

Short Form Contract Guidelines Tools and Rules



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**SHORT FORM CONTRACT GUIDELINES
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Short Form Contract Form (Std. 210)

	The Department of General Services (DGS) is pleased to introduce the Short Form (SF) Service Contract process.
Key Features	<ol style="list-style-type: none"> 1. Applies to service, consultant service and public works contracts valued up to \$9,999.99. 2. Decreases California State Contracts Register (CSCR) advertising time from a minimum 10 working days to a minimum 3 working days. 3. Retains a central CSCR advertisement source to promote competition and small business and disabled veteran business enterprise (DVBE) participation. 4. Eliminates the need to obtain sealed bids. 5. Eliminates the requirement of a public bid opening and reading process. 6. Allows agencies to fax an informal bid document to bidders. 7. Requires agencies to solicit bids from at least 3 vendors. 8. Allows bid responses to be submitted by fax, mail, or personal delivery. 9. Uses the new Short Form Contract, (Std. form 210) which requires signatures of both parties. 10. Uses DGS's on-line General Terms and Conditions (GTC SF or GIA).
Benefits	<ol style="list-style-type: none"> 1. Offers an alternative way to obtain services valued up to \$9,999.99. 2. Is easy, quick and efficient. 3. Uses streamlined procedures and a new Short Form Contract.
Introduction to the SF Process	<p>The process described herein shall be known as the Short Form Contract (SF) process.</p> <p>The SF process is exempt from the requirements of Government Code Section 14827.2 (normal CSCR advertising duration) and by exemption under Public Contract Sections (PCC) 10346(c) from the other requirements of the PCC if these guidelines are followed.</p> <p>The SF process uses an informal bidding method with a shortened advertising period and allows signed bid responses to be transmitted by fax, U.S. mail or personal delivery.</p>
Eligible Contract Types	<p>The SF process may be used when:</p> <ul style="list-style-type: none"> • Seeking vendors and contractors to perform services, consultant services and public works services (including Information Technology cabling services). • The contract total, including any amendments, will not exceed \$9,999.99.
Ineligible Contract Types	<p>Do not use the SF process to obtain any of the following services:</p> <ul style="list-style-type: none"> • Architect and Engineering (A&E) services. • Information Technology (Cabling services are not IT). • Services costing \$10,000 or more. • Commodities
Customizing the SF Process	Any deviations from these procedures and guidelines must be requested in writing and approved by the awarding agency's DGS, OLS attorney.

Prohibited Acts

1. No bid document may be drafted in a manner that limits bidding directly or indirectly to any one bidder (PCC 10339).
2. Services may not be split for the purpose of avoiding the formal bidding process which requires CSCR advertising for a minimum ten (10) working days and collection of sealed competitive bids. In particular, a series of related services that would normally be combined and bid as one job cannot be split into separate tasks, steps, phases, locations, or delivery times to avoid adhering to a state law, policy or departmental procedure.
3. No deviations from these guidelines are allowed without prior written DGS/OLS approval.
4. SF contracts, including amendments, cannot exceed \$9,999.99.
5. Bids may not be obtained verbally or by telephone.

Fundamental Rules

1. A minimum of three (3) firms or individuals must be solicited for each service. Small business and DVBE participation must be promoted. To do so, include the statement "Small businesses and DVBE's are encouraged to participate" in your CSCR advertisement.
2. Solicitations or bid documents must be in written form.
3. Bid responses must be received at the place, by the time, and in the manner stated in the bid document.
4. All SF contract opportunities between \$5,000 and \$9,999.99 must be advertised in the California State Contracts Register (CSCR) for a minimum of three (3) working days, excluding holidays and weekends unless the services are already exempt from advertising. Services that are exempt from advertising are listed in SCM Section 5.80.
5. Advertising exemptions, when needed, must be obtained using the Contract Advertising Exemption Request (Std. 821).
6. Both parties must sign the SF contract.
7. Bid confidentiality (bidder name and bid amount) must be maintained at all times until a contract award is made.
8. All bidders must be given the same information and treated equally.
9. Consulting Services: An agency entering into more than one consultant SF contract with the same contractor in a twelve (12) month period for an aggregate total of \$12,500 or more must submit each SF contract to DGS for review and approval (PCC 10371)
10. Use of the SF process should not result in a barrier to small business and DVBE participation but rather promote participation.
11. Consultant contracts that exceed \$4,999.99 must comply with PCC Section 10367 which requires the contractor to be notified that performance will be evaluated and PCC Section 10369 which requires completion of a contractor evaluation form (Std. 4) within 60 days of the completion of the contract (See SCM section 3.2.5) in addition to the requirements listed above.

