

**0:00** Good Morning everyone, I think we've got a most of our registration folks already signed in so we're gonna go ahead and get started this morning.

**0:27** I'm Kimber Craig. I'm the Deputy Chief Procurement Officer and I want to welcome everyone to our monthly webinar on sole source procurements This month. This is something we just started about a month or so ago and it's been going really well so I want to thank everyone for registering and attending.

**0:49** I will do a couple of housekeeping notices we did request questions ahead of time that we received and reviewed and hopefully the answers to those questions have all been incorporated into the presentation. However, if any of them have not, go ahead and feel free to type in questions in the chat and then more answer those at the end of the presentation.

**1:13** Also, we do have our next webinar scheduled for next month. It is scheduled for Friday, October the 27th and we will be talking about FOIA and responding and filling FOIA requests for documents related to procurements and solicitations. So be on the lookout for when that registration opens up.

**1:37** So I will go ahead and get started with sole source procurement so let me share my screen.

**1:43** And everyone should be able to see the presentation. Does anybody not see the presentation? Alright, so i will go ahead and get started. So, we're going to talk about sole source procurements kind of what they are and what they aren't and how do you do them. There were some changes in the code and regulations a few years ago that that kind of turned around how we were doing sole source procurements and added some additional requirements and people have been adjusting to those. So we're gonna review everything that is required and what you do need to do what you don't need to do and what the best practices are.

**2:35** Sole source requirements are governed by code section 11-35-1560 and the associated regulations is 19-445-2105. So those are the two sections of the code we're going to focus on primarily today.

**2:54** The biggest question was "what is the sole source?" and "what isn't a sole source?" and "how do I determine if something is a sole source?" and in procurement world "it depends" is the answer that we give a lot so we'll talk about how you make that determination and the way you decide what a source is.

**3:24** So basically there is a legitimate need that an agency has that only a specific supplier or service can be and then that product or service is only available for one vendor.

**3:40** It's like the palm tree that's in the middle of the desert, it's the only one that is available that you can use.

**3:49** What it is not, is if you have a specific supplier service and maybe there is only one product or service that meets the need of your agency, but it could be available for multiple sources.

**4:02** So, if you could get it from a lot of different places, it would not be a sole source. It still may be a specific brand name or a specific product, but you can buy it from multiple dealers. That's not gonna be a sole source.

**4:19** Or if it's a need that can be met by a bunch of different suppliers or a bunch of different services that you can get from a lot of different places, that's not a sole source and so that explanation sounds

like that's really easy, but in actuality and in practice it's not always so easy to determine what is a sole source and what is not a sole source.

**4:43** and one of the biggest issues that we see is that people want to confuse best source with sole source. So we've had some conversations with agencies "well, we've done market research and we've looked at a lot of different products and this is the best product that's out there and it meets the most of our needs and so that's a sole source."

**5:06** well, it's not a sole source if some of the other things you looked at would be acceptable to fulfilling the need. So it has to be a specific need that is not met.

**5:18** So, how do you get a specific need that only one product does? So, in the regulation, which is again 19-445-2105 there are some examples of when you would have a sole source. So, the first one that's listed is: "where compatibility of equipment, accessories and replacement parts is the paramount consideration." And this is all language that is straight from regulation.

**5:52** So, if you have a case where say you're doing a security system and you've got a security system in your building and you've got card readers. And you have now expanded to a different floor in the same building and you want to use the same card readers, the same card reader system so that people don't have to have multiple badges.

**6:19** So I haven't need of new card readers and there's only, you know I can't mix manufacturers if my security card, card reader company is, you know, Sam's ID card, i can't go to Joe's ID card Because the systems aren't compatible.

**6:39** So, I have to have add card readers that match my existing system and the only place I can get those is from Sam's hardware store. That's gonna be a sole source.

