

UCLA HEALTH SYSTEM PURCHASING SOLE SOURCE JUSTIFICATION GUIDELINES AND INSTRUCTIONS

The procurement of goods and services for UCLA Healthcare is governed by the University of California procurement policies and procedures (Business and Finance Bulletin 43) and California State procurement requirements. Under these requirements, competition must be sought for any transaction expected to involve an expenditure of \$100,000 or more for goods or services, other than personal or professional services, unless it is determined that a brand or trade name article, thing or product, or proprietary service is unique, available from a sole source, or is designated to match others used in or furnished to a particular installation, facility or location. These requirements cannot be artificially divided into separate transactions to avoid competition. In addition, the Public Contract Code of the State of California (Public Contract Code Section 10507, et seq.) requires that all purchase contracts involving an expenditure of more than \$100,000 shall be awarded to the lowest responsible bidder meeting specifications, or else all quotations shall be rejected. The lowest responsible quote shall be determined on the basis of one of two methods: 1) cost alone or 2) on a cost per quality basis. In the cost per quality point method, other criteria are taken under review in addition to price.

In order to determine the appropriateness of a sole source, the attached Sole Source Justification Request form must be completed and submitted with any supporting documents to the UCLA Healthcare Purchasing Department prior to the submission of a purchase requisition. Documentation should be provided to validate price reasonableness. Prices shall be considered reasonable when it is determined that either the competition previously sought secured the lowest responsible price, the prices were set by applicable law or regulation, or a price analysis and comparison was completed. All sole source requests and price reasonableness analysis must be reviewed and approved by the Director of Purchasing prior to any commitment (purchase order) for the acquisition of any goods or services.

Requestors should be aware of potential conflicts of interest that may affect the University's ability to enter into an agreement to acquire any goods or services regardless of cost, including but not limited to sole source purchases. The following outlines the different types of conflict of interests:

- Public Contract Code / SB 1467: 1) A supplier cannot enter into a "follow-on" contract to implement the recommendations that supplier made in a prior consulting engagement. 2) A UC employee is not able to enter into an independent contractor agreement to sell goods or services to the University, with the exception of individuals with teaching or research responsibilities.
- BUS-43 Employee-Vendor Relationships: It is University policy to separate an employee's University and private interests, and to avoid the appearance of favoritism in awarding contracts. The University cannot enter into a contract to acquire goods or services if an employee-vendor relationship (including near relatives as supplier) exists, unless the goods or services are not available commercially, as determined by the Director of Purchasing.
- Political Reform Act: UC employees are not able to participate in the making of a decision if they have a financial interest in the outcome of the decision. By definition, an employee has a financial interest in the contracts of his/her spouse or registered domestic partner. Other factors requiring an employee to disqualify him/herself from participating in a decision-making process include investments, gifts, loans, or other financial ties to suppliers.

Any questions regarding procurement policies and procedures, competitive bidding, sole source justification, price reasonableness, or conflict of interest should be directed to the UCLA Healthcare Purchasing Department.

SOLE SOURCE JUSTIFICATION REQUEST

DATE:	
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DEPARTMENT:	
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RECHARGE ID #:		OSHPD NO.:	
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BUDGET SEQUENCE NO (if applicable):	
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DESCRIPTION OF REQUEST:	
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PROPOSED VENDOR:	
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ESTIMATED DOLLAR AMOUNT:	
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SUBMITTED BY:		EXTENSION:	
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DEPARTMENT SIGNATURE APPROVAL:	
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1. Under which exception to the State of California and University of California procurement requirements for competition is this sole source request made? You may select one or more.

- Personal or Professional Services
- Product or Proprietary Service is Unique
- Available Only from a Sole Source
- Designated to Match Existing

2. Please explain how your purchase of goods or services meets one or more of the criteria listed above. Please note that price cannot be a part of this justification.

3. If you selected "product or proprietary service is unique," why is your chosen supplier the only viable solution?

4. What other supplier(s) and product(s) and/or service(s) did you consider before you arrived at your conclusion that the requested product(s) and/or service(s) are the only one(s) that meet your needs?

5. If you selected "designated to match existing," please describe the quantity, age, value, and useful life remaining of the installed base relative to the quantity and value of the proposed addition.

6. If the sole source request meets one or more of the criteria for approval, what information do you have that can help validate price reasonableness?

7. What information do you have on any previous competitive bids for this type of request?

8. Do any conflicts of interest exist relative to the proposed acquisition as outlined in SB 1467, BUS-43, or the Political Reform Act?

No

Yes

If yes, please describe.

This sole source request has been:

Approved

Denied

Eimee Miura
Director, Purchasing

Date

Comments/Notes:

Purchase Use Only:

Purchase Order Number:	
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