

Chapter 3550 - Requisition Procedures

3550 REQUISITIONING PROCEDURE

(Revised 6/78)

Purchase estimates are initiated by the State agency to effect purchases, to provide management and the central budgetary authority with budgetary control over purchases, to serve as a formal requisition upon the Office of Procurement, Department of General Services, for agency purchases, and to provide an accounting record of purchases in process.

Agencies will contact the Office of Procurement, Department of General Services, early in the purchase process in order to benefit from advice and assistance on specifications, sources of supplies, price advantages, substitutions, and a determination of the agency's precise needs. Agencies that write to vendors for information to price purchase estimates will inform the vendors that the information requested is for accounting purposes and is not a request by the Office of Procurement for quotations. Agency titles which may be interpreted as relating to the Office of Procurement will not be used with signatures on agency request for prices. Agencies will write for price information to enter on estimates only when the balance in the allotment is such that this procedure is necessary to ensure that the allotment will not be truly over-encumbered by the purchase estimate. The agency should anticipate its needs and accumulate those needs to warrant quantity purchases. Special requests to the Office of Procurement and over-stocked inventories maintained by the individual agency increase the costs of State operation and will not be permitted unless properly justified.

3551 FORMS USED

(Revised 11/98)

The Office of Procurement, Department of General Services, will accept only those purchase requests submitted on standard forms. The standard forms are:

- STD. 66 — Purchase Estimate

 - STD. 66A — Purchase Estimate Continuation

 - STD. 12 — Weekly Order Sheet Fresh Produce
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3552 QUARTERLY REQUESTS

(Revised 7/64)

Large use items, such as food and clothing used in the State institutions, are normally submitted in the form of quarterly estimates. Such estimates form the basis for quarterly contracts entered into by the Office of Procurement, Department of General Services, to supply the institution's requirements of such items during the following three months.

3553 CONSOLIDATION OF INTRA-AGENCY REQUESTS

(Revised 9/82)

Agencies should make every effort to consolidate their requirements of similar items into a single purchase estimate. Items should be ordered in quantities sufficient for a reasonable period and consistent with future needs and available storage space. Agency procedures which result in the submission of several purchase estimates for the procurement of the same item or for like items for delivery to the same location often require the issuance of otherwise unnecessary purchase orders, incur additional shipping and packaging expense, cause an unfavorable impression of State business practices, and eliminate or reduce the volume purchase

advantage of centralized purchasing. This practice often is an attempt to segregate purchases for accounting purposes.

Similar or like items to be purchased from more than one budget allotment or shipped to more than one location may be consