


Where Government Contracting Starts




# A Discussion on Sole Source Contracts

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## When is Sole Source a viable option?

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## Today's Agenda

- ❖ **Competition vs. Sole Source**
  - Sole Source Eligibility – general terms defined
  - Reviewing the FAR requirement
    - FAR vs. RFO
- ❖ **Federal agency contracting application & approval process**
  - Agency guidance & requirements
- ❖ **As an industry business development strategy**
  - How to establish a competitive advantage
  - Socio-economic
- ❖ **Developing an internal buying/procurement strategy**
  - Single Source vs. Sole Source
  - Source strategy for Cost reimbursement contracts





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## Definition of Competition in FAR

In the context of the Federal Acquisition Regulation (FAR), **competition** refers to the process by which the U.S. government seeks **offers from multiple sources to ensure fair opportunity, reasonable pricing, and the best value for taxpayers.**

A commonly cited definition appears in FAR Part 6:

❖ **“Full and open competition”** means that *all responsible sources are permitted to submit sealed bids or competitive proposals.*

### ❖ Key ideas behind competition in FAR

- **Maximizing participation:** Agencies must allow as many qualified vendors as possible to compete.
- **Fairness:** All offerors are treated equally under the same rules.
- **Best value:** Competition helps the government obtain better pricing, quality, and innovation.
- **Transparency:** The process is open and documented.

### ❖ Related FAR concepts

- **Competition requirements** are primarily covered in FAR Part 6 (Competition Requirements).
- **Other than full and open competition** is allowed only under specific exceptions (e.g., urgent needs, only one responsible source, national security).



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## Sole Source Eligibility

**Sole source eligibility** refers to a situation in procurement **where a contract can be awarded to only one vendor, because no other supplier can meet the requirements.** This is an exception to the usual competitive bidding process.

### When sole source eligibility applies

- ❖ A purchase may qualify as sole source if one or more of these conditions are true:
- **Unique capability:** Only one vendor can provide the product or service (e.g., proprietary technology or specialized expertise).
  - **Compatibility or standardization:** The new purchase must match existing equipment, systems, or software.
  - **Exclusive rights:** The vendor holds patents, copyrights, or exclusive distribution rights.
  - **Urgency:** Time constraints make competitive bidding impractical (though this is sometimes treated separately as an emergency procurement).
  - **No reasonable alternatives:** Market research shows no other viable vendors.

### ❖ What it is *not*

- It's not just a **preference** for a vendor.
- It's not valid simply because a vendor is **convenient, familiar, or cheaper.**
- It doesn't apply if **multiple vendors could meet the need**, even if one is better.

### Typical requirements

- ❖ Organizations usually require documentation such as:
- A **sole source justification** explaining why only one vendor qualifies
  - Evidence of **market research**
  - Approval from a **procurement or contracting authority**



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## Competition vs. Sole Source

What does the FAR say?

## FAR 6.1

### Subpart 6.1 - Full and Open Competition

#### 6.100 Scope of subpart.

This subpart prescribes the policy and procedures that are to be used **to promote and provide for full and open competition.**

#### 6.101 Policy.

(a) [10 U.S.C. 3201](#) and [41 U.S.C. 3301](#) require, with certain limited exceptions (see [subpart 6.2](#) and [6.3](#)), that contracting officers shall promote and provide for full and open competition in soliciting offers and awarding Government contracts.

(b) **Contracting officers shall provide for full and open competition through use of the competitive procedure(s)** contained in this subpart that are best suited to the circumstances of the contract action and consistent with the need to fulfill the Government's requirements efficiently ( [10 U.S.C. 3201](#) and [41 U.S.C. 3301](#)).

#### Why competition?

- Lowers price (cost savings component) → Price Justification
- Provides opportunity for selection → Best Value
- Industry expertise for potential solutions → Source Selection



### Subpart 6.2 - Full and Open Competition After Exclusion of Sources

#### 6.200 Scope of subpart.

This subpart prescribes policies and procedures for **providing for full and open competition** after excluding one or more sources.

