



County Technical Assistance Service

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Sole Source Purchases

Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other e-Li material.

Sincerely,

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Sole Source Purchases

Reference Number: CTAS-933

The National Institute of Governmental Purchasing defines a sole source purchase as “a contract for the purchase of goods and services entered into after soliciting and negotiating with only one source, usually because of the technology or uniqueness required.”¹

Sole source purchases are goods and services available from only one supplier. There may be just one vendor because of patents or copyrights or simply because the vendor is the only one which supplies the good or service.² These types of purchases should require written justification and documentation (e.g., is the product available from only one source and not merchandised through wholesalers, jobbers, or retailers or is the product or service unique and easily established as one of a kind?).³

The County Purchasing Law of 1983 contains a provision exempting sole source purchases of goods or services from competitive bidding in counties that are governed by this law. Under T.C.A. § 5-14-204, the person authorizing a sole source purchase is required to make a record specifying the items purchased, the amount paid, and from whom the items were purchased, and this information must be reported to the county mayor and the county legislative body.

The County Financial Management System of 1981 defines "biddable items" in T.C.A. § 5-21-120 as any need of the county where more than one bidder or contractor in the county's trade area can provide the material or service, but any specific requirements for the purchase of sole source items would be found in the local purchasing policies and procedures in counties governed by that law. Counties operating under the County Purchasing Law of 1957 should also look to their local policies and procedures for guidance on sole source purchases.

¹National Institute of Governmental Purchasing, *Public Purchasing and Materials Management*, (Reston, VA : 1983), 28.

²*ibid*, 50.

³George Street, *County Purchasing*, The University of Tennessee, CTAS, 38.

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