

NCB CONTRACT JUSTIFICATION PROCESS
(May 2005)

2642

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(May 2005)

2642.1

Stage	Who	Does What						
1	Purchaser	Determines a need to acquire a product from a supplier who is the only known source. Completes an NCB contract justification.						
	Business Services Sac	Reviews request and secures approval signatures from the Agency Secretary and Department Director or next highest-ranking official for each level.						
2	Department	<table border="1"> <thead> <tr> <th>If the purchase</th> <th>Then Business Services</th> </tr> </thead> <tbody> <tr> <td>Is within the department's NCB contract approval purchasing authority threshold of \$25,000.00.</td> <td> Business Services: <ul style="list-style-type: none"> Sends approved copy to purchaser. Retains original in report folder. Reports the transaction on the Quarterly NCB contract report to the DGS-PD. Purchaser: <ul style="list-style-type: none"> Executes the purchase document. Files copy in the procurement file. </td> </tr> <tr> <td>Exceeds both the department's NCB contract approval and purchasing authorities.</td> <td> Business Services: Submits as applicable to DGS/PD for review and approval the following: <ul style="list-style-type: none"> NCB contract justification. Purchase Estimate (STD 66) for non-IT Goods. </td> </tr> </tbody> </table>	If the purchase	Then Business Services	Is within the department's NCB contract approval purchasing authority threshold of \$25,000.00.	Business Services: <ul style="list-style-type: none"> Sends approved copy to purchaser. Retains original in report folder. Reports the transaction on the Quarterly NCB contract report to the DGS-PD. Purchaser: <ul style="list-style-type: none"> Executes the purchase document. Files copy in the procurement file. 	Exceeds both the department's NCB contract approval and purchasing authorities.	Business Services: Submits as applicable to DGS/PD for review and approval the following: <ul style="list-style-type: none"> NCB contract justification. Purchase Estimate (STD 66) for non-IT Goods.
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3	DGS/PD	Processes the transaction as follows: <table border="1"> <thead> <tr> <th>If the purchase</th> <th>Then DGS/PD will</th> </tr> </thead> <tbody> <tr> <td>Exceeds both the department's NCB contract approval and purchasing authorities.</td> <td> <ul style="list-style-type: none"> Review the NCB justification. Conducts the appropriate procurement method. Process and execute a purchase document on behalf of the department. </td> </tr> </tbody> </table>	If the purchase	Then DGS/PD will	Exceeds both the department's NCB contract approval and purchasing authorities.	<ul style="list-style-type: none"> Review the NCB justification. Conducts the appropriate procurement method. Process and execute a purchase document on behalf of the department. 		
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NCB DENIED

2642.2

(May 2005)

If the NCB contract justification is denied at the CAL FIRE level, Business Services Sacramento will notify the purchaser to:

- Conduct a competitive solicitation or,
- Cancel the purchase request.

If the NCB contract justification is denied by DGS/PD; the department can:

- Have DGS/PD conduct a competitive solicitation to acquire the same or equivalent product or,
- Cancel the purchase request.

LESS THAN \$5,000.00

2642.3

(May 2005)

An NCB contract justification is not required for purchases less than \$5,000.00 if fair and reasonable pricing has been established and documented. Examples of fair and reasonable pricing methods are described in [Section 2634.2 1](#).

Documentation to support fair and reasonable pricing must be retained in the procurement file.

[Click](#) here to access file documentation list for transactions under \$5,000.

LPA TRANSACTIONS AND NCB

2642.4

(May 2005)

Departments granted LPA purchasing authority must adhere to the NCB contract approval process if only one supplier is known to sell the products and/or services needed and offers cannot be obtained within the LPA contracts available.

Exception: The NCB contract justification process is not required if an individual LPA user instructions or the Statewide Checklist designates that the contract is exempt from obtaining 3-offers or if the value of the transaction is under \$5,000.00 and fair and reasonable pricing has been established and documented.

Purchasers are reminded to always refer to individual LPA user instructions and all LPA supplements prior to initiating any LPA purchase. Refer to [Section 2650](#) Leveraged Procurements for additional information.

KNOWN SUPPLIERS OUTSIDE LPAS

2642.5

(May 2005)

If only one LPA source is known and other vendors exist that can meet the department's requirements, then a competitive solicitation must be conducted. Purchaser would use the competitive solicitation rules and not the leveraged procurement rules.

If only one LPA source is known and other vendors do not exist that can meet the departments requirements; the NCB contract approval process must be followed.

REVIEW MA USER INSTRUCTIONS

2642.6

(May 2005)

Purchasers must carefully review individual MA user instructions to determine if the MA is exempt from competitive bidding.

Refer to the DGS/PD web page at www.pd.dgs.ca.gov and review the Statewide Checklist. If an LPA is exempt, it is denoted by a "Yes" in the column titled "Exempt".

(see next section)

(see HB Table of Contents)

(see Forms or Forms Samples)