#### 6.201 Policy.

Acquisitions made under this subpart **require use of the competitive procedures** prescribed in [6.102](#).

#### 6.202 Establishing or maintaining alternative sources.

(a) Agencies may **exclude a particular source from a contract action in order to establish or maintain an alternative source or sources** for the supplies or services being acquired if the agency head determines that to do so would-

- (1) **Increase or maintain competition and likely result in reduced overall costs for the acquisition, or for any anticipated acquisition;**
- (2) Be in the interest of national defense in having a facility (or a producer, manufacturer, or other supplier) available for furnishing the supplies or services in case of a national emergency or industrial mobilization;
- (3) Be in the interest of national defense in establishing or maintaining an essential engineering, research, or development capability to be provided by an educational or other nonprofit institution or a federally funded research and development center;
- (4) **Ensure the continuous availability of a reliable source of supplies or services;**
- (5) Satisfy projected needs based on a history of high demand; or
- (6) Satisfy a critical need for medical, safety, or emergency supplies.

[https://www.acquisition.gov/far/part-6#FAR\\_6\\_102](https://www.acquisition.gov/far/part-6#FAR_6_102)

### Subpart 6.2 - Full and Open Competition After Exclusion of Sources *(continued)*

**6.203** Set-asides for small business concerns.

**6.204** Section 8(a) competition.

**6.205** Set-asides for HUBZone small business concerns.

**6.206** Set-asides for service-disabled veteran-owned small business (SDVOSB) concerns eligible under the SDVOSB Program

**6.207** Set-asides for economically disadvantaged women-owned small business (EDWOSB) concerns or women-owned small business (WOSB) concerns eligible under the WOSB Program.

**6.208** Set-asides for local firms during a major disaster or emergency.



[https://www.acquisition.gov/far/part-6#FAR\\_6\\_102](https://www.acquisition.gov/far/part-6#FAR_6_102)



## FAR 6.3

### Subpart 6.3 - Other Than Full and Open Competition

#### 6.300 Scope of subpart.

This subpart prescribes policies and procedures, and identifies the statutory authorities, for contracting **without providing for full and open competition.**

#### 6.301 Policy.

- (a) [41 U.S.C. 3304](#) and [10 U.S.C. 3204](#) each authorize, under certain conditions, contracting without providing for full and open competition. The Department of Defense, Coast Guard, and National Aeronautics and Space Administration are subject to " [10 U.S.C. 3204](#). Other executive agencies are subject to [41 U.S.C. 3304](#). Contracting without providing for full and open competition or full and open competition after exclusion of sources is a violation of statute, unless permitted by one of the exceptions in [6.302](#).
- (b) Each contract awarded without providing for full and open competition shall contain a reference to the specific authority under which it was so awarded. Contracting officers shall use the U.S. Code citation applicable to their agency. (See [6.302](#).)
- (c) **Contracting without providing for full and open competition shall not be justified on the basis of:**
- (1) A lack of advance planning by the requiring activity; or**
  - (2) Concerns related to the amount of funds available (e.g., funds will expire) to the agency or activity for the acquisition of supplies or services.**
- (d) When not providing for full and open competition, the contracting officer shall solicit offers from as many potential sources as is practicable under the circumstances.
- (e) For contracts under this subpart, the contracting officer shall use the contracting procedures prescribed in [6.102](#)(a) or (b), if appropriate, or any other procedures authorized by this regulation.

