**Section 500.340 Sole Economically Feasible Source Procurement**

a) Application

The provisions of this Section apply to procurement from a sole economically feasible source (referred to as sole source) unless the estimated amount of the procurement is within the limit set in Section 500.330 (Small Purchases) or unless emergency conditions exist as defined in Section 500.350 (Emergency Procurements), in which case small purchase or emergency procedures may be used.

b) Conditions for Use of Sole Source Procurement

Sole source procurement is permissible when a requirement is available from only a single supplier or when only one supplier is deemed economically feasible. A requirement for a particular proprietary item does not justify a sole source procurement if there is more than one potential offeror authorized to provide that item. The following are examples of circumstances that could necessitate sole source procurement:

1) compatibility of equipment, accessories, replacement parts, or service is a paramount consideration;

2) items are needed for trial use or testing of that specific product or service;

3) the item is to be procured for commercial resale;

4) non-competitive public utility services;

5) the item is copyrighted or patented and the item or service is not available except from the holder of the copyright or patent;

6) media for advertising;

7) art, educational (including training for continuing professional education, professional memberships and related expenses) or entertainment services; and

8) changes to existing contracts (see subsection (c)).

c) Changes

1) Changes to an existing contract that are germane and reasonable in scope and cost in relation to the original contract or program, that are necessary or desirable to complete the contract or program, and that can be best accomplished by the contract holder may be procured under this Section when the Procurement Officer determines that the cost of delay or disruption to the contract or program, and the cost of a new solicitation, clearly indicate that the existing vendor is the sole economically feasible source.

2) A change (whether in cost or rate) that does not exceed the applicable small purchase limit as defined in Section 500.330 of this Part, or that is an emergency as defined in Section 500.350 of this Part, may be made in accordance with procedures governing those Sections and need not comply with these sole source procedures.

d) Procurement Officer to Determine

The Procurement Officer shall determine whether a procurement shall be made as a sole source. The determination and its basis shall be in writing.

e) Sole Source Process

1) Publication: Before entering into a sole source contract, a Procurement Officer must publish a written description of intent to enter into a sole source contract along with a description of the item to be procured and the intended sole source contractor. The notice shall include the sole source procurement justification, a description of the item to be procured, and the intended sole source contractor. This notice must be posted in the Auditor General Bulletin at least 14 calendar days before a sole source contract is awarded.

2) Hearing: An interested party may submit a written request for a public hearing. Any hearing shall be conducted in accordance with the procedures set forth in Section 500.1340.

f) Negotiation in Sole Source Procurement

The Procurement Officer shall conduct negotiations, as appropriate, to reach contract terms, including price, and shall maintain a record of each sole source procurement showing:

1) the vendor's name;

2) the amount and type of the contract;

3) what was procured; and

4) the identification number of the contract file.

(Source: Amended at 39 Ill. Reg. 3561, effective March 1, 2015)