



**Department of General Services
Procurement Division**

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Broadcast Date: January 10, 2018

Bulletin #: P-01-18

**TO: Purchasing Authority Contacts (PACs)
Procurement and Contracting Officers (PCOs)**

RE: *NEW* Dollar Threshold for Non-Competitive Bid (NCB) Justifications (Non-IT Services Only)

This Broadcast Bulletin announces that the dollar threshold for when an NCB Justification is required for non-IT services contracts has been increased from \$5,000.00 to \$10,000.00. This dollar threshold increase is as a result of revisions to the following section of the State Contracting Manual (SCM) Volume 1:

- Chapter 5.90

**CONTRACTS UNDER TEN-THOUSAND DOLLARS – PRICE QUOTATION(S)
(Rev 1/18)**

Contracts under \$10,000 are not required to be advertised or competitively bid. State agencies may obtain one price quotation from a responsible supplier that provides a reasonable price; if, however, there is reason to believe a response from the single supplier is not fair and reasonable, then the state agency must obtain at least two price quotations from responsible suppliers. State agencies should retain documentation establishing how the price was determined to be fair and reasonable. (Gov. Code, § 14827.3; Pub. Contract Code, § 10348.) Contracting entities should consider the information in SCM Volume II, Chapter 4 (Competitive Solicitations) Topic 2 – “How to Determine Fair and Reasonable Pricing” (§§ 4.C2.0 – 4C2.2) for additional guidance. Contracting entities are encouraged to consider obtaining price quotes from certified Small Businesses and Disabled Veteran Business Enterprises (SB/DVBE) for these contracts.

For questions regarding this notification, please contact the Dispute Resolution Unit’s NCB Program at:

PDNCB@dgs.ca.gov