

## NON-COMPETITIVELY BID (NCB) CONTRACT JUSTIFICATION

For use on information technology (IT) goods and services and non-IT goods and services acquisitions pursuant to State Contracting Manual, Volumes 1, 2, or 3. Attach to Std. 65, Std. 66 or Std. 821, as applicable. This justification document consists of three (3) pages plus instructions for use. All information must be provided and all questions must be answered. The "Required Approvals" section must include a date for each **original** signature, as appropriate for the transaction.

| Requesting Department Information   |  |   |   |  |
|---|--|---|---|--|
| <b>Agency:</b>  |  | <b>Department:</b> (*Includes Boards, Commissions, and Associations)  |   |  |
| <b>Institution (if applicable):</b>   |  |   |   |  |
| Department Contact Information  |  |   |   |  |
| <b>Contact/Buyer's Name:</b>  |  | <b>Street Address:</b>  |   |  |
| <b>Telephone:</b>   |  | <b>Mailing Address:</b>   |   |  |
| <b>FAX:</b>   |  |   |   |  |
| <b>E-Mail:</b>  |  |   |   |  |
| <b>Technical Contact Name:</b>  |  | <b>Telephone:</b>   | <b>E-mail:</b>  |  |
| Required Contract Information   |  |   |   |  |
| <b>Contractor Name:</b>   |  |   |   |  |
| <b>Contractor Address:</b>  |  |   |   |  |
| <b>Original Contract Amount Excluding**</b><br><i>(Includes original contract and previously approved amendments):</i>  | <b>Total Original Contract Amount</b><br><i>(Includes original contract and previously approved amendments):</i>   | <b>Amendment Amount</b> <i>(if applicable and for current amendment only):</i>  | <b>Amended Contract Amount</b> <i>(Includes original contract and all amendments, including current amendment):</i>   | <b>Has work commenced?</b><br><input type="checkbox"/> Yes <input type="checkbox"/> No<br><b>Have goods been acquired?</b><br><input type="checkbox"/> Yes <input type="checkbox"/> No<br>Attach explanations for any "Yes" answers. |
| \$  | \$   | \$  | \$  |  |
| Provide a brief description of the acquisition, including all goods and/or services the contractor will provide:  |  |   |   |  |
| (Use additional pages as necessary, but signatures must stay fixed to the first page)   |  |   |   |  |
| Contract Type and Term  |  |   |   |  |
| <b>Contract Type:</b><br>Select One: <input type="checkbox"/> Non-IT Goods<br><input type="checkbox"/> Non-IT Service<br><input type="checkbox"/> IT Goods<br><input type="checkbox"/> IT Service<br><input type="checkbox"/> IT Goods & Services | <b>Contract Term:</b><br>Begin: _____<br>End: _____<br>Explain late contract submittal (services only):  | <b>Type of Award:</b><br>CMAS: <input type="checkbox"/><br>Master: <input type="checkbox"/><br>Competitive: <input type="checkbox"/><br>Form 42: <input type="checkbox"/>                                       | <b>Will this transaction be financed?</b><br><input type="checkbox"/> No <input type="checkbox"/> Yes<br><br>If yes, attach the Statement of Compliance to the State Financial Marketplace to this form |  |
| Required Approvals  |  |   |   |  |
| <b>Department</b><br><input type="checkbox"/> Approved <input type="checkbox"/> Denied<br><br>_____<br>Signature of Director or Designee/Date<br><br>_____<br>Print Name of Director or Designee<br>See next page instructions                    | <b>Agency</b><br><input type="checkbox"/> Approved <input type="checkbox"/> Denied<br><br>_____<br>Signature of Agency Secretary or Designee/Date<br><br>_____<br>Print Name of Agency Secretary or Designee<br>See next page instructions | <b>Dept. of General Services</b><br><input type="checkbox"/> Approved <input type="checkbox"/> Denied<br><br>_____<br>Signature of Director or Designee/Date<br><br>_____<br>Print Name of Director or Designee |   |  |