**6:48** You can also use this where a sole suppliers items are needed for trial use or testing. So let's say that public safety is looking to do some testing on bulletproof vests. And want to make sure that they are truly meet standards and are safe to use and will function as designed, and the vendors are saying, "well, if you wanna get a bullet proof vest to test, you're gonna have to buy one."

**7:23** We're not gonna give it to you for free. Ideally they'd just give it to you for free, but sometimes they don't. So, in that case and i only can buy it from one place, I'm gonna have to do a sole source to buy that item so that I can use it for trial use.

**7:38** and then of course the obvious answer is where the item is one-of-a-kind. And that's the hardest one to define because every vendor thinks their product is unique, that they think everyone else is not.

**8:00** So, you gotta be able to make that decision and that determination that that item truly is one of the kind, that there is no other item that is an acceptable substitute or can also be used.

**8:12** So, the big question is "how do I determine if it's a sole source?" And this comes back to our favorite answer for everything is acquisition planning and market research.

**8:27** So, you've got to be able to learn what supplies and services are available in the marketplace, what they do, is it truly something that would meet your need or not meet your needs and is it acceptable.

**8:45** Well, its easy to say market research, but what does that mean? Where do i go? What do i do?

**8:51** So, there's a lot of different things that you can do in order to gather this data and do the research. The first thing is end user and your personal knowledge.

**9:01** So, your end users, they should be experts or have knowledge about the things that they need to perform their duties or their job. So, they should know, "I'm buying an ID card reader, this is the ID card reader that we already have, it's this brand, we've gone to the manufacturer, the manufacturer says the only place you can get it is here, and cannot find it anywhere else." They're gonna be able to provide you some knowledge.

**9:33** You may know knowledge because you've been buying some of these supplies and services. You may have some knowledge that you've come across with.

**9:40** Of course there's exchanges with industry, and this is in the pre-solicitation procedures regulation that came out as a few years ago. There's a lot of information in those on what you can do, and how do you talk to agencies, or how do you talk to industry: what's allowed what's not.

**10:00** You can reach out, you can talk to vendors individually. You can have a pre-solicitation meeting, of course in this case it's a sole source, so there's not a solicitation, but you could have a town hall town type meeting with different vendors if you want to.

**10:20** You can send out a formal request for information, a written request to people. A lot of different things you can do in exchanges with industry, and I would strongly suggest that you would read that regulation and that'll provide you some guidance about what else you can do.

**10:39** You can look at contracts for similar products and services that other agencies have done, or other states or other groups that are similar to yours. Have they done solicitations? Have they done sole sources? If they've done a sole source, what does their justification say?

**10:57** You know that may give you some ideas of where to look to be able to bolster your written determination.

**11:05** You can look at any industry publications that they have. There may be some information that you see in technical journals, or scientific journals, or other types of industry publications.

**11:18** But reach out to different people. I mean it's really almost like doing the same type of research you would do if you are preparing a solicitation. You need to do the same basic type of research for a sole source.

**11:31** You can always Google it. That's everybody's favorite answer. Just see what's out there on the web. There's so much information. You can reach out through NIGP or NASPO to people from other states. There's a lot of different places that you can look to try to get some of this information.

**11:53** A lot of people, you know, depending on the circumstances, if I know I need this product, I'm going to have to have why I need this specific product and then once I determine what that specific product is then I need to take the next step to make sure that there's only one place I can buy that product. So it's a little bit of a two step situation in that respect.

**12:17** So once I've done my research and I realized...I have come to the conclusion that yes there is only one product or service that that meets my needs, there is only one source of supply for that item, the next step is I have to do is do my written determination.

**12:40** There are requirements of what you need to have in your written determination. The written determination should describe the supply or service that's being procured. It should state the actual need that is being met. Those two are not exactly the same thing. We'll be talking about those in a little bit. It will identify the source.

**13:02** It will also explain why no other supply or service will meet the need. And this is what we often call the basis for the sole source, so if you hear people talk about "what's your basis" it's the why. And the why is probably the most important question that needs to be answered when you're doing the sole source.

