SOLE SOURCE CONTRACTS

Sole source contracts are non-competitive contracts awarded to SBA approved 8(a) contractors. The SBA has established competitive thresholds of $5M for manufacturing and $4M for non-manufacturing for sole source contracts. However, NHO-owned 8(a) are exempted from the threshold for sole source contracts with the Department of Defense.

SOLE SOURCE APPROVAL THRESHOLDS

Section 6.302-5(a)(4) of the Federal Acquisition Regulation (FAR) provides the authority to enter into sole awards under the 8(a) program. In 2011, revisions were made to the FAR to implement Section 811 of the National Defense Authority Act (NDAA) which established the requirement that the head of an agency may not award a sole-source 8(a) contract for an amount exceeding $20 million (subsequently updated to $22 million) without written Justification and Approval (J&A). Recently, however, the NDAA increased the Fiscal Year 2020 threshold for Department of Defense sole-source contracts that require justification and approval from $22 million to $100 million as they specifically pertain to the 8(a) direct awards.

BENEFITS

Contracting Officers that utilize the sole source contracting mechanism realize many benefits, including:

- The short time it takes to award a sole source contract;
- The reduced cost and effort required to award a sole source contract versus a competitively awarded contract;
- The ability to choose the contractor based on best value, which accounts for past performance, proposed methods of execution, and price; and
- The ability to negotiate the scope, rates, and price for the contract.

STEPS FOR A SOLE SOURCE AWARD

**Step 1** – Identification of a Need – Federal Government has need for services or supplies.

**Step 2** – Contracting Officer identifies a GSI company as a company that can receive the sole source contract. This may include meetings to assess capabilities and preliminary pricing.

**Step 3** – Contracting Officer contacts the SBA Business Development Specialist who is assigned to the GSI company to notify SBA and the company that a sole source contract will be negotiated.

**Step 4** – Contracting Officer issues a Request for Proposal (RFP).

**Step 5** – Contracting Officer and GSI company negotiate the price for the scope of work contained in the RFP.

**Step 6** – Contracting Officer and GSI company sign the sole source contract.

CONTACTS

For more information about the GSI Family of Companies, please contact:
Mike Coyle, VP - Business Development
2336 Canyon Boulevard, Boulder Colorado 80302
Phone: (808) 349-3178 Fax: (808) 356-0900 Email: mcoyle@gsisg.com

SBA Servicing District Offices:

**GSI Technologies Inc.**
SBA Denver District Office
Pending assignment

**GSI North America Inc.**
SBA New Jersey District Office
Janett M Peralta
U.S Small Business Administration
Business Opportunity Specialist
Two Gateway Ctr. floor 10th Ste. 1002
Newark, NJ 07102
Phone: 973-645-4651
Mobile: 202-815-2814
Janett.Peralta@sba.gov

**GSI Federal Group Inc.**
SBA New Jersey District Office
Janett M Peralta
U.S Small Business Administration
Business Opportunity Specialist
Two Gateway Ctr. floor 10th Ste. 1002
Newark, NJ 07102
Phone: 973-645-4651
Mobile: 202-815-2814
Janett.Peralta@sba.gov