

II. ORDERING PROCEDURES

These instructions are designed to help the ordering department with the final selection of a contractor. In addition to procedures listed in this user guide, the ordering department must follow established state and/or local agency policies and procedures when considering service needs.

A. ORDER INITIATION GUIDELINES

1. Prior to initiating an order using this MSA, the ordering departments must follow and obtain all approvals for “the project”. All Procurement rules and regulations including State of California Management Memo(s), Governor’s Executive Order(s), etc. must be followed as part of using this MSA. Ordering departments (with the exception of local governments) must follow all Department of Finance (DOF) processes and procedures for IT as defined in the Statewide Information Management Manual (SIMM). Use of this MSA does not waive the DOF approval requirements.

A signed Certification of Compliance with state information technology policies is required for all IT procurements of \$100,000 or more and is in support of a development effort. Development is defined in SAM Section 4819.2 as “Activities or costs associated with the analysis, design, programming, staff training, data conversion, acquisition and implementation of new information technology activities.” Procurements of hardware, software and services (including interagency agreements) are included in this requirement.

A certification is not required for:

- Procurements less than \$100,000;
- Procurements limited only to maintenance services;
- Procurements in support of previously approved efforts. See SAM Section 4819.40;
- Procurement of services to conduct a feasibility study, provided the services are limited to supporting or conducting the feasibility study and/or preparing the feasibility study report (SAM Sections 4927 and 4928); or
- Procurements of/for excluded activities as described in SAM Section 4819.32.

The certification must be completed by the ordering department that will directly utilize the procured goods or services, and the original signed certification must be included with the transmittal or the procurement package to the procurement department or authority. The required format for the certification is provided in SAM Section 4832.

2. The ordering department must send either a copy of the appropriate “approval document” (i.e. Department of Finance, etc.) or reference the approved project number on the MSA order form when sending copies of an order to DGS/PD/Technology Acquisitions for reporting and billing purposes.

3. All departments using this MSA shall conform to the policies and procedures set forth in Management Memo 03-10 (or its most current revision), the State Contract Manual (SCM) and the Purchasing Authority Manual (PAM).
4. Ordering departments are responsible for following their own internal policies and guidelines for procurements when using this MSA.

B. ORDERS IN EXCESS OF \$1,500,000

1. In order to exceed the \$1,500,000 limit on this MSA, the ordering department must submit a Request for Exemption to \$1,500,000 Limit on Master Agreements and an Information Technology Procurement Plan (ITPP) to DGS/PD Purchasing Authority Management Section (PAMS).

The Request for Exemption to \$1,500,000 Limit on Master Agreements document is located in PAM, Chapter 6, Section F & Section G. Requests must include how effective competition will be assured, the estimated dollar value of the project, how the needs of the state would be best served by not "formally" bidding the project to the entire open market of vendors, details regarding how the project will be managed and its timeline, and the qualifications of the staff who will run the competition for award.

The ITPP is a stand-alone document that provides the DGS/PD/TAS with information to assess a project's readiness for procurement. Per the State Administrative Manual (SAM) Section §5200.6 an ITTP is required when a department exceeds the purchasing authority for acquisitions to be conducted against leverage procurement agreement. Use of the PD ITTP Template is required and can be located at: <http://www.documents.dgs.ca.gov/pd/policy/ITPP2003template.doc>.

After submission of the ITTP additional measures may be requested by the DGS.

2. Upon DGS approval to exceed \$1,500,000, the RFO document (located in PAM, Chapter 6, Topic 2) must be sent to all qualified contractors of the specific subcategory to allow all contractors the opportunity to respond to ensure competition.
3. After review and evaluation of offers, the ordering department should determine which contractor offered the best value and document the results.
4. Prior to contract award, the ordering department must submit the following to PAMS for concurrence with selection: (1) the final RFO including all Addenda, (2) all RFO responses submitted, (3) the proposed contract, and (4) the Final Evaluation and Selection Report. Upon concurrence, PAMS will provide a written concurrence letter and the ordering department may proceed with contract execution.
5. Variance of model contract terms is allowed only with DGS approval.

C. ORDERS LESS THAN \$1,500,000

1. It is recommended that the ordering department solicit all contractors in the specific service subcategory to ensure sufficient offers are obtained; however, a minimum of three offers including one small business is required in accordance with MM03-10.
2. After review and evaluation of offers, the ordering department should determine which contractor offered the best value and award the contract. If less than three offers are received, documentation as to why three offers were not received must be included in the procurement file and must be submitted to DGS with the NCA if the contract is above \$250,000.
3. If only one source is known (competing offers cannot be obtained), the non-competitive bid contract process must be followed.
4. Variance of model contract terms is allowed only with DGS approval.

D. GENERAL INFORMATION RELATED TO THE USE OF THIS MSA:

1. To eliminate follow on contracts no person, firm, or subsidiary thereof who has been awarded a consulting services contract may submit an offer for, nor be awarded a contract for, the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed appropriate in the end product of the consulting services contract.
2. If the ordering department is hiring both an IV&V consultant and an IPOC consultant for the same project, the contracts must be awarded to two different contractors/firms.
3. The selected contractor shall not commence work until receipt of a signed contract.
4. Work performed at the department shall be during normal department work days and hours unless a different schedule is specifically requested by the ordering department. There shall be no increase in hourly rates for extended hours or days (e.g. off hours, overtime and holidays).
5. The selected contractor is contractually obligated to provide personnel to work on projects on a statewide basis and must be available to start the project work within two (2) weeks of contract award or a mutually agreeable time of being accepted by the ordering department.
6. The contractor must be available for an interview within five (5) working days or a mutually agreeable time from the date of notification by the ordering department of the interview intention.