\*\*Excluding sales and use tax, finance charges, postage and handling. Shipping charges are also excluded from the dollar threshold limits unless the shipping charge is included in the evaluation such as Free On Board (FOB) Origin, Freight Collect or FOB Destination

Remit completed form to:

Procurement Division  
 Intake and Analysis Unit  
 707 Third Street, 2<sup>nd</sup> Floor, MS201  
 West Sacramento, CA 95605

### Signature Instructions for Agencies with an Agency Secretary

This form requires approval by Agency Secretary or Agency Undersecretary and the department director or designee. The Agency Secretary may designate one person, in addition to Agency Undersecretary, to sign on his/her behalf, of cabinet officer level (e.g., Assistant Undersecretary, Deputy Secretary, etc.; the actual title is dependent upon the Agency's organizational structure). The department director may delegate review and approval authority to his/her deputy directors and/or the Procurement and Contracting Officer. The director's designee shall send ratification notification to their director upon the designee's approval of the NCB transaction. The typed name and signature must match for both signatures. **All signatures must be originals.**

### Signature Instructions for Agencies that do not have an Agency Secretary

This form requires approval by the highest ranking executive officer or designee. The highest ranking officer may designate one person to sign on his/her behalf subject to DGS approval. The highest ranking officer may delegate review and approval authority to his/her deputy directors and/or the Procurement and Contracting Officer. The designee shall send ratification notification to their highest ranking executive officer upon their approval of the NCB. The typed name and signature must match. **All signatures must be originals.**

## A. THE GOOD/SERVICE REQUESTED IS RESTRICTED TO ONE SUPPLIER FOR THE REASONS STATED BELOW:

1. **Provide the background of events that lead your agency to this acquisition. Identify consequences of not purchasing the goods/services or contracting with the proposed supplier?**

2. **Why is the acquisition restricted to this suppliers good or service?**

*(Explain why the acquisition cannot be competitively bid. Explain how the supplier is the only source for the acquisition and reference the PCC that gives you the authority to use the NCB process, i.e., 12102, 10301/10302, or 10340).*

3. **Describe the unique performance factors of the product or service specified.**

List each performance factor individually (i.e., bullets, table).

4. **Why are these performance factors required?**

*(Explain why your agency needs these specific factors. Provide an explanation for each individual performance factor.)*

5. **Describe the market research conducted to substantiate that there is no competition, including what other products or services have been examined and why they were rejected.**

*(Provide a narrative of your efforts to identify other similar or appropriate goods/services, including a summary of how the department concluded that such alternatives are either inappropriate or unavailable. The names and addresses of suppliers contacted and the reasons for not considering them must be included OR an explanation of why the survey or effort to identify other goods/services was not performed. Attach copies of marketing material, screen prints etc. to support research. List competitors in marketplace and the brands/models reviewed. Provide an explanation as to why these other goods or services do not meet your requirements/unique performance factors.)*

## B. PRICE ANALYSIS

1. **How was the price offered determined to be fair and reasonable?**

*(Explain what the basis was for comparison and include cost analyses as applicable. Provide supplier's quote(s) for every requested item and supplier's List Pricing. Provide additional supplier quotes for the same or similar items that were evaluated. If there is no competition for the item, describe what similar items cost or if item has been purchased in the past, provide copies of purchase orders to compare historical pricing and copies of approved NCB).*

2. **Describe any cost savings realized or costs avoided by acquiring the goods/services from this supplier.**

*Provide Supplier's List Pricing and Supplier's Quote.*

## Non-Competitively Bid (NCB) Contract Justification Corrective Action Plan

This section must be completed for any NCB that could have been competitively bid but was not due to insufficient time to complete the competitive acquisition process. This does not apply to emergency procurements in accordance with PCC Sections 10302, 10340(b)(1) and 12102(a)(2).

Complete responses must be provided for all of the following questions:

**1. Why is the submission of a NCB necessary and what are the determining factors that caused the problem?**

Explain why your department has not conducted a competitive bid. Provide the background of events (timeline) leading to the submission of this NCB. Identify any critical time delays or issues that prevented your department from completing this acquisition using a competitive process (i.e., budget, approvals, and/or appropriate analysis).