[https://www.acquisition.gov/far/part-6#FAR\\_6\\_102](https://www.acquisition.gov/far/part-6#FAR_6_102)



## FAR 6.3

### Subpart 6.3 - Other Than Full and Open Competition (continued)

#### 6.302 Circumstances permitting other than full and open competition.

source

#### **6.302-1 Only one responsible source and no other supplies or services will satisfy agency requirements.**

- (a) Authority. (1) Citations: [10 U.S.C. 3204\(a\)\(1\)](#) or [41 U.S.C. 3304\(a\)\(1\)](#).
- (2) **When the supplies or services required by the agency are available from only one responsible source, or, for DoD, NASA, and the Coast Guard, from only one or a limited number of responsible sources, and no other type of supplies or services will satisfy agency requirements, full and open competition need not be provided for.**
- (i) Supplies or services may be considered to be available from only one source if the source has submitted an unsolicited research proposal that:**
    - (A) Demonstrates a unique and innovative concept (see definition at [2.101](#)), or, demonstrates a unique capability of the source to provide the particular research services proposed;
    - (B) Offers a concept or services not otherwise available to the Government; and
    - (C) Does not resemble the substance of a pending competitive acquisition. (See [10 U.S.C. 3204\(b\)\(A\)](#) and 41 U.S.C. 3304(b)(1).)
  - (ii) Supplies may be deemed to be available only from the original source in the case of a follow-on contract for the continued development or production of a major system or highly specialized equipment, including major components thereof, when it is likely that award to any other source would result in:**
    - (A) Substantial duplication of cost to the Government that is not expected to be recovered through competition; or
    - (B) Unacceptable delays in fulfilling the agency's requirements. (See [10 U.S.C. 3204\(b\)\(B\)](#) or 41 U.S.C. 3304(b)(2).)

[https://www.acquisition.gov/far/part-6#FAR\\_6\\_102](https://www.acquisition.gov/far/part-6#FAR_6_102)

**6.302-1 Only one responsible source and no other supplies or services will satisfy agency requirements. (continued)**

(iii) For DoD, NASA, and the Coast Guard, services may be deemed to be available only from the original source in the case of follow-on contracts for the continued provision of highly specialized services when it is likely that award to any other source would result in-

- (A) Substantial duplication of cost to the Government that is not expected to be recovered through competition; or
- (B) Unacceptable delays in fulfilling the agency's requirements. (See [10 U.S.C. 3204\(b\)\(B\)](#)).

(b) **Application.** This authority shall be used, if appropriate, in preference to the authority in [6.302-7](#); it shall not be used when any of the other circumstances is applicable. Use of this authority may be appropriate in situations such as the following (these examples are not intended to be all inclusive and do not constitute authority in and of themselves):

- (1) **When there is a reasonable basis to conclude that the agency's minimum needs can only be satisfied by:**
  - (i) **Unique supplies or services available from only one source or only one supplier with unique capabilities;** or
  - (ii) For DoD, NASA, and the Coast Guard, unique supplies or services available from only one or a limited number of sources or from only one or a limited number of suppliers with unique capabilities.
- (2) **The existence of limited rights in data, patent rights, copyrights, or secret processes; the control of basic raw material; or similar circumstances, make the supplies and services available from only one source** (however, the mere existence of such rights or circumstances does not in and of itself justify the use of these authorities) (see [part 27](#)).
- (3) **When acquiring utility services (see [41.101](#)), circumstances may dictate that only one supplier can furnish the service** (see [41.202](#)); or when the contemplated contract is for construction of a part of a utility system and the utility company itself is the only source available to work on the system.
- (4) When the agency head has determined in accordance with the agency's standardization program that only specified makes and models of technical equipment and parts will satisfy the agency's needs for additional units or replacement items, and only one source is available.

**6.302-1 Only one responsible source and no other supplies or services will satisfy agency requirements. (continued)**

**(c) Application for brand-name descriptions.**

**(1) An acquisition or portion of an acquisition that uses a brand-name description or other purchase description to specify a particular brand-name, product, or feature of a product, peculiar to one manufacturer-**

- (i) Does not provide for full and open competition, regardless of the number of sources solicited; and**
- (ii) Shall be justified and approved in accordance with [6.303](#) and [6.304](#).**



(A) If only a portion of the acquisition is for a brand-name product or item peculiar to one manufacturer, the justification and approval is to cover only the portion of the acquisition which is brand-name or peculiar to one manufacturer. The justification should state it is covering only the portion of the acquisition which is brand-name or peculiar to one manufacturer, and the approval level requirements will then only apply to that portion;

(B) The justification should indicate that the use of such descriptions in the acquisition or portion of an acquisition is essential to the Government's requirements, thereby precluding consideration of a product manufactured by another company; and

(C) The justification shall be posted with the solicitation (see [5.102\(a\)\(6\)](#)).

