

**Attachment D**  
**Management Memo 02-12**  
**Addendum #1**  
**(June 11, 2002)**

The following contracts may be awarded without advertising or competitive bidding subject to the restrictions noted. The categories are either exempt by statute, or based on a determination by DGS that competitive bidding is not feasible (State Administrative Manual Section 1233).

- a. **Emergency contracts which are necessary for the immediate preservation of life or state property;**
- b. **Contracts for the work or services of a state, local or federal agency, the University of California, the California State University, a California community college, a foundation or auxiliary organization incorporated to support the universities and colleges, or a Joint Powers Agency;**
- c. **Services for which the state has entered into a master service agreement;**  
*Note: This is limited to those master contracts which have been competitively bid or which have been determined to be required for essential services and which have been established by a methodology that assures the state of a reasonable price for the goods/services offered. See the DGS Procurement web page at [www.dgs.ca.gov/pd](http://www.dgs.ca.gov/pd) for a list of such approved contracts.*
- d. **Subvention contracts (non-discretionary grants) with a private or nonprofit entity for the purpose of providing services to the public or segments thereof.** *This exception applies only when services are being provided to the public and not specifically to a state agency, and where the department budget specifies that the funds are for subvention purposes.*
- e. **Maintenance agreements for equipment that is under documented warranty, or where there is only one authorized or qualified representative, or where there is only one distributor in the area for parts and services.**
- f. **Refuse and/or sewage disposal contracts where there is no competition because they are the authorized franchise dealers providing services to a specific geographical area;**
- g. **Medical care services with physicians, local community hospitals, medical groups (related offsite laboratory services are not included), and 911 emergency ambulance calls;**

- h. Proprietary software contracts.** *Note: This applies to the purchase of, or maintenance of proprietary software up to \$100,000 only in circumstances where a competitive bid is not feasible. For purchases in excess of this amount, the guidelines regarding non-competitive bid contracts for \$100,000 or more apply.*
- i. Contracts for National Professional Examinations;**
- j. Leases or rentals for use as examination sites or space for booths at job/trade fairs;**
- k. Entertainment contracts for state-sponsored fairs and expositions;**
- l. Contracts which are temporary or time-limited appointments to a nontesting civil service classification for the purpose of meeting a time-limited employment need. Selection and compensation for these appointments shall be made in accordance with state civil service requirements.** *Note: exception limited to consultant services contracts*
- m. Contracts for which only per diem and travel expenses are paid and there is no payment for services rendered.** *Note: Shall not exceed \$5,000.*
- n. Contracts solely for the purpose of obtaining expert witnesses for litigation.**
- o. Contracts for legal defense, legal advice, or legal services by an attorney or the attorney's staff.**
- p. Contracts with business entities operating Community Based Rehabilitation Programs (CRP), which meet the criteria established by Welfare and Institutions Code Section 19404.** *Note: Exception does not apply to contracts justified pursuant to Government Code 19130a.*
- q. Contracts that can only be performed by a public entity as defined in Unemployment Insurance Code Section 605(b).** *Note: limited to consultant services contracts.*
- r. Amendments to existing contracts under the same terms and the same or lower rates, where a protest or other legal action delays the award of a new contract. These amendments should only last during the period the protest or legal action is pending and a new contract can be executed, but in no case shall this exemption from advertising extend beyond six months.**
- s. Contracts for conference or meeting facilities, including room accommodations for conference attendees.**

**Miscellaneous:**

**In determining whether the acquisitions of a particular agency/department/entity are exempt from the Executive Order (see Management Memo 02-12, paragraph No. 5) the funding source for the acquisition shall be determinative, notwithstanding the fact that DGS may be the procuring entity.**