

## NON-COMPETITIVELY BID (NCB) CONTRACT JUSTIFICATION

For use on all 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 a date for each original signature, as appropriate for the transaction.

### Requesting Department Information

|                                     |  |
|-------------------------------------|--|
| <b>Agency:</b>                      | <b>Department</b> <i>(Includes Boards, Commissions, and Associations):</i><br><br><i>(*Includes Boards, Commissions, and Associations)</i> |
| <b>Institution (if applicable):</b> |  |

### Department Contact Information

|                                |                          |                |
|--------------------------------|--------------------------|----------------|
| <b>Contact/Buyer's Name:</b>   | <b>Street Address:</b>   |                |
| <b>Telephone:</b><br>( )       |                          |                |
| <b>FAX:</b><br>( )             | <b>Mailing Address:</b>  |                |
| <b>E-Mail:</b>                 |                          |                |
| <b>Technical Contact Name:</b> | <b>Telephone:</b><br>( ) | <b>E-mail:</b> |

### Required Contract Information

|                            |
|----------------------------|
| <b>Contractor Name:</b>    |
| <b>Contractor Address:</b> |

| Original Contract Amount Excluding<br><i>(Includes original contract and previously approved amendments):**</i> | Total Original Contract Amount<br><i>(Includes original contract and previously approved amendments):*</i> | Amendment Amount <i>(if applicable and for current amendment only):* (if applicable)</i> | Amended Contract Amount <i>(Includes original contract and all amendments, including current amendment):*</i> | Has work commenced?<br><input type="checkbox"/> Yes <input type="checkbox"/> No<br>Have goods been acquired?<br><input type="checkbox"/> Yes <input type="checkbox"/> No<br>Attach explanations for any "Yes" answers. |
|---|--|--|---|--|
| \$  | \$   | \$   | \$  |  |
| <i>(*Includes original contract and previously approved amendments)</i>   | <i>(*Includes original contract and previously approved amendments)</i>                                    | <i>(*Current amendment only)</i>   | <i>(*Includes original contract and all amendments, including current amendment)</i>                          |  |

### 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>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>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>Print Name of Director or Designee |
|---|---|--|

Department of General Services  
Procurement Division  
GSPD-09-007 (New 11/09)

**For PD Use only**  
NCB #:

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

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 leading 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 supplier's good or service?**

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

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

*(Explain the unique performance factors of the product specified. List each performance factor individually (i.e., bullets, table) List each factor individually with an explanation of its purpose.)*

**4. Why are these specific 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 products/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 to assess savings to the State. 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 cost of existing equipment and proof of the estimated cost to replace existing system. Items must match and inter-member with existing equipment. Provide Supplier's List Pricing and Supplier's Quote or 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-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 procurement 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.**

| Non IT Services                               |   |
|---|---|
| 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. <del>With an Attached</del> Std. 821 attached.  |
| Emergency Contracts<br>PCC 10340              | No NCB required.  |
| Non-IT Goods                                  |   |
| 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 <u>purchasing</u> authority must submit a Purchase Estimate (Std. 66) to DGS-PD and attach <u>the</u> NCB justification for NCB's above \$100.  |
| \$5,000.00-<br>\$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 transaction 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 <u>of</u> \$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 contract exceeds delegated purchasing authority, the contract must be approved and issued by DGS-PD. Procurement requests must be submitted to <u>DGS-PD</u> on a Purchase Estimate (Std. 66) and include the approved NCB contract justification.</li> </ul>  |
| Emergency Contracts<br>PCC 10302              | <ul style="list-style-type: none"> <li>• <del>Departments must obtain prior approval from DGS-PD via the Form 42 process (except for natural disasters).</del></li> <li>• <del>Departments must include a justification describing the nature of the emergency within 5 working days of award or within 20 working days for natural disaster.</del></li> </ul>  |
| IT Goods & Services                           |   |
| 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-<br>\$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 transaction 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 \$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 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> |
| Emergency Contracts<br>PCC 12102(a)(2)        | <ul style="list-style-type: none"> <li>• <del>Departments must obtain prior approval from DGS-PD via the Form 42 process (except for natural disasters).</del></li> <li>• <del>Departments must include a justification describing the nature of the emergency within 5 working days of award or within 20 working days for natural disaster.</del></li> </ul>  |