**2. What are the consequences of not having this NCB approved?**

Describe in detail the impact to the department and to the program(s) if the NCB is not approved.

**3. How will your department ensure adequate planning to prevent submittal of NCB's for goods or services that should have been competitively bid?**

Provide a detailed plan of your department's efforts to improve your acquisition planning to maximize the use of competition to meet your needs. This plan must include how the department will provide for a tracking system to ensure timely review of upcoming requirements. Departments acknowledge that submission of a corrective action plan is the basis for how the department will provide for sufficient time to use competition in the acquisition process. Failure to follow the Corrective Action Plan may result in the loss of your department's delegated purchasing authority. This plan must be kept on file for future auditing purposes.

## Non-Competitively Bid (NCB) Contract Justification Instructions for Use

**For use on all Information Technology (IT) and Non-IT Goods and Services acquisitions when only a single business enterprise is afforded the opportunity to provide the specified goods or services.**

| <b>Non IT Services</b>                    |   |
|---|---|
| Under \$5,000.00<br>GC 14838.5            | If fair and reasonable cannot be established and documented a signed NCB is required and to be maintained in the procurement file. DGS approval is NOT required.  |
| \$5,000.00 and above<br>PCC 10340         | All Non-Competitively Bid Contract requests must be submitted to DGS/PD for approval with an Std. 821 attached.   |
| Emergency Contracts<br>PCC 10340          | No NCB required.  |
| <b>Non-IT Goods</b>                       |   |
| Under \$5,000<br>PCC 10301                | If fair and reasonable pricing cannot be established and documented or two bids cannot be obtained, an NCB justification is required. Departments <u>without</u> Non-IT Goods delegated purchasing authority must submit a Purchase Estimate (Std. 66) to DGS/PD and attach the NCB justification for NCB's above \$100.  |
| \$5,000.00-\$25,000.00<br>PCC 10301       | Approval by DGS/PD is not required for departments with delegated purchasing authority up to this limit; however, the approved NCB contract justification must be maintained in the procurement file.   |
| \$25,000.01 and above<br>PCC 10301        | <ul style="list-style-type: none"> <li>• Approval by DGS/PD is required.</li> <li>• Departments with delegated purchasing authority over \$25,000.00 will submit NCB's of \$25,000.01 and above to DGS/PD for approval. DGS/PD will return NCB's to departments for execution of contracts.</li> <li>• If the contract exceeds the delegated purchasing authority, the contract must be approved and issued by DGS/PD. Procurement requests must be submitted to DGS/PD on a Purchase Estimate (Std. 66) and include the approved NCB contract justification.</li> </ul>  |
| <b>IT Goods &amp; Services</b>            |   |
| Under \$5,000<br>PCC 12102(a)(1)          | If fair and reasonable pricing cannot be established and documented or two bids cannot be obtained, an NCB justification is required. Departments without IT delegated purchasing authority must submit a Purchase Estimate (Std. 66) to DGS/PD and attach an approved NCB contract justification.  |
| \$5,000.00-\$25,000.00<br>PCC 12102(a)(1) | Approval by DGS/PD is not required for departments with delegated purchasing authority up to this limit; however, the approved NCB contract justification must be maintained in the procurement file.   |
| \$25,000.001 and above<br>PCC 12102(a)(1) | <ul style="list-style-type: none"> <li>• Approval by DGS/PD is required.</li> <li>• Departments with delegated purchasing authority over \$25,000.00 will submit NCB's valued greater than \$25,000.00 to DGS/PD for approval. DGS/PD will return NCB's to departments for execution of contracts.</li> <li>• If contract exceeds delegated purchasing authority, the contract must be approved and issued by DGS/PD. Procurement requests must be submitted to PD on a Purchase Estimate (Std. 66) for IT goods (Memo for IT Services) and include the approved NCB contract justification.</li> <li>• IT Services must include an Exemption from Advertising (Std. 821).</li> </ul> |