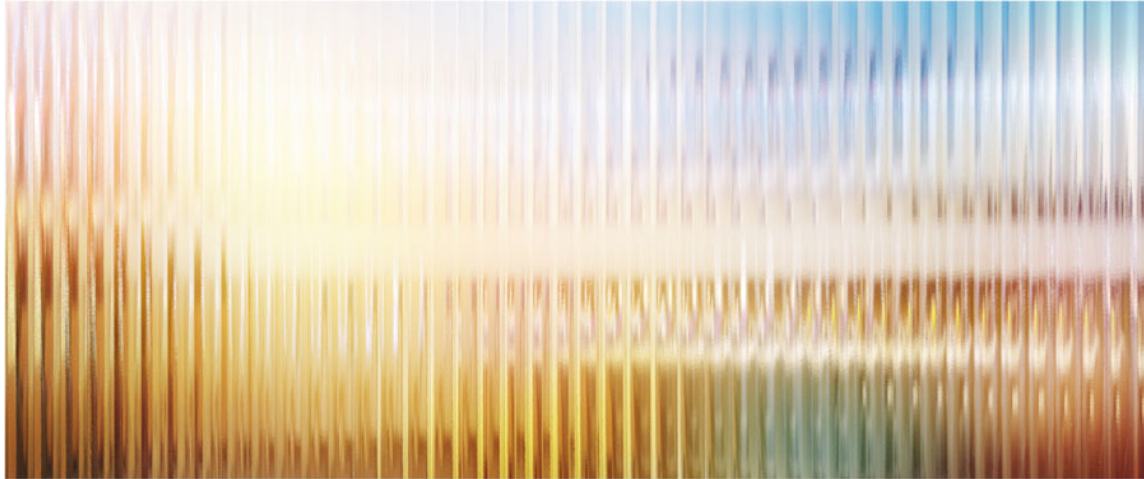


Lessons from the Sole-Source Front Lines

In Section INSIGHTS

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Insights



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Sole-source contracting might sound like a dream – no competitors, no bid protests, no last-minute proposal scrambles – but the reality is far more complex. When I first transitioned into proprietary and sole-source programs, I expected things to be simpler.

Instead, I found that sole-source environments demand sharper judgment, deeper collaboration, and a higher standard of integrity than many competitive acquisitions.

Early in my career, I assumed that without competition, the pressure would ease. I was wrong. The government’s scrutiny often increases in sole-source work – especially around pricing and technical justification.

You’re no longer just competing with other offerors; you’re competing against the expectation of fairness, transparency, and reasonableness.

I learned quickly to treat every proposal as if it were headed for an audit. Clear documentation, traceable assumptions, and consistent internal alignment became my safety net.

Understanding Sole-Source Contracting

A sole-source contract is awarded without full and open competition when only one responsible source can meet the government’s requirements, or when a specific statutory authority permits a noncompetitive award.¹

While competition standards typically require agencies to solicit multiple bids to ensure best value, sole-source awards must instead be justified through rigorous documentation. Contracting officers are required to demonstrate why competition is not feasible and how the proposed price is fair and reasonable.²

In these cases, the contracting officer is responsible for demonstrating that the award meets standards of fairness and reasonableness despite the absence of competition. This includes evaluating technical necessity, validating cost and pricing data, and ensuring the scope does not exceed the approved justification.

For contractors, this means proposals must withstand heightened scrutiny and clearly articulate both the uniqueness of the solution and the rationale behind every major assumption.

Several sole-source pathways exist, particularly within small business and special programs. The Small Business Administration (SBA) authorizes sole-source awards under programs such as 8(a), HUBZone, Service-Disabled Veteran-Owned Small Business (SDVOSB), and Women-Owned Small Business (WOSB).³

These authorities are designed to advance socioeconomic objectives while still preserving the integrity of the acquisition process. However, each pathway carries its own eligibility criteria, dollar thresholds, and documentation requirements.

A strong understanding of the applicable authority – and its limitations – is essential to structuring a compliant acquisition strategy and avoiding downstream delays or rework.

Sole-Source Considerations and Challenges

Sole-source programs remove the pressures of head-to-head competition, but they replace pressures with heightened accountability and transparency.

Without competing proposals to establish a market baseline, every assumption, estimate, and technical decision must stand on its own merits.

Contractors must be prepared to defend not only *what* they are proposing, but why it is reasonable, necessary, and aligned with the government's stated requirements.

This environment rewards preparation, discipline, and proactive communication. Weak documentation, misaligned internal assumptions, or inconsistencies across technical, schedule, and cost volumes are far more visible in a sole-source context.

Success depends on early cross-functional alignment and a deliberate effort to ensure that the proposal tells a cohesive, defensible story from start to finish.⁴

Cost and Pricing

Pricing integrity is everything in sole-source contracting. Under the Truthful Cost or Pricing Data (TCPD) statute – formerly known as the Truth in Negotiations Act (TINA) – the burden of proof rests squarely on the contractor's shoulders. Agencies such as the Defense Contract Management Agency (DCMA) and the Defense Contract Audit Agency (DCAA), as well as contracting officers will scrutinize your data, quotes, and rationale.⁵

I've learned to document everything – supplier quotes, escalation factors, labor assumptions – because if it isn't documented, it didn't happen. Understanding the difference between cost realism and price reasonableness is critical. One ensures your numbers make sense internally; the other ensures they make sense to your customer.

Intellectual Property

Another challenge unique to proprietary programs involves intellectual property (IP) and data rights. Proprietary technology can easily create tension between protecting company interests and satisfying government deliverable requirements.⁶

Early, transparent conversations with legal, engineering, and the contracting officer can prevent misunderstandings. I've found that educating government partners – constructively – about the "why" behind our IP positions builds mutual respect and trust.

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Above all, relationships are the cornerstone of success in sole-source environments. These programs often span years and evolve into close working partnerships.

Credibility is earned through consistency, responsiveness, and honesty – even when the answers aren't convenient. Transparency about risks, schedule pressures, or pricing rationale can turn difficult conversations into opportunities for collaboration.

Conclusion

An important lesson I learned is that your proposal must tell a strong story. Without competing offers to benchmark against, the narrative becomes justification.

A well-defined scope, defensible basis of estimate (BOE), and consistent messaging across the technical, schedule, and cost volumes are non-negotiable. I began pulling in engineering, finance, and program management early in the process to ensure that every assumption and data point told the same story. Proposal development should never happen in isolation.

Looking back, sole-source work has been one of the most challenging and rewarding experiences of my career. It's where I learned to balance compliance with strategy, structure with creativity, and oversight with trust.

For early-career professionals, my advice is simple: treat every action as if it's building a foundation for the next contract. Because it is.

Being the only option doesn't mean being the lazy option – it means being the trusted one. **CM**

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ENDNOTES

1 Federal Acquisition Regulation (FAR), Part 6, Competition Requirements, including FAR 6302, "Other Than Full and Open Competition"

2 Federal Acquisition Regulation (FAR), Part 15, *Contracting by Negotiation*, including FAR 15403–4, "Truthful Cost or Pricing Data"

3 Small Business Administration (SBA), *Small Business Programs*, 13 CFR Parts 124, 125, 126, and 127 (8(a), SDVOSB, HUBZone, and WOSB Programs)

4 Defense Federal Acquisition Regulation Supplement (DFARS), Part 227, Rights in Technical Data and Computer Software

5 Government Accountability Office (GAO), reports on noncompetitive contracting and pricing oversight in US Government acquisitions

6 Defense Federal Acquisition Regulation Supplement (DFARS), Part 227, Rights in Tec



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