**(2) Brand-name or equal descriptions, and other purchase descriptions that permit prospective contractors to offer products other than those specifically referenced by brand-name, provide for full and open competition and do not require justifications and approvals to support their use.**

(d) Limitations.

(1) Contracts awarded using this authority shall be supported by the written justifications and approvals described in [6.303](#) and [6.304](#).

(2) For contracts awarded using this authority, the notices required by [5.201](#) shall have been published and any bids, proposals, quotations, or capability statements must have been considered.

**6.302-2 Unusual and compelling urgency.****6.302-3 Industrial mobilization; engineering, developmental, or research capability; or expert services.****6.302-4 International agreement.****6.302-5 Authorized or required by statute.**

## (a) Authority.

(1) Citations: [10 U.S.C. 3204\(a\)\(5\)](#) or [41 U.S.C. 3304\(a\)\(5\)](#).

(2) Full and open competition need not be provided for when—

(i) A statute expressly authorizes or requires that the acquisition be made through another agency or from a specified source; or

(ii) The agency's need is for a brand name commercial product for authorized resale.

(b) *Application.* This authority may be used when statutes, such as the following, expressly authorize or require that acquisition be made from a specified source or through another agency:(1) Federal Prison Industries (UNICOR) [18 U.S.C. 4124](#) (see [subpart 8.6](#)).(2) Qualified nonprofit agencies for the blind or other severely disabled [41 U.S.C. chapter 85](#), Committee for Purchase From People Who Are Blind or Severely Disabled (see [subpart 8.7](#)).(3) Government Printing and Binding [44 U.S.C. 501- 504](#), 1121 (see [subpart 8.8](#)).(4) Sole source awards under the **8(a) Program** ([15 U.S.C. 637](#)), but see [6.303](#) for requirements for justification and approval of sole-source 8(a) awards over \$30 million. (See [subpart 19.8](#)).(5) Sole source awards under the **HUBZone Act of 1997**- [15 U.S.C. 657a](#) (see [19.1306](#)).(6) Sole source awards under the **Veterans Benefits Act of 2003** ([15 U.S.C. 657f](#)).(7) Sole source awards under the **WOSB Program**— [15 U.S.C. 637\(m\)](#) (see [19.1506](#)).**6.302-6 National security.**(a) Authority. (1) Citations: [10 U.S.C. 3204\(a\)\(6\)](#) or [41 U.S.C. 3304\(a\)\(6\)](#).

(2) Full and open competition need not be provided for when the disclosure of the agency's needs would compromise the national security unless the agency is permitted to limit the number of sources from which it solicits bids or proposals.

(b) *Application.* This authority may be used for any acquisition when disclosure of the Government's needs would compromise the national security (e.g., would violate security requirements); it shall not be used merely because the acquisition is classified, or merely because access to classified matter will be necessary to submit a proposal or to perform the contract.(c) Limitations. (1) Contracts awarded using this authority shall be supported by the written justifications and approvals described in [6.303](#) and [6.304](#).(2) See [5.202\(a\)\(1\)](#) for synopsis requirements.

(3) This statutory authority requires that agencies shall request offers from as many potential sources as is practicable under the circumstances.

**6.302-7 Public interest.**(a) Authority. (1) Citations: [10 U.S.C. 3204\(a\)\(7\)](#) or [41 U.S.C. 3304\(a\)\(7\)](#).

(2) Full and open competition need not be provided for when the agency head determines that it is not in the public interest in the particular acquisition concerned.