**13:21** Again any market research that you have done needs to be...needs to accompany the documentation. The auditors will be looking for this backup. The written determination is signed by the Agency Head or the designee above the level of the procurement officer.

**13:37** So sole sources at the agency level do not need to be approved by this office ahead of time. They don't need to be approved by the Chief Procurement Officer. The Chief Procurement Officer only approves the sole sources that we do through this office, typically for state term contracts, if we have any that are sole sources.

**13:57** The designee for the Agency Head they should be submitted to this office for review. So if your Agency Head is designating the Chief of Staff or Director of Finance and Administration or some other person in the agency, they need to submit that in writing to our office so that we have it on file who that designee is.

**14:24** And that designee has to be above the level of the person who is completing the sole source and doing the documentation and the determination. And this determination needs to be prepared and dated before the contracting occurs. So you need to have your determination approved, signed, dated before the contract starts. We'll talk a little bit more about that in just a minute. Talk about what the timing is.

**15:00** So that's a lot of information, things that you kind of have to put together. So in our form we tried to break it down and give you sections for each of these things that's required in our determination or justification. So we'll go through each of these step by step.

**15:19** First off, agency. That one's pretty easy. Everybody ought to be able to put their agency in. Sole source vendor. Again, you need to enter the name of the person that you're intending to award the sole source to.

**15:32** And then we've got some general information that gives you the code references and the regulation references. And so then, the next one is the description of the agency need that the procurement meets. So this is where you need to put in what is it that your agency is trying...now what you're trying to buy, but kind of the description of why you need to buy this.

**16:00** So in the example of the ID cards, this would be the agency needs to purchase ... the agency has added a floor of office space. There are 10 doors that need ID badges, and we need these card readers and ID badges to be able to work with the existing ID, you know, card system that's on the existing floors so that agency employees do not need two have to security badges.

**16:38** So that is your need. And it's not...I didn't say what the product was, I just said this is what I need and why I'm buying something.

**16:50** So then the next one is the market research. So this is a hey, you know, market research. Our current system is X. We have reached out to the vendors to see if anybody is compatible with X. We spoke with vendor A, B, C and D, or we used Internet research, or we spoke with the facilities manager. You know, all those different things that you've done to make sure that there is, you know, that there's nothing that's compatible with that system and that this product is the only product that will work.

**17:40** But that is just a description of what you've done. And then you will actually describe the supplies, construction, information technology, and services the vendor will provide. So this is kind of similar with the first one where we described the need, but this is where we'll say, "I am buying product XYZ in certain quantities." So first description is what I need, or the need of the agency, and the second one is that actual product that's going to fill the need.

**18:11** And then the last one is the detailed explanation of why no other vendor supplies, construction, information technology, or services. And again, this is gonna kind of dovetail with the second one, where there's the market research that I did and I entered into that second description. Now this one is gonna say "the manufacturer does not allow any other third party ID badges to the interface. It only looks at their ID readers, and we've done the market research that says this." And then that's going to give you your explanation as to why.

**18:52** So I've done some previous presentations for SCAGPO and other entities on written determinations, and the key with those is all why. So this is where I've always said when you're doing a justification or determination, think of yourself like you're talking to a three-year old. And so, when you give them the answer, the first question they're going to say is why. And then you give them the answer to that and then they ask why again. And so they'll ask why it seems like a million times but, that's what you need to do when you're writing your justification. Every time you write it, if there's more why, keep answering those whys.

**19:40** So, that's the hardest part. Once you've got it justified, then the next step that you're required to do is advertise. So in the Code...what the Code says is you are advertising an intent to award without competition. It doesn't say you're intending to award a sole source. You're intending to award without competition. There's a little bit of a distinction between that. We'll talk about that in a little bit as well.

**20:13** But what the requirements are is if the sole source is less than or equal to \$50,000, advertising is not required. So if you're under that 50,000 threshold and you've done your written determination, you can go ahead and enter into the contract with the vendor.

