

## Capital Projects Fund Guidance for Digital Connectivity and Navigators (5-CPF-2024)

### *What is “sole source” procurement?*

Procurement by noncompetitive proposals, referred to as sole source procurement, is procurement through solicitation of a proposal from only one source. If a state recipient is conducting a sole source procurement, it must follow the same policies and procedures it uses for procurements from its non-Federal funds, pursuant to [2 CFR 200.317](#). Sole source procurements by all other grant recipients, including subrecipients of a State, must adhere to the standards set forth in [2 CFR 200.320\(c\)](#) in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

All sole source procurements by non-Federal entities other than States require adequate written justification in their history of procurement. These records will include but not necessarily limited to, the following: Rational for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price as required in [2 CFR 200.318\(i\)](#).

Sole source procurement should only be used if a recipient determines that the award of a contract through a competitive process is infeasible based on the specific circumstances set forth in [2 CFR 200.320\(c\)](#). Sole source procurement should be used only when competitive solicitation procedures like sealed bids or competitive proposals are not applicable to the requirements or are impracticable.

### **Sole Source Procurement Explanation and Circumstances**

The outline below may be helpful in preparing your agency’s sole source procurement history file and ensuring that all the necessary information is included when using sole source procurement based on [2 CFR 200.320\(c\)](#) 2,3, or 5.

An explanation as to why it is necessary to contract in a noncompetitive manner. Which **one (or more) of the three circumstances** identified below applies to the procurement transaction. Where applicable, include supporting information as identified below in your procurement history file.

- [2 CFR 200.320\(c\)\(2\)](#): If the item or service is available only from one source, consider including the following:**
  - Uniqueness of items or services to be procured from the proposed contractor or vendor (e.g., compatibility or patent issues).
  - How the agency determined that the item or service is only available from one source.
  - Explanation of need for contractor’s expertise linked to the current project (e.g., knowledge of project management, responsiveness, experience of contractor personnel, and/or prior work on earlier scoping, planning, or earlier aspects or phase of the project).
  - Any additional information that would support the case.
- [2 CFR 200.320\(c\)\(3\)](#): If the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, consider including the following:**
  - Description of the public exigency or emergency.
  - Need for the contract and period of performance.
  - Impact on project if deadline/dates are not met.
  - How long it would take an alternate contractor to reach the same required level of competence (equated to dollar amounts, if desired).
  - Any additional information that would support the case.
- [2 CFR 200.320\(c\)\(5\)](#): If competition is determined inadequate after solicitation of several sources, consider including the following:**

- Results of a market survey to determine competition availability; if no survey is conducted, explain why not.
- Any additional information that would support the case.

### ***When is the sole source approval required?***

If the three sole source procurement circumstances above do not apply to your situation and you feel you can still justify sole source procurement than you will need to seek approval from the PSC based on [2 CFR 200.320\(c\)\(4\)](#), which states that the Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity.

An award recipient must initiate a sole source approval from the PSC based on [2 CFR 200.320\(c\)\(4\)](#), by emailing your Grants Specialist to request approval to enter into a noncompetitive contractual relationship “sole source” with a contractor under a Federal award.

The outline below may be helpful in preparing your agency’s sole source request and ensuring that all the necessary information is included. The request should include the following information for each entity you are seeking sole source procurement with. The Wisconsin Broadband Office (WBO) will review to consider approval of a sole source contract.

### Overview and Budget

1. A brief description of the project.
2. The budget amount to be designated for the sole source procurement.
3. The purpose of the contract.
4. Justification for the specific situation (i.e., contractor named in grant application, etc.)

Failure to provide all the necessary information will delay the processing of your request. Your agency will be contacted if any of the identified information is missing or if additional supporting information is required. If WBO determines that the request does not meet the standards set forth above, the request will be denied.

Please be advised that conflicts of interest are prohibited under the procurement standards set forth in [2 CFR 200.318\(c\)](#). In addition, program funds should not be awarded to any party that is debarred or suspended from participation in federal assistance programs.

If you have any questions regarding the federal requirements that guide procurement procedures, please contact your Grant Specialist.

\*As of October 28, 2024 the updates do not apply to this award. The Office of Management and Budget (OMB) released revised Uniform Guidance on 10/1/2024, but these updates do not apply to the Capital Projects Fund grants. When referencing Uniform Guidance 2 CFR 200 (ecfr.gov) make sure to use the most recent version available prior to 10/1/24.