(b) *Application.* This authority may be used when none of the other authorities in [6.302](#) apply.

(c) Limitations.

(1) A written determination to use this authority shall be made in accordance with [subpart 1.7](#), by-

(i) The Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, the Secretary of Homeland Security for the Coast Guard, or the Administrator of the National Aeronautics and Space Administration; or

(ii) The head of any other executive agency. This authority may not be delegated.

(2) The Congress shall be notified in writing of such determination not less than 30 days before award of the contract.

(3) If required by the head of the agency, the contracting officer shall prepare a justification to support the determination under paragraph (c)(1) of this subsection.

(4) This Determination and Finding (D&amp;F) shall not be made on a class basis.

## Part 6 - Competition Requirements

[6.000 Scope of part.](#)

[6.001 Applicability.](#)

[6.002 Limitations.](#)

[6.003 Advocates for competition.](#)

[Subpart 6.1 - Presolicitation](#)

[6.101 Full and open competition.](#)

[6.102 Full and open competition after excluding sources.](#)

[6.102-1 Establishing or maintaining alternative sources.](#)

[6.102-2 Set-asides for small business concerns.](#)

[6.102-3 Set-asides for local firms during a major disaster or emergency.](#)

[6.103 Other than full and open competition.](#)

[6.103-1 Only one responsible source and no other supplies or services will satisfy agency requirements.](#)

[6.103-2 Unusual and compelling urgency.](#)

[6.103-3 Industrial mobilization; engineering, developmental, or research capability; or expert services.](#)

[6.103-4 International agreement.](#)

[6.103-5 Authorized or required by statute.](#)

[6.103-6 National security.](#)

[6.103-7 Public interest.](#)

[6.104 Justification and approval.](#)

[6.104-1 Justification content.](#)

[6.104-2 Approval of justification.](#)

[Subpart 6.2 - \[Reserved\]](#)

[Subpart 6.3 - Postaward](#)

[6.301 Availability of the justification.](#)

<https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-6>

**Non-regulatory Resources**

The following are non-regulatory resources associated with FAR Part 6:

- [Practitioner Album](#)
- [FAR Companion Guide](#)

**Caveat**

The FAR Council created deviations will include clauses and provisions currently required by statute and Executive Order. OMB and the FAR Council will work with Congress to recommend statutory changes and with the White House to recommend rescission of requirements stemming from prior Executive Orders that are inconsistent with the goals of Executive Order 14275 to stop the inefficient use of American taxpayer dollars in federal procurement. Any changes to Executive Orders or statute will be reflected when the Revolutionary FAR Overhaul turns to rule-making.

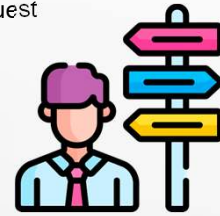


# Federal Contracting Staff Application & Approval Process

## Agency Guidance & Requirements

### Agency guidance / process leading to a Sole Source contract

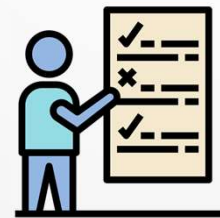
- ❖ Each agency will have differing internal process for issuing a sole source award.
  - General flow from Purchase Requisition (PR) to award
    1. Contracting personnel (KO) receives a PR with a recommendation for a single vendor/contractor that can do/provide the needed services/supplies. The PR should have additional documentation:
      - ✓ Scope of Work / Performance Work Statement / Description of supply w/delivery times
      - ✓ Market research performed by requester to support Independent Government Estimate (IGE)
      - ✓ Sole Source Recommendation narrative
    2. KO conducts market research to determine if this is a viable Sole Source request
    3. Makes a determination
    4. Submits for review if needed: legal, small business professional, supervisory KO, etc.
    5. Based on review, makes a determination to either move forward with the Sole Source award or issue as a competitive solicitation.