**20:30** If it is greater than \$50,000 but less than or equal to \$250,000, you need to advertise in SCBO for five business days. So we have a form within SCBO. You fill out the form, and you can advertise that for five business days. If after five business days we've not received any protests of the intent to award without competition, then you may go ahead and proceed with the contract.

**20:59** if it's over the \$250,000 that time period increases to 10 business days. So what you want to do is just look at what the total potential value of the contract is, put that in SCBO, wait the required amount

of business days, and then at the end of that period, provided there has been no protest, then you may proceed with your contract.

**21:29** Now I said that an intent to award that competition is not the same thing as an intent to sole source. So prior to the change to the Procurement Code that required advertising of sole sources, some agencies would do an intent to sole source public notice letting, uh, putting out that they were looking at doing a sole source contract. This was part of their market research.

**22:00** So the advertising requirements in the Code are not a replacement for market research. You've got to do that research and make that determination before you can advertise your intent to award. So there's nothing that says you can't still do an intent to sole source if you're market research and you feel that you need to advertise to say, "hey this is what we think we're going to do, let me know if you don't...if you can fill this need and you don't think this is a sole source." That intent to sole source is different from an intent to award.

**22:40** So if you're advertising as part of your market research, once you complete that you still will need to do an intent to award without competition. So one doesn't substitute for the other. So make sure that if you think that you've done no market research and your intent to award without competition is sufficient, that's not the case because you've got document within that determination what market research you've done.

**23:17** So in the advertisement itself there's two things that are required: you either need to include the determination, or how to obtain the... let me say that again... or how to obtain the determination and immediately upon request. So you can either put in the documentation language in the actual advertisement. You can put in a link to the determination that somebody can click on and find it if you want to post it on your website. That's the best way to do the advertising requirement, or to make it available immediately because the keyword in that is immediately.

**24:00** And that also includes a statement of the right to protest. So in the SCBO advertisements we automatically for sole sources put that statement in the ads if there is a... we do ask that agencies put in who the protest should be made to because that may be different. But it does include the protest rights.

**24:27** The final piece of sole sources are the reporting requirements. That this is actually in the section that's not in the sole source Code section, it's in the reporting requirements section which is §11-35-2440.

**24:44** And what that says is that "the governmental body shall submit quarterly a record of all contracts made pursuant to section 11-35-1560." And that is governmental bodies as defined in section 11-35-310. So not every entity within the state that does sole sources, like local subdivisions, have report to our office. But if you are considered a governmental body under that definition you do need to report it to our office.

**25:17** That report, for each record, has to contain the contractors name - so who you awarded the sole source to, the amount and the type of each contract, and then the listing of supplies services information technology or the construction that has been procured.

**25:34** We do have a quarterly reporting system online that goes directly to our audit certification system, so that is where do the quarterly reports for sole sources. It is also where you do the quarterly reports for emergency procurements, as well as the in our governmental agreements.

**25:59** So that's a lot to do. What happens if you don't comply?

**26:05** So in section 11-35-1560, "any violation of these regulations by a purchasing agency, upon recommendations of the Division of Procurement Services with approval of the majority of the board" - and that is the State Fiscal Accountability Authority - "must result in the temporary suspension, not to exceed one year of the violating government governmental body's ability to procure supplies, services, information technology, or construction items pursuant to this section."

**26:35** So basically you can have your authority to do all sole sources revoked for a year. And sole sources are...they're not the easiest to do, but they are important and a lot of people need to be able to do that...have the authority to do sole sources. But if there's any issues, it is possible that your authority to do sole sources could be revoked by The Authority. So you wanna make sure that you get this done and done correctly.

**27:09** So what are the most common issues that we see? Of course the biggest one is an insufficient basis for the sole source. We have seen cases where in the justification the basis is "this is a sole source in accordance with section 11-35-1560." Well, that's not a basis. You can't just cite the Code and say that's the basis for your sole source. You have to do the research and be able to explain why that product or that service is only available from a single supplier.

