

OSP Policy 26-01: Single Source Procurement

Version: 1.2

Effective Date: March 1, 2026

Policy Statement and Rationale

It is the policy of the Department of Administration's Office of State Procurement (OSP) that fair and open competition are a foundation of public procurement. [Minnesota Statutes, section 16C.10, subdivision 1](#) allows that:

The solicitation process described in this chapter is not required when there is clearly and legitimately only a single source for the goods and services and the commissioner [of Administration] determines that the price has been fairly and reasonably established.

This policy establishes requirements regarding the use of the single source procurement process for goods, memberships, and general services, as well as for professional or technical services.

Although single source procurements are entirely appropriate in certain circumstances, they must be avoided when other reasonable options exist. Before agency staff assert that the intended good or service to be procured is only reasonably available from a single source, they must conscientiously attempt to identify multiple vendors or multiple brands. Even when the agency staff believe that there is only a single source, it can be beneficial to undertake a competitive solicitation process. Following that process will automatically ensure that all statutory elements of single-source procurement have been met, including conducting a search, confirming only one contractor meets the need, and verifying a fair price. Competition, whether real or perceived, can help control prices and result in more favorable terms for the state.

If the competitive process is not used to select a contractor, single source determination must be documented and retained in the agency's contract file. Single source exception should not be the result of the following:

- Personal or agency preference for a product, brand, or contractor.
- Agency perception that the contractor is the best qualified. This should be determined through a competitive process.
- Lack of planning by agency personnel resulting in limited time available for the competitive solicitation process.
- Special incentives or deals offered by one contractor.
- Past or existing relationship with the proposed contractor or past performance by the contractor.
- Convenience for the agency.

Refer to the "When to Use the Single Source Procurement Process" section for situations when an agency can use single source authority and the "Documentation" sections for documentation requirements.

When using the single source process, agency staff must complete all other requirements of the contracting process. These include: (1) insurance considerations and consulting with Department of Administration's Risk

Management, and (2) not allowing a contractor to begin work before the contract is fully executed, unless an exception under [Minnesota Statutes, section 16C.05, subdivision 2a](#), has been granted by the Commissioner of Minnesota Management and Budget (MMB), and funds are fully encumbered.

When to Use the Single Source Procurement Process

Examples of situations where the single source exception is likely to be approved with minimal documentation:

- Specific expert witnesses required in writing by the Office of the Attorney General for litigation purposes.
- Mailing lists, subscriptions (but not subscription services), or media advertising.
- Warranties voided if others provide service.

Examples of situations where the single source exception is likely to be approved with thorough documentation:

- Software license renewals and additions and software upgrades when available from only one source.
- Equipment that legitimately requires brand compatibility with existing equipment when available from only one manufacturer or sole authorized distributor.
- Other proprietary situations based on, but not limited to, patents and copyrights.
- Legitimate critical situations involving severe adverse consequences not brought on by lack of advance planning.
- All other situations where a search fails to identify viable alternatives.

Documentation for Goods, Memberships, and General Services

Posting

A seven (7) day public notice on the [OSP website](#) is required for a procurement for goods, memberships, and general services conducted via the single source process, unless a written exception is received from the OSP acquisitions team. A copy of the posted public notice must be saved in the agency's purchasing file.

Forms

Agencies seeking approval to enter into a single source contract, without going through a formal competitive process, must adequately document having met the statutory requirements using the required form. Agency staff must complete the Single Source Justification Form for Goods, Memberships, and General Services documenting the search process, justification for price, and acquiring the appropriate signatures for the exception to be approved. On the form, agency staff must certify that they understand they must meet requirements set in this policy and other OSP policies. The form must align with the initial term of the contract. Agencies must complete a new form if they wish to pursue optional extension periods. The contracting process must be completed before any work begins.

If the agency has a business need for a specific good or service and **multiple vendors** can provide the good or service, complete a No Substitute Justification Form instead of the Single Source Justification Form. An approved No Substitute Form allows the contracting agency to list a specific good or service, but a solicitation process would still be required per [OSP Purchasing Policy 23](#).

Approval Signatures

All forms for single source exception authority must be signed by the Agency Requestor and Authority for Local Purchase (ALP) Certified Buyer.

If the estimated procurement amount is under \$50,000 **and** within the ALP authority of the ALP Certified Buyer, the agency must retain the executed form in the purchasing file specific to the purchase once it is fully completed and signed.

If the estimated procurement amount exceeds \$50,000, then the Single Source Justification Form must also be signed by the agency's Head or their delegate.

If any of the following are true, the ALP Certified Buyer must send the form to the OSP Acquisitions Division for approval:

- The estimated procurement amount is over the ALP authority of the ALP Certified Buyer.
- The estimated procurement amount is over \$50,000.
- The anticipated length of the contract will exceed two years, with or without extension options, even if the total estimated procurement amount is within the ALP authority of the ALP Certified Buyer.

Documentation for Professional or Technical Services Contracts

Agencies seeking approval to enter into a single source contract for professional or technical services without going through a formal competitive process must adequately document having met the statutory requirements using the required forms. Agency staff must complete the Single Source Justification Form for Professional or Technical Services, documenting the search process and price justification, and acquire the appropriate signatures on the Professional or Technical Services Contract Certification Form for the exception to be approved. The Single Source Justification Form must align with the initial term of the contract. Agencies must complete a new form if they wish to pursue optional extension periods.

Applicability

This policy applies to all state procurements over \$5,000 including contracts for goods, services, utilities, building construction, and professional or technical services where the use of the single source exception to the competitive procurement process is being requested. Single source justification is not required for interagency agreements.

Definitions

- **Single Source:** Per [Minnesota Statutes, section 16C.02, subdivision 18](#): "Single source" means an acquisition where, after a search, only one supplier is determined to be reasonably available for the required product, service, or construction item.

Resources and Related Information

Statutes, Policies, Reference

- [Minnesota Statutes, section 16C.02 - Definitions](#)
- [Minnesota Statutes, section 16C.05 – Contract Management; Validity and Review](#)
- [Minnesota Statutes, section 16C.08 - Professional or Technical Services](#)
- [Minnesota Statutes, section 16C.10 – Exceptions Authorized](#)

- [OSP Policy 21-02: Procurement Code of Ethics](#)
- [OSP Goods and Services Solicitations Postings](#)
- [OSP State Contracts Search](#)
- [Single Source Public Posting Page](#)
- [Authority for Local Purchase \(ALP\) Manual](#)
- Single source documentation does not fall under Minnesota Statutes, section 13.591 and is therefore public data.

Forms. Log in to the secure portal for [OSP Resources](#) to access the following forms:

General Acquisitions Forms

- 16A.15-16C.05 Reporting Form
- Insurance Adjustment Form
- Single Source Justification Form for Goods, Memberships, and General Services
- No Substitute Justification Form
- Request for Bid (RFB) Sample Contract & Exhibits Form
- Requisition Initiation Form (RIF – for OSP assistance with a new request/solicitation)
- Service Certification Form
- Request for Emergency Authorization Form

Professional and Technical Services Forms

- 16A.15-16C.05 Reporting Form
- Single Source Justification Form for Professional or Technical Services
- Professional or Technical Services Contract Certification Form

History and Updates

Version	Description	Date
1.0	Initial Publication	July 31, 2003
1.1	Revision	June 11, 2015
1.2	Revision	March 1, 2026

Policy Owner/Contact

OSP Director. If you have questions concerning this policy, please contact the OSP Helpline at 651-296-2600.