Allowable Amendments

The following types of amendments are allowed:

1. Dollar increases on competitively bid contracts up to thirty percent (30%) of the original SF contract amount, provided the contract total, with amendments, does not exceed \$9,999.99 and the additional scope of work is closely related.
 2. Dollar increases above 30% if the services were bid on a unit rate basis and the agency is simply obtaining more of the same units. This is allowed provided the contract total does not exceed \$9,999.99.
 3. Simultaneous time and dollar increases, provided the contract total does not exceed \$9,999.99.
 4. Changes to contract terms and conditions, provided those changes do not alter the basic nature of the services sought by competitive bid.
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Normal Amendment Process

Use the SF (Std 210) to process an allowable amendment and assign each amendment a distinguishing contract number such as adding A (1 or?) to the original number to differentiate it from the original SF contract.

Amendments should contain the same level of detail that the original SF contract contained for the item or provision being changed.

Amendments must be entered into before the expiration date of the SF contract.

Amendment Process When SFs Exceed \$9,999.99

If during the course of a contract (excluding public works), it is determined that projected costs will exceed \$9,999.99, sole source approval must be obtained for the additional increase and a formal amendment must be processed.

1. The amendment must incorporate the original SF contract and must include all language that is required to be present in contracts that exceed \$9,999.99
 2. Attach a copy of the previously approved SF contract to the Contract Transmittal (Std. 215), if and when a Contract Transmittal form is completed.
 3. Public Works contracts cannot be amended by sole source to exceed the \$9,999.99 dollar threshold.
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Advertising Requirements

1. All SF contract opportunities not otherwise exempted must be advertised in the CSCR, Exemptions from advertising, when needed, may be sought by using the Contract Advertising Exemption Request (Std. 821).
2. CSCR ads are to be prepared using the Advertisement in the Contracts Register (Std. 815) and must comply with the advertisement placement guidelines issued by DGS, Office of Small Business Certification and Resources.
3. Electronic ad submission is encouraged, when possible.
4. Ads are to be placed in the appropriate advertising category related to type of service being sought.
5. SF contract ads will remain posted on the Internet for three (3) working days, excluding holidays and weekends.
6. Normal advertising fees will be charged for each advertisement.

Sample Ad Placement and Award Schedule Following is an example of the typical time frame for placing an ad and making an SF award. **Note:** Adjust the time schedule shown for ads placed after 4:00 p.m. on any day as these ads cannot be processed until the next working day.

<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>Saturday/Sunday</u>
Day 1	Day 2	Day 3	Day 4	Day 5	N/A
Working Day	Action Taken				
Day 1	Submit or electronically transmit the ad to CSCR staff prior to 4:00 p.m.				
Day 2	CSCR staff reviews ad. (Paper submitted ads must allow 2 additional days for data entry services)				
Day 3, 4 & 5	Ad appears in the CSCR by 7:00 a.m. and remains posted on the Internet through Days 4 and 5 (working days).				
—	Saturdays, Sundays, and State holidays are not counted.				
Day 5	Earliest bid submission deadline is at or near the close of business on Day 5.				
— — — —	Accept, collect and confidentially store bid responses received on Days 3, 4, and 5.				
Day 6	Open and/or review and evaluate bids. If applicable, apply small business bidding preference and settle tie bids.				
	Select the responsible bidder offering the lowest cost. Contact the winning bidder and confirm the contract award.				
	Prepare the SF contract, obtain internal approvals and obtain appropriate signatures.				

**Bidding
Requirements****A. Solicitations**

1. A minimum of three (3) vendors must be solicited.
2. Three actual dollar bids or price quotes are not required if the agency can show proof of advertising in the CSCR and show that the bid document was transmitted to at least three potential and viable vendors.
3. If three (3) eligible vendors cannot be identified, either obtain sole source approval or conduct the formal competitive bidding process.

B. Bid Documents

1. Bid documents must be in written form. Verbal solicitations are not allowed.
2. Bid documents may be transmitted to bidders via mail, fax, e-mail agency's Web site or CSCR posting. (NOTE: State agencies shall not release invitations for bid or requests for proposals prior to publication in the CSCR.)