**27:51** It would be nice if we could just say "it's sole source because I said so." But that doesn't work with the three-year-old, and it's not gonna work with The Authority and the Audit and Certification Department. So you want to make sure that you've got your basis and you aren't just citing a Code reference.

**28:08** Sometimes we'll also see where it says, "well the manufacturer sent me this letter that says this is a sole source." Well in some cases, yes it is because there is, you know, "I'm the only person who can sell this product." But that's why I have to have that information there. Why is their product the only one that can meet it?

**28:37** So when we talked about it being two steps, one is I have to say why I have to have that specific product - that's my need, and then also the need why the only place I can get that product from is this vendor. So a letter from the vendor fills the 2nd portion of that, but not why is it that vendor's product's the only one that is acceptable.

**29:01** And that's where a lot of times we'll see that best source versus sole source. The answer is, "well I picked this product, because when I looked at all the other ones this was the best one for my, you know, the best fit for me. And the only place I can get it is this vendor, so it's a sole source." Well, no. It's the best source, and yes I can only get it from one place, but that product is not the only one that will fill the need.

**29:32** The second one that we see is incorrect approvals. So this is either a case the designee has not been submitted to our office, so it's not signed by the Agency Head, but we don't have anything in our office that says the Agency Head has designated it to someone else.

**29:50** So if you are an agency that is going to designate that authority, the Agency Head's gonna designate the authority, make sure we have that in writing before the designees start signing the sole sources.

**30:03** We have also seen where the designee has been designated someone else and that is not allowed. So it has to be the Agency Head or their designee. So if they designate to the Chief of Staff, the Chief of Staff then can't say, "well I don't have time to do it. I want the Head of Finance to do it, or the Head of Administration to do it." That's not allowed. It has to be a designee of the actual Agency Head.

**30:32** The third one is the sole source is approved or dated after the advertisement. And I think this is the result where we talked about the intent to sole source versus the intent to award a sole source, where people are using the advertisement that's required in the code as part of their market research. So I'm advertising it on October the 9th and then my fifth business day is the 16<sup>th</sup>. And then I'm completing my form and signing it the 17th after the advertising period expires.

**31:10** That's not acceptable because in the advertisement for the intent to award without competition, I have to provide a copy of the determination. Well, I can't advertise something on October 9th when my determination isn't written and signed until the 17<sup>th</sup>. So I need to have that research and the determination completed and signed and the contracts ready to go before I actually put that advertisement into SCBO.

**31:43** And then the third one that we're starting to see is the written determination is not immediately available. So a lot of times, the sole source advertisement will say "contact this person at this e-mail address for the determination." Well, the issue with that is the word "immediately."

**32:09** So if I have to e-mail someone, and then I need to wait for them to get the e-mail and then respond to me with the determination, that's not immediately available. And the point of the advertising requirement is really a sunshine provision. It's for transparency. We want people to be able to see what we're doing and why we're doing it, so we want that determination to be as readily available as possible.

**32:37** So we recommend that you either put the language of the determination, of that basis, you can include that directly in the advertisement. Or you can, if you've got a place on your website where you can post it, actually post that determination and put a link to that to that site.

**32:58** We've had agencies who are SCEIS agencies who will actually create a solicitation with the attachment as the determination itself and then post that and put a link to that because they don't have a place to post the sole source on their website. So they post it through SCEIS and then in their ad for the sole source it gives them the link to the SCEIS document that they can see.

**33:27** That's the recommendation that we have is to not use "contact Kimber Craig at [kcraig.mmo.sc.gov](mailto:kcraig.mmo.sc.gov) for the written determination," but it says "go to [procurement.sc.gov](http://procurement.sc.gov)" or whatever that link is for that written determination.

**33:47** But those are pretty much the biggest issues that we have seen. And so now I'm going to open the floor for questions. Does anybody has any other questions that maybe you asked and I didn't answer or something I said has prompted more questions.



