

Sole Source Exception Reasons

This reference guide describes valid and invalid examples of each allowable sole source exception reason. Review [SOP-PURCH-05: Sole Source Exceptions](#) to learn how to request an exception and access the Sole Source Exception Request Form.

After vetting several sources, it was found that competition was inadequate.

- **What it means:** Multiple suppliers' products were researched and none of the products meet the project specifications.
- **Valid Example:** After researching multiple software options, you find that only one has the key features necessary to complete your project. IU Purchasing comes to the same conclusion after completing their research.
- **Invalid Example:** Your department is implementing a new software program. Many suppliers offer a product that would meet your needs. You request to use a supplier you know because of your pre-existing relationship with their sales rep. This relationship is not a legitimate reason to bypass the bid process.

Public exigency or emergency for the requirement will not permit the delay that comes with completing the competitive bid process.

- **What it means:** An emergency, like a natural disaster or public health crisis, requires an immediate purchase and can't be delayed by the time needed to complete the bid process.
- **Valid Example:** A public health emergency requires immediate delivery of face masks for distribution to a campus.
- **Invalid Example:** You forgot to notify your business office of a \$50,000+ purchase for an event that is scheduled in the coming weeks. This is a time management issue, not a public emergency.

The Federal agency or pass-through entity expressly authorized noncompetitive proposals in response to a written request from the university.

- **What it means:** A granting agency approves the use of a specific supplier which is named in the grant or approves your request to use noncompetitive sourcing.
- **Valid Example:** The Federal agency or pass-through entity funding the grant approves your request to use a specific supplier and bypass the competitive bid requirement.
- **Invalid Example:** In your grant proposal, you used a cost estimate from a supplier you prefer to use. You are awarded the grant, but the granting agency did not name the supplier in the award or authorize noncompetitive proposals. The competitive bid process is required.

The item or service is available only from one provider.

- **What it means:** A supplier provides a good or service that no other supplier offers, or using another supplier would void a warranty or existing contract.
- **Valid Example:** The chemical compound used with a piece of laboratory equipment is a proprietary formula sold by the equipment manufacturer that cannot be purchased from another supplier.
- **Invalid Example:** Equipment with the same specifications is available from multiple brands. Due to past experiences, you trust the quality of one brand over another. Experience with a brand is not a legitimate reason to bypass the bid process.