

## SOLE SOURCE PROCUREMENT CHECKLIST

Department: Treasury Department

Contractor: The Vanguard Group

Agency Purchase Requisition No. \_\_\_\_\_

A) Reason(s) for Sole Source Procurement:

- Only a single contractor is capable of providing the service.
- Only known source; similar services/commodities are not available from another contractor.
  - Service must be compatible with existing equipment.
- A federal or state statute or federal regulation exempts the service from the competitive procedure and there is appropriate justification to do so.
- It is clearly not feasible to award the contract for services on a competitive basis.
- The services are to be provided by attorneys or litigation consultants selected by the Department.
- The services are to be provided by expert witnesses.
- The services involve the repair, modification or calibration of equipment, and they are to be performed by the manufacturer of the equipment or by the manufacturer's authorized dealer, provided the contracting officer determines that bidding is not appropriate under the circumstances.
- The contract is for financial or investment experts to be used and selected by the Department.
- The contract for services is in the best interest of the Commonwealth.

B) Briefly describe the supply or service item you are requesting and it's function

*The Treasury Department administers the Pennsylvania 529 Plan College Savings Program ("529 Plan") in accordance with 24 P.S. § 6901.301 et seq. When signing up for 529 Plan, there are two options they can be chosen: 1) the Guaranteed Savings Plan and 2) the Investment Plan ("IP"). The investment plan allows individuals to choose from fifteen investment portfolios and these investment portfolios are credited, managed, and overseen by an investment expert. Treasury approves the portfolio options.*

*The Vanguard Group has provided and will continue to provide investment management services for the IP. Treasury has chosen Vanguard pursuant to 62 Pa.C.S. § 515(a)(9).*

C) Describe the unique features/compatibility of the supply, service or construction item that precludes competitive procurement.

n/a

D) What research has been done to verify the contractor as the only known source?

n/a

E) Does the contractor have any distributors, dealers, resellers, etc., that sell the supply, service, or construction item?

n/a

F) Must this supply, service or construction item be compatible with present inventory/equipment or in compliance with a manufacturer's warranty or existing service agreement? If yes, please explain.

n/a

G) If this is an initial procurement, what are the future consequences of the procurement? That is, once this procurement is approved and processed, what additional upgrades/additions/supplies/services/construction, etc., are anticipated/projected over the useful life of this item?

n/a

H) If this is an upgrade/addition/alteration, etc., to an existing service? How was the original service procured (sole source or competitive)? What additional, related, sole source procurements have occurred since the initial procurement? Please identify the previous purchase order or contract number(s).

n/a

I) How has this service been procured in the past? (Competitive sealed bidding, competitive sealed proposals, sole source, other). Please provide document numbers.

*In 2006, the Department issued an RFP for the entire 529 Program as the then-current vendor, Delaware Investments, was exiting the 529 business and an RFP was issued for the entire program. Ascensus College Recordkeeping Services, Inc. (then Upromise) and Vanguard partnered in submitting an RFP proposal and won the RFP. They successfully provided the services since the original contracts were executed.*

J) What are the consequences of not procuring this specific supply or service item.

*Treasury is statutorily obligated to administer a 529 Investment Plan but, does not have the efficiencies or competencies necessary in the sector to directly provide the services.*

K) How long has the agency known that the supply or service was needed, and why wasn't the contract process started earlier?

n/a

L) If timing is a factor, who established the time frame and why?

n/a

M) What are the consequences of not procuring this specific service within the established time frame?

n/a

N) List any other information relevant to the acquisition of this service.

John Stevens-Bureau of Savings Programs

Name of person completing the justification (Requesting Bureau/Office)

Director  
Title

Date: 9/26/17

Phone No. 717-772-5000

Signature of Approving Authority:

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Comptroller/Designee

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Agency Head or Designee

All sole source procurements are to be submitted to the Bureau of Support Services, and approved by the Comptroller and Chief Administrative Officer.

If an item is not applicable, indicate that it is not applicable.