**34:05** We do have a copy. Some of you have asked for a copy of the presentation. Kristi does post the webinar reporting, as well as the presentation and a transcript of the webinar to our website after this is complete, so you'll be able to get a copy of the presentation. Are there any other questions? Please feel free to put those in the chat.

**34:45** We got a question now. "If a sole source contract, a five-year sole source contract, is created and entered into are the corresponding POs supposed to be sole source POs?" Yes, the corresponding POs would be issued as a sole source purchase order. I believe this is from somebody that is from a SCEIS agency, and we do have those PO types. So, yes, those would be sole source POs that will assist you in the quarterly reporting.

**35:13** The website for submitting the quarterly report, that is on our website [procurement.sc.gov](http://procurement.sc.gov) and if you go to that website and go to the audit certification section, there is a section within audit on quarterly reporting and that will tell you what you need to do and if you need a user ID and password to submit those reports we could help you with that.

**35:40** With the intent to sole source as part of market research and the intent to contract be placed in the same section as SCBO or will the intent to contract be posted in the notice section? So the intent to contract is in the sole source section. You can do the intent to sole source under sole sources since you are doing it as part of market research. I would probably recommend doing that in the correct section, if it's a supply or if it's a service, or if it's IT because that's where people are really going to be looking for a lot of that information. So, I would probably put it in the corresponding category if it is as part of your market research.

**36:31** We got another question about multiyear sole sources. Yes, it is possible to do a sole source for multiple years, so if for example, let's say I have a system of a college and I've got a system that manages some of my student records and I need somebody to integrated into that system, pull out some data and send some marketing materials or something. I need to be able to connect into that system and this is student records, so it's private information and maybe somebody says, the only people we let interface our system is this trusted partner. So I want to contract with that trusted partner and I need to do this over the next 4 years. I can do a multiyear sole source, I just have to make sure that I justify what I need it for, that it's the only person, like I would a normal sole source and the limits on contract length as far as 5 years, 7 years, more than that if those still apply. So it's 5 years up to the procurement office's authority, if it's a multiple year contract or multiterm, I'll need a multiyear justification to go along with it. If I'm trying to do a sole source over 5 years, I'll need CPO approval up to 7 and over 7, I would need SFAA authority.

**38:08** Can I ask a follow-up question to that? Yes ma'am. So I was under the impression that a sole source could only be one year, so the multiterm is new to me. Do we have to advertise that sole source every year? Or is it a one and done process? No, your determination is your description, in the description of what you're buying, you need to indicate that it's so many years and then that would be included in the determination. So you've already advertised that you were doing it for that length of time. Ok, thank you. So, we had one in our office for the insurance reserve fund for our agency, it's not a procurement office, it's a SFAA sole source for the South Carolina Hospital Association that deals with insurance. For some insurance things that we have to do. They only do 2 year contracts or 3 year contracts, we have to have a multi term justification along with our sole source.

**39:33** OK so someone said, until we were able to advertise for five years, we would readvertise every year. Are we permitted to use the advertisement in SCBO under our recert for the newest year? Yeah, if you have done a previous sole source and you need to redo that sole source because sometimes that happens, you can use the previous market research you've done as the starting point. I wouldn't use that as the only basis because sometimes markets change. So you wanna say, "the last time I talked to these people and it was a sole source. Maybe I'll reach out to those people again, maybe I'll check some of those sources just to verify nothing has changed." You can definitely use what you have done previously as a starting point and not have to recreate everything from scratch.

**41:07** We have another question that came in. If I want my research to be an intent to sole source, I would advertise like and RFI and then use as my research? Yes, that's correct. You would advertise the RFI, use that as your research and still advertise your intent to award a contract without competition.

