



## M E M O R A N D U M

**Date:** August 30, 2002

**To:** Delegation Contact and All Purchasing Staff  
at Departments with Base Goods Delegated Purchasing Authority

**From:** Delegation Resources Program, Acquisitions Section  
Procurement Division, Department of General Services  
707 Third Street, Second Floor South, West Sacramento, CA 95605

**Subject:** Management Memo 02-19 Impact on Base Goods Delegated Purchasing Authority

Executive Order D-55-02 (EO) issued on May 20, 2002, contained procurement-related directives (EO Items 4, 5, and 6) that were effective during a specified review period, which has expired. Therefore, Management Memo 02-12, which was issued as a result of the EO, has been superseded by MM 02-19 (MM), issued August 20, 2002. The MM addresses non-competitively bid (NCB, formerly sole source) contracts and places specified limitations on the use of multiple award-type contracts.

This memo reminds departments of their specific delegated purchasing authority and/or relates the impact on your department's delegated purchasing authority of specific conditions contained in the MM. For the base goods delegated purchasing authority, the following are the impacts of the MM on any unapproved or unawarded contract, effective August 20, 2002. These policies must be implemented immediately.

All NCB transactions must be approved by the department's agency secretary or immediate next ranking official, as defined by the MM. This approval authority may not be delegated.

All NCB transactions must be fully justified, as required by the MM, utilizing the attached "Non-Competitive Bid Contract Justification". This document is also available in Word format on DGS-PD's webpage at [www.pd.dgs.ca.gov](http://www.pd.dgs.ca.gov). This justification document replaces Attachment 11 to the Delegation Guidelines for Goods, issued May 14, 2001, and the justification document issued with my memo dated June 7, 2002.

NCB transactions \$5,000.01 to \$25,000.00 need not be approved by the Department of General Services, Procurement Division (DGS-PD); however, the completed NCB Contract Justification, approved by the agency secretary, must be retained in the transaction file and reported quarterly to DGS-PD's Delegation Resources Program. NCB transactions that exceed \$25,000.00 must be transmitted to DGS-PD for approval and execution of the transaction. An addendum to the MM that addresses this requirement will be issued soon.

Watch for revisions to this memo and to the Delegation Guidelines issued on May 14, 2001 for status changes regarding these and other issues.

If your department has multiple delegations, refer to the specific memo issued by the Delegation Resources Program for that specific type of delegation. If your department has questions regarding its delegated purchasing authority, please call Delegation Resources Program staff for assistance.

  
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Attachment