C. Bid Responses

1. Bid responses must be in written form, should be signed, and may be received via fax, mail or personal delivery.
2. For a vendor to be considered responsive and responsible, bid responses must be received at the place, by the time and in the manner stated in the bid document. Late bids should be retained by the agency until after an award is made. Follow departmental procedures for handling of late bids.
3. Bid response confidentiality (bidder name and bid amount) must be strictly maintained throughout the bid process and until an award is made.

Award

1. An award must be made to the responsible bidder offering the lowest cost. Nothing requires an award to be made if none of the bid prices or rates are reasonable.
2. Small business preference and DVBE participation requirements, when applicable, must be applied according to State and/or departmental policies.
3. Tie bids not affected by GC 14838(f) are to be settled via a coin toss, lot drawing or other means as were specified in Agency's IFB documents.
4. It is not required; however, agencies are encouraged to verbally confirm all SF contract awards immediately following vendor selection. It is a good business practice to confirm all contract awards in writing or by fax.
5. A public bid opening/reading is not required when using the SF contract process.
6. All bids and evaluation materials are public records and must be made available for public inspection and/or copying following the selection of a winning bidder.

Bidding Comparison Chart

The following chart shows the major differences between the formal competitive bid process used to make traditional contract awards and the informal bid process used to make SF awards.

Formal Competitive Bid Process	Short Form(SF) Informal Bid Process
Bid opportunities are advertised for a minimum 10 working days, excluding weekends and holidays.	Bid opportunities are advertised for a minimum 3 working days, excluding weekends and holidays.
Sealed written bids are submitted by mail or personal delivery.	Written bids are submitted by fax, mail or personal delivery.
No bid shall be considered if not received at the place, in the manner, and prior to the bid submission time stated in the IFB.	Same.
Bid envelopes are publicly opened and bid amounts are read.	No public bid opening or reading is required.
After the bid opening, all bids shall be available for public inspection.	Same.
For an IFB, upon written request by any bidder, a notice of the proposed award shall be posted in a public place at the contracting agency for at least five working days prior to awarding the contract.	No posting is required.
Bidders are informed of their right to protest and are informed how to file a protest to the proposed award. The award is not made until all protests are either withdrawn or settled to the satisfaction of DGS.	The SF contract process does not address protests. If a bidder files a written protest, the award/selection process must be canceled and the formal bidding process must be used or sole source approval must be sought.
Small business preference is applied according to State policies and regulations.	Same.
If deemed applicable by the awarding agency, DVBE participation requirements are to be applied according to State policies and the awarding agency's internal procedures.	Same.
Awards are made to the responsible bidder offering the lowest cost or price bid.	Same.

Terms and Conditions Information

To streamline and simplify the SF contract process, the Std Form 210 was designed to use DGS's General Terms and Conditions designed specifically for the SF contract (GTC SF) or GIA (for interagency agreements). These appear on DGS's Internet Web site (www.dgs.ca.gov/contracts)

The clauses appearing in the GTC SF or GIA contain all of the terms, conditions and certifications that are minimally required to meet State contract requirements.

Depending on the nature of the services sought, agencies may need to include additional clauses to protect their interests.

Required Terms and Conditions

The following terms and conditions must appear in each SF contract:

1. Detailed statement of work. Indicate exactly what is to be done, when, where and how, if applicable. Consultant SF contracts over \$5,000 must contain detailed performance criteria and a schedule or time line for performance.
2. Period of performance or contract term.
3. Payment or billing schedule/frequency (monthly, quarterly, contract end, progress payments or lump sum). A detailed cost breakdown is required for Consultant SF contracts and can be attached to the SF form.
4. Invoice submission instructions.
5. Funding availability clause, if applicable.
6. Contract manager designation.

Supplemental Contract Language / Attachments

Agencies may attach additional contract terms, conditions and/or other documents to each SF contract. Examples of such items include, but are not limited to:

1. The Bid form submitted by the winning bidder
2. An Agency's unique contract terms, clauses or additional provisions exhibits. Agencies may, at their option, refer contractors to a public Internet site to view their own contract terms, conditions or additional provisions exhibits.
3. CalCard or other payment provisions to promote prompt payment.

SCM COMPLIANCE Requirements The following State Contracting Manual (SCM) policies, procedures and guidelines must be followed when administering the SF process.