**41:36** What happens if there's a protest? Typically if there's a protest, we've seen 2 things: 1. The CPO will let the agency know that there has been a protest and typically the protest comes in the form of, "I have the product and I can do the same things and mine is acceptable." We've had cases where the agency has looked at and say, "oh yes, this does work, it's not a sole source. I'm gonna withdraw the sole source and do a solicitation. In which case, the person who protested withdraws their protest and is not a decision. Or it's a case where the agency may say, "no, we still think it's a sole source the CPO will review the information." They may request additional information from the agency, they'll look at the market research that was done, they'll look at the information submitted by the protesting vendor and the CPO will then write a decision as to whether, yes, this is a sole source and the agency may continue with their award or no, this is not a sole source and the agency needs to cancel that intent to award a sole source contract and complete a procurement.

**43:08** Either the agency can cancel the intent to award, issue a solicitation or the CPO will make the ruling on whether it's a sole source or not.

**43:24** Kimber, I'd like to ask a question. It's just too much to type. You stated that the date on the sole source justification had to be the date prior to the sole source and you know on our documents, we put out basically we have a document that we use just like an RFI that advertise our sole source, and we have all that document that that sole source will become effective on the date that we have on that document to open in other words the 10 day period. You know, like and I'm just gonna use calendar days for the sake of not having to count off, but you know like we publish it out there on September 30th or 29<sup>th</sup>, whatever it is, then we open that on October 10th so then we say that our sole source becomes in effect on that day so we would not date our justification on the date that the sole source becomes effective because we previously advertised it.

**44:45** When I say it's dated before the advertisement, I'm talking about it has been approved, signed and dated by the agency head or their designee. That signature and that date needs to be done before the advertisement. Now, the contract does not start until after the advertising period has finished. So if you think about it like you're awarding a solicitation, I issue an intent to award that has the signature of the procurement officer so that's the person who's gonna approve that award, I had the signature of the procurement officer on that award document before I post it. I then don't go back and sign a different document after my intentional award of a solicitation period has finished. There's not something separate that gets signed so in the same case my determination has to be assigned and approved by my agency head or designee before I put it into SCBO and then once I put it in SCBO and I get to the end of

the protest period and there's no protest everything's filed and good the contract can now start that next day, but I don't sign the document after that.

**46:04** We start the advertisement October 1, the document needs to be signed either September 30<sup>th</sup> or the 29<sup>th</sup> before the advertisement starts and that becomes our official sole source file document we use when releasing purchase orders or whatever that's attached. It's date prior to the sole source. Even though we state that the sole source becomes effective, and we state that for the purposes of especially over the \$250,000 the reason we put that award, it becomes an official sole source so that we're showing that we've advertised it for 10 days.

**47:08** Yes. Signed the 30<sup>th</sup>, it's advertised on the 1<sup>st</sup> the contract can start on the 10<sup>th</sup>.

**47:15** The last question I have, if you do an advertisement and let's say you do an advertisement for you know a half \$1,000,000 and then it turns out at some point, let's say, we do a 5 year, at some point during that five years we've determined we're going to go over that half million. What steps do we need to take to be in compliance, if any?

**47:46** That is a good question. I think you can do a change order as long as it's not a material change. So if it was a material change that you would basically start from scratch. Just a budgetary change. Well, depending on the amount of the budgetary change that could be material. If you're doing a price increase or something like that. Lets say, halfway through the contract suddenly the price goes up and ends up incurring another \$50,000 a year or as you know, we deal with multiple institutions and facilities and our use could increase. You know, we may have intentionally budgeted this out and go into 2 institutions and boom, wow this is great we're going to put it in 5 more institutions.

**48:51** My thought is that you would want to advertise the change order because if it's a multiyear and it may no longer be a sole source, but I will double check and get a 2<sup>nd</sup> opinion from our audit and CPO folks. If that's different then we will let you know.

**49:20** And that number should always be if we're advertising the total amount that we expect to spend in the five year period. Yes ma'am that's correct.

**49:47** Stay tuned for our next webinar on FOIA and if anybody has any suggestions for other topics that you'd like to hear from going forward that we can cover in an hour or less, please let Kristi Sligh know, thank you.