6. Solicitation is prepared and issued
  7. Proposal(s) received
    - ✓ If sole source then the contracting officer may “sit down” with potential contractor and discuss performance, ask for cost validation documents to determine price reasonableness
  8. Award issued
- ❖ Seems straight forward – but let’s delve more into the justification documents needed to support award decision:

*“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.”<sup>1</sup>*

*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.”<sup>2</sup>*





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## Agency Guidance

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.

### 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."**

### 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.<sup>5</sup>

Lessons from the Sole-Source Front Lines, by Krysten Thomas, NCM magazine, March/April 2026  
[https://content.ncmahq.org/contractmanagement/library/item/march\\_april\\_2026/4325696/](https://content.ncmahq.org/contractmanagement/library/item/march_april_2026/4325696/)



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## Agency Guidance

### Sole Source Considerations and Challenges

#### ❖ Sole Source Justification

- Need is unusual or compelling:

#### Product

- Manufacturing Restriction Brand name or equal
- Specific salient characteristics (Brand name or equal)
- Performance specifications
- Plugs into existing infrastructure
- Warranty limitations – authorized technician
- Integrates with existing technology or systems (i.e., computer hardware, mechanical or facility systems)
- Specialized training already in place for staff
- Patent or Intellectual Property limitations (data rights)

#### Service

- Unique industry expertise with working knowledge
- Derivative of time:
  - as a follow on or bridge contract
  - next phase of project (cost considerations)
- New technologies or patented technology
- SBIR/STTR – innovative methodology/technology
- Government desire to hit agency contracting goals – following “Contracting Authority” for legally directed awards:
  - 8(a) program
  - HUBZone
  - SDVOB
  - WOSB / EDWOSB

- Internal approval
- Consideration of time
- Consideration of mission
- No time for competition



## Business Development Strategy

### Pursuing Sole Source Awards

## Business Development Strategy


### Sole Source as a Business Development Strategy

- ❖ Via Small Business Certifications
  - Market your certification
  - Develop a narrative that supports sole source activities:
    - Ensure that every assumption, estimate and technical decision stands on its own merit
    - Be prepared to defend not only what, but why it is reasonable, necessary, and aligned with the government's stated requirements
- ❖ Build relationships with the agencies
- ❖ Build off of past performance




*"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."*



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# Sole Source Example



Home Search Data Bank Data Services Help

Contract Opportunity

**Ambulance** Opportunity

Notice ID <b>31140PR26000056</b>	Contract Opportunity Type <b>Presolicitation</b>	Inactive Dates <b>Apr 04, 2026</b>	Response Date <b>Mar 20, 2026 1:00 PM AKDT</b>
Related Notice (blank)	Contract Line Item Number (blank)	Inactive Policy <b>15 days after response date</b>	Published Date <b>Mar 13, 2026 2:14 PM AKDT</b>

Department/Ind. Agency <b>HOMELAND SECURITY, DEPARTMENT OF</b>	Sub-tier <b>US COAST GUARD</b>	Office <b>BASE KODIAK(00045)</b>
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<https://sam.gov/workspace/contract/opp/57b65b603d5a4745a9e6f687b416ca5d/view>

**Description**


**THIS IS A NOTICE OF INTENT TO AWARD A SOLE SOURCE CONTRACT AND IS NOT A REQUEST FOR COMPETITIVE QUOTES.**

The Government hereby submits a notice of intent to award a sole source firm fixed price award for the US Coast Guard (USCG) Base Kodiak for a new, fully equipped ambulance. The vendor will be Braun Northwest, Inc., 150 North Star DR, Chehalis, Washington 98532-8799, UEI: H1L3WWJQ7JC9

This action is being awarded on a sole source basis pursuant to FAR 12.102, services required by the agency are available from only one responsible source and no other type of services will satisfy agency requirements. Subject vendor is the only source that can provide a vehicle that fully meets the government's requirement by the need by date of 15 Apr 2026.