Policy Topic or Subject	SCM Section(s)
Circumvention of responsibilities prohibited.....	1.5
Fundamental rules.....	5.3 A and B
Conflicts of interest.....	7.10 and 9.4
Contract manager responsibilities.....	9.2 through 9.4 and 9.8
Preliminary contracting considerations.....	2.3
Civil service considerations.....	7.05
Reporting requirements.....	7.15 B, C and D
Record keeping requirements.....	9.5 and 9.11
Standard contract language and requirements.....	2.7, 7.55, 7.70
Contractor identification number requirements.....	7.25 A
DVBE requirements.....	8.10 through 8.17
Certified small business program.....	8.20 through 8.22
Responsibility for contract approval.....	4.2
Approval and commencement of work.....	4.9 A through C
Payment issues.....	7.20, 7.31 through 7.34 and 8.22
Equipment purchases/leases/rentals.....	7.29 and 7.60 through 7.62
Office machine repair.....	7.75 A
Insurance requirements.....	7.40
Bidding and advertising issues.....	5.8, 5.9, 5.10 A through C, 5.30 B, C, E, F and I, 5.75, 5.80, 5.85, and 5.95
Sole Source transactions.....	5.70
Emergency contracts.....	3.10.1 and 4.5
Consultant contracts.....	3.2 through 3.2.4, 3.2.6, and 4.9 D
Legal services and Attorney General approval.....	3.7
Expert witnesses.....	3.8
Services obtained from a unit of Local Government.....	3.5
Federally funded contracts.....	3.11
Hazardous activity contracts.....	3.12, 7.75 C and D
Joint Powers agreements.....	3.13
Revenue agreements.....	3.15
Contracts with nonprofit organizations.....	3.16
UC, CSU, Community Colleges and their Foundations.....	3.18
Convention and conference services.....	3.20
Commercial office moving services.....	7.75 C
Public work contracts.....	Chapter 10

Questions

Question 1 Will the SF contract process replace the Simplified Service Contract (SSC) process and service orders?

The SF contract process will replace the both the SSC process, and Service Orders, both of which are no longer needed due to the amendment of PCC 10335(a).

Question 2 What if my agency already has an exempted process in place at this dollar level or higher?

The SF process is optional and is an additional alternate method of contracting for small dollar contracts. Agencies are not required to use the SF process and are not required to modify any process previously approved by DGS.

Question 3 Can this SF Std 210 be used for any contract under \$9,999.99 regardless of how the contractor was chosen?

Yes

Question 4 What is the authority allowing us to advertise for 3 business days instead of the minimum 10 working days?

Government Code Section 14827.3 states "The Department of General Services may exempt a state agency from the requirement of advertising in the California State Contracts Register where the contract is necessary for the immediate preservation of life or state property, where the contract is with another state agency or local agency and *where the Director of General Services determines that the State's best interest would be better served by an exemption*".

Question 5 What if an agency wants to use the SF process but does not want to use the SF or may need to deviate from certain SF procedures?

DGS is standardizing the state's contracting processes. Agencies wishing to participate in a customized SF process must submit a written request to DGS, OLS. The agency's request must describe the procedures that the agency wishes to customize, a justification for not using this standardized process, and should be accompanied by a copy of the desired form the agency wishes to use.

Question 6 What if the 3-day CSCR ad does not result in 3 bids?

If, in addition to advertising in the CSCR, you transmitted the bid document to at least 3 viable service providers, you are not required to obtain 3 actual bids. You should maintain in your contract files proof of advertising and a list of the names and addresses of the firms to whom the bid document was transmitted.

Question 7 What if an agency cannot identify three vendors to solicit?

Three vendors must be solicited. If an agency has utilized all available resources (phone book, Office of Small Business Certification and Resources' listings of DVBEs and small businesses) and still cannot identify 3 vendors, the agency must take one of the following actions:

1. Obtain a sole source exemption or
2. Conduct a formal competitive bidding process and place a CSCR ad for 14 calendar days.

Do not confuse this issue with receiving 3 actual dollar bids. While at least 3 firms must be solicited, agencies are not required to obtain 3 actual dollar bids if the agency has advertised and solicited all known resources for the service.

Question 8 What are we to do if 3 bid responses were not received for a consultant service?

Any agency that receives fewer than 3 bids in response to a consultant service must document in their files the names and addresses of the firms or individuals that were solicited (See PCC 10340).

Question 9 If an agency enters into 3 separate consultant SF contracts, each under \$9,999.99, with the same contractor in a twelve month period and the total of the 3 SFs exceeds \$12,500, what approvals are required?

All 3 SF contracts must be submitted to DGS for review and/or approval.

Question 10 Will subcontracting be allowed for Public Works SFs?

Yes. **Note:** Extra caution should be exercised when using the SF process for Public Works as Public Works contracts cannot be amended to exceed \$9,999.99 using the sole source process.