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7. Failure by the contractor to comply with any of the requirements from this section is grounds for contract termination.

E. GENERAL ORDERING INSTRUCTIONS

1. Any state or local agency may place orders against this MSA. Local agencies must follow additional guidelines included in Section I.Q.
2. Each contractor sent an RFO will be requested to submit an offer as detailed in Section 2.F. to the ordering department by the time specified in the RFO.
3. If the requirements of the project change agencies must solicit all of the contractors who were sent an initial RFO with the revised requirements.
4. After review and evaluation of all responsive offers, the ordering department will select the contractor that offered the best value solution as defined in PCC §12100.7. Award will be made using a Standard Agreement 213, (refer to Section VI, Forms.) The SOW should be attached to the 213. Copies of approved MSA orders shall be sent to the DGS, PD Multiple Awards Program Section (MAPS).
5. There shall only be one vendor per MSA order.
6. If an ordering department wishes to rehire a contractor, a new RFO and MSA order must be executed.
7. MSA orders can be placed and approved by the ordering department under the guidelines of this MSA; however, if an ordering department is found to be in violation of this MSA's ordering procedures, it may be subject to revocation of its purchasing authority to use this MSA.
8. Any amendment to an ordering department contract must comply with PAM Chapter 8, Topic 7.

F. CONTRACTOR'S RESPONSE TO RFO

The responses submitted by contractors must include the following:

- a. Procedures/Methods to accomplish the ordering department's project in a SOW (i.e. solution to the described situation);
- b. Detailed task plan and budget plan including the number of hours, hourly rate (not to exceed the MSA rates), and total for each person named to be working on the project. If the project covers more than one service category/subcategory in which the contractor has different contracted hourly rates, the budget must list the number of hours that the contractor's personnel will work in each category/subcategory. Resumes and classifications of contractor's staff and subcontractors assigned to work on the project. The contractor will submit sufficient documentation so the ordering department can be assured the contractor's personnel meet the experience requirements;

- c. All expenses such as training materials should be listed as separate line items in the budget as they relate to the SOW;
- d. Sales tax does not apply to services supplied under this MSA. Contact the State Board of Equalization toll free at 800-400-7115 for general tax questions and information;
- e. DVBE participation information, as required by ordering department;
- f. TACPA, LAMBRA, and EZA documents, if required by ordering department;
- g. Copy of current certification as a small business and DVBE if applicable;
- h. Proof of Professional Errors and Omissions Insurance, if required by ordering department;
- i. Performance bond, if required by ordering department.

G. FINAL SELECTION OF CONTRACTOR

1. The ordering department should form a team to review the submitted responses based on "best value" to select the contractor. The criteria used for the selection must be quantifiable and each response must be evaluated on the same basis. Examples of selection criteria are experience, staffing, local proximity to work site, availability to complete the project within the requested timeframe, and total cost of project.
2. The selection process must include evaluation of written RFO and can include conference call interviews or face-to-face interviews as well as a review of the contractor's written response to the RFO.
3. After the selection is made, simply notify the contractors of your selection.

H. FILE DOCUMENTATION

Ordering departments must record their evaluation and selection criteria and keep the following pertinent documents in the procurement file:

1. Department internal expenditure and contract approval
2. GC §19130 justification (Section VI, Forms Example)
3. RFO with minimum of 3 responses, including S/B or DVBE if applicable
4. Resumes
5. Certificate of PMP, if applicable
6. Financial Information/Bond, if applicable
7. Secretary of State Certification
8. Certificate of Liability Insurance greater than \$1,000,000 if federal funds are used

9. Federal Debarment certification signed by the contractor that they have not been suspended from doing business with the Federal Government
10. Workers Compensation Liability Insurance
11. Confidentially Statement signed by the contractor.
12. Payee Data Record STD 204
<http://www.documents.dgs.ca.gov/osp/pdf/std204.pdf>
13. California S/B or DVBE certification, if applicable
14. The SOW must include service subcategory job classification and rates
15. Contractor's MSA contract including the rate schedule
16. SB/DVBE incentive documentation
17. Completed evaluation and selection report
18. Standard Agreement 213 along with an Agreement Summary 215
<http://www.ols.dgs.ca.gov/Contracting+Info/formsandinstruction.htm> including the SOW, Department Billing Code, Leverage Procurement Agreement number, Delegation number, and supporting documentation. Copies of all said documents must be sent to the Department of General Services, Procurement Division, Master Agreement Unit. A STD 65 is not permissible
19. State Contract Procurement Registration Systems (SCPRS) confirmation
20. Contract Award Report STD 16
<http://www.documents.dgs.ca.gov/osp/pdf/std016.pdf>
21. Contract/Contractor Evaluation (STD4)
<http://www.documents.dgs.ca.gov/osp/pdf/std004.pdf>
Should occurrences of either outstanding performance or poor performance be encountered the DGS Procurement Division Contract Administrator should be notified. The contract shall have the option of reviewing any such submitted performance reports and evaluation.