USCG Base Kodiak will be the procuring entity for this effort. Performance will be located at Kodiak, AK. The Government intends to acquire commercial items and services using the provisions, clauses, and procedures prescribed in FAR Part 12. The NAICS Code for this requirement is 336211.

This notice of intent is not a request for competitive quotes. Interested organizations may submit their capabilities and qualifications to perform the effort in writing to the identified point of contact no later than 20 Mar 2026, at 1:00 p.m., Alaska time. Such capabilities/qualifications will be evaluated solely for the purpose of determining whether or not to conduct this procurement on a competitive basis. A determination by the Government not to compete this proposed effort on a full and open competition basis, based upon responses to this notice, is solely within the discretion of the government.



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# Justification & Approval Example

**ATTACHMENT 2**

**JUSTIFICATION & APPROVAL FOR OTHER THAN FULL AND OPEN COMPETITION FOR SIMPLIFIED ACQUISITIONS OVER THE MICROPURCHASE THRESHOLD (See FAR Part 2) UP TO SAT (See FAR 13.106-1)**

**Date:** 2/27/2026  
**PR Number:** 44037370

**1. Nature and/or description of the item/service being procured and its intended use (include the anticipated cost):** Supply and deliver propane to various locations throughout Cuyahoga Valley National Park.

**2. Sole Source Justification rationale (Check one and explain below):**

**Only one responsible source.**

**Urgent and compelling circumstances exist.** Include critical delivery or performance dates, and when you became aware of the requirement. Provide a specific statement of the impact on Government operations, financial or otherwise, if the required delivery or performance dates are not met.

**Other**

**Explain:** Amerigas has been providing propane to Cuyahoga Valley National Park with propane for at least the past 10 years through various delivery orders written from their GSA contract. All the propane tanks are vendor owned. There are approximately 33 tanks, most 500-1,000 gallons staged at various locations throughout the Park. If an award were to be made to another vendor, the process of transitioning to a new vendor would be extremely difficult and cause potential harm to the Government. It would be impossible to coordinate the removal of all the Amerigas tanks and the placement of new tanks without interrupting services. Additionally, the time of the year this would have to be done it is still cold outside and could expose the Park's buildings, residents, visitors and employees to potential harm due to interruption of services. Furthermore, the lines owned by the Government that supply propane from these tanks to the buildings would be at risk of being damaged during any such transition. Any propane remaining in the existing tanks during the transition would be challenging or impossible to track and receive credit for or have transferred to new different tanks. In addition, too, the cost of requiring a new vendor to bring in their own different tanks would result in substantial costs to the Government. Not to mention the resources the Park would commit and the personnel they would have to commit in order to achieve a transition. Any perceived cost benefit that maybe would be achieved from competition would not actually be realized.

**3. Market Research.** Please explain the results or why one was not performed. State whether any other offers were received or anyone expressed interest: There are three vendors on GSA's MAS 324110 including Amerigas. The other two vendors if you view their terms and conditions only operate in smaller regions in areas of the Country the Park does not fall into. If an RFQ was solicited on GSA Advantage as an eBuy the other two vendors assuredly would not quote. Just as they didn't quote when the current contract was solicited on GSA Advantage. SBA searches reveal two potential vendors using NAICS 325120 in Cuyahoga and Summit Counties. However, these vendors appear to be just general Government Contractors and are not propane dealers. There are other propane vendors in the area that would potentially be considered small businesses, but they don't appear to be SAM registered. There are a few large businesses in the Park's region that could potentially meet this requirement.