Question 11 Will this process be incorporated into the State Contracting Manual?

No.. SF Contract Guidelines implementation guidelines will be available on the OLS Internet Homepage at www.dgs.ca.gov/ols

SF Contract Form	On the following page is a copy of the Short Form Contract (SF) form (Std. Form 210) designed for use with the SF process.
Form Availability	<p>The SF form (Std. Form 210) will be available in the following formats:</p> <ol style="list-style-type: none"> 1. In paper form or hard copy available from the DGS's Office of State Publishing. 2. In printable form via download from DGS's Internet Web site in Adobe's Portable Document Format (PDF). 3. As a fill-line PDF document template. The document template can be downloaded from DGS's internet Web site.
PDF Format	Forms available in Adobe's PDF format require the installation of a PDF reader file. Free Adobe Acrobat Reader software is available from Adobe's Web Site along with specific installation instructions. PDF forms can be viewed and printed, but may not be saved for review or re-use.
On-Line Template	<p>The MS Word template version of the SF form is designed to be completed on-line using Microsoft Word 6.0 or a later version. The document template contains fill-in text form fields, check boxes and drop down menus to ease form completion.</p> <p>The form template also contains built-in completion instructions that are accessible by pressing the "F-1" key on your keyboard. Template installation and user instructions will accompany the form template.</p>
Number of Copies Needed	The number of SF copies needed for contract processing will vary from one agency to another. A minimum of four (4) copies will be needed. At least two (2) copies must bear original signatures.
Required Signatures	The SF form must be signed by both the State and the Contractor to be legally binding. If used to obtain services under \$1,000, signatures are optional, but recommended. Fund encumbrance entries and Accounting Official signatures must be obtained according to each agency's internal processing instructions.
Form Distribution	<p>Copies of each fully executed SF form should be distributed as follows, unless internal contract processing instructions require alternate distribution:</p> <ol style="list-style-type: none"> 1. State agency 2. Contractor 3. State Controller's Office 4. Departmental Accounting Office
Contract Logs	Agencies should assign a unique contract number to each SF and maintain a log of all contract awards made.

SHORT FORM CONTRACT
(For agreements up to \$9,999.99)

STD. 210 (Rev 1/01)

CONTRACT NUMBER

AM. NO.

FEDERAL TAXPAYER ID. NUMBER

Invoice must show contract number, itemized expenses, service dates, vendor name, address and phone number. SUBMIT INVOICE IN TRIPLICATE TO:

FOR STATE USE ONLYSTD. 204 N/A ON FILE ATTACHED CERTIFIED SMALL BUSINESSCCCs N/A ON FILE ATTACHED **CERTIFICATE NUMBER** DVBE _____% N/A GFE _____ Late reason _____ Public Works Contractor's License _____ Exempt from bidding _____

1. The parties to this agreement are:

STATE AGENCY'S NAME, hereafter called the **State**.CONTRACTOR'S NAME, hereafter called the **Contractor**.

2. The agreement term is from _____ through _____

3. The maximum amount payable is \$ _____ pursuant to the following charges:

Wages/Labor \$ _____ Parts/Supplies \$ _____ Taxes \$ _____ Other \$ _____ (Attach list, if applicable)

4. Payment terms (**Note: all payments are in arrears.**) ONE TIME PAYMENT (Lump Sum) MONTHLY QUARTERLY ITEMIZED INVOICE OTHER _____5. The Contractor agrees to furnish all labor, equipment and materials necessary to perform the services described herein and agrees to comply with the terms and conditions identified below which are made a part hereof by this reference (Outline in exact detail what is to be done, where it is to be done and include work specifications, if applicable.) ADDITIONAL PAGES ATTACHED

EXHIBITS (Items checked in this box are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto)

 GTC* SF _____ GIA* _____ *If not attached, view at www.dgs.ca.gov/contracts/. Other Exhibits (List) _____

In Witness Whereof, this agreement has been executed by the parties identified below.

STATE OF CALIFORNIA		CONTRACTOR			
AGENCY NAME		CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)			
BY (AUTHORIZED SIGNATURE)	Date Signed	BY (AUTHORIZED SIGNATURE)	Date Signed		
PRINTED NAME AND TITLE OF PERSON SIGNING		PRINTED NAME AND TITLE OF PERSON SIGNING			
ADDRESS		ADDRESS			
FUND TITLE	ITEM	FISCAL YEAR	CHAPTER	STATUTE	OBJECT CODE
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.		Signature of Accounting Officer			Date Signed