MANAGEMENT MEMO

NUMBER:
MM 16-06

SUBJECT:

REPEAL OF THE DGS MISSION CRITICAL CERTIFICATION PROCESS

DATE ISSUED:
October 5, 2016

EXPIRES:
WHEN INCORPORATED INTO STATE CONTRACTING MANUAL OR BY OCTOBER 1, 2017.

REFERENCES:
State Contracting Manual Vol 1, 4.08.A.11, State Contracting Manual Vol. 2, 2.B3.15, and Vol. 3, 2.B4.14.

ISSUING AGENCY:
DEPARTMENT OF GENERAL SERVICES

Purpose

With the issuance of this management memo (MM), the Department of General Services (DGS) rescinds the requirement for agencies and departments to provide a "Mission Critical Certification" when submitting documents to DGS.

Policy

DGS will only review or approve documents or work on tasks that the submitting agency or department has certified as mission critical. Presently, this certification must be made *in writing* and be signed by the agency secretary, director, or their designee.

This MM repeals the requirement to submit *a written certification*. Instead, agencies and departments, *by virtue of submitting* a document, contract, purchase estimate, fleet acquisition plan, etc. to DGS for action, are certifying that the expenditure is mission critical.

Agencies and departments are still responsible for the prudent management of their budgets, including ensuring that any and all expenditures are managed appropriately and that unnecessary spending is minimized. Accordingly, agencies and departments must ensure that all acquisitions, whether requiring DGS approval or not – including those executed under delegated purchasing authority, are mission critical and that there are appropriate internal controls in place to ensure that non-critical requests are denied.

For the purposes of this MM, mission critical is defined as *necessary to the successful operation of the department*.

Background

In February 2010, the DGS Procurement Division issued a Broadcast Bulletin requiring a signed certification that any document submitted to DGS for approval or execution was "mission critical." The DGS Office of Legal Services also required that the certification be provided for contracts and amendments and that the certification be signed by an Agency Secretary or Department Director or their designee. The State Contracting Manual, Volumes 1, 2 and 3 were amended to reflect this requirement.

This MM rescinds the requirement to submit a written certification while reminding departments that they are still responsible for evaluating acquisitions for criticality. This ensures that critical acquisitions are not delayed by requiring a signed form, while maintaining the goal of fiscal prudence.

Questions

For questions related to contracts or amendments executed pursuant to the State Contracting Manual, Volume 1, please contact:

Department of General Services
Office of Legal Services
707 Third Street, 7th Floor
West Sacramento, CA 95605
(916) 376-5080

or

For questions related to purchase orders or contracts executed pursuant to the State Contracting Manual, Volumes 2 or 3, please contact:

Department of General Services
Procurement Division
707 Third Street, 2nd Floor
West Sacramento, CA 95605
(916) 375-4400

or

For general questions about this MM, please contact:

Department of General Services
Office of Strategic Planning, Policy and Research
707 Third Street, 8th Floor
West Sacramento, CA 95605
(916) 376-5000

Signature

for 10-5-2016

Daniel C. Kim, Director
Department of General Services

Date