Single sourcing	Sole sourcing
<ul style="list-style-type: none"> <li>◆ Buyer chooses from multiple suppliers</li> <li>◆ Moderate negotiation power</li> <li>◆ Moderate risk; alternatives exist</li> <li>◆ Some flexibility to switch</li> <li>◆ Competitive pricing</li> </ul>	<ul style="list-style-type: none"> <li>◆ Only one supplier is available</li> <li>◆ The supplier has dominant power</li> <li>◆ High risk; no alternatives</li> <li>◆ No flexibility</li> <li>◆ Higher pricing</li> </ul>

## Single Source VS Sole Source

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### Implementing internal buying decisions



## Single Source vs Sole Source

Single sourcing is a strategic decision to use one supplier despite others being available, aiming for better pricing or partnership, while sole sourcing is a non-competitive necessity where only one supplier exists in the market for a required good or service. Single sourcing offers control, whereas sole sourcing carries higher risk, higher costs, and limited alternatives.

Single Sourcing (Strategic Choice)  
 Definition: Choosing to buy from a single vendor, even though others are available.  
 Reasons: To build strategic partnerships, achieve volume discounts, simplify logistics, or ensure consistent quality.  
 Flexibility: The company can switch suppliers if necessary.

Sole Sourcing (No Alternatives)  
 Definition: Only one vendor is able to supply the goods or services (e.g., patent, specialized technology).  
 Reasons: The item is proprietary, patented, or uniquely qualified.  
 Flexibility: No alternatives exist, giving the supplier a monopoly.



Where Government Contracting Starts

## Internal purchasing plans

### Developing an internal purchasing plan for a cost reimbursement contract

A cost-reimbursement contract flips the usual mindset: you're not just buying efficiently—you're buying in a way that's **defensible, auditable, and aligned with reimbursement rules**. An internal purchasing plan is less about squeezing cost and more about **controlling, documenting, and justifying it**.

Here's how to build one that actually holds up under scrutiny:

#### 1. Start with the contract rules (not your preferences)

Before planning anything, extract the key constraints from the contract:

- **Allowable vs. unallowable costs** (often tied to FAR Part 31 if it's U.S. government work)
- **Approval thresholds** (e.g., purchases over \$X require client consent)
- **Procurement standards** (competition requirements, small business goals, etc.)
- **Ceiling/estimated cost limits**

If you skip this step, your whole plan can look "efficient" but still get costs disallowed later.

How to develop an internal purchasing plan for a cost reimbursement contract?



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Where Government Contracting Starts

## Internal purchasing plans

### Developing an internal purchasing plan for a cost reimbursement contract

#### 2. Define purchasing categories and risk levels

Break spending into logical buckets:

- Direct materials
- Subcontracts/consultants
- Equipment
- Travel
- Indirect/shared costs

Then assign **risk levels**:

- High-risk: large \$, complex, or client-sensitive → tighter controls
- Low-risk: routine, low-value → simplified process
- This prevents over-engineering small purchases while keeping big ones compliant.

#### 3. Build approval workflows that mirror risk

Don't use a one-size fits all process. For example:


- <\$5K → department
- \$5K–\$50K → procurement + finance review
- \$50K → executive + client approval (if required)


Tie this directly to contract clauses so auditors can see the logic.



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Where Government Contracting Starts

## Program Introduction

HOME
GETTING STARTED
EVENTS & TRAINING
TOOLS
NEWS
ABOUT



### Answers to Common Questions

Our FAQ area has info on UEI, SAM, GSA, and other government contracting topics.

see our extensive FAQ >


- Free assistance with all aspects of government contracting, from cradle to grave (start to finish) for federal, state and local purchasing activity
- Free one-on-one appointments
- Free workshops (Special events and extended training session may have registration fees)
- The Alaska APEX is one of 96+ other APEX Accelerators across the US, Puerto Rico, & Guam

**Are you new to government contracting?**

Government contracting is a more complex, involved business process than what is usually found in the private sector.

**ARE YOU READY**  
for government contracting? >


**THE 10-STEP APPROACH**  
to government contracting >



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*The Alaska APEX is a program of the UAA Business Enterprise Institute and is funded in part through a cooperative agreement with the Department of Defense Office of Small Business Programs*

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Where Government Contracting Starts

## Questions?

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To request assistance, sign up here: <https://akapex.ecenterdirect.com/signup?reset=1>

How can the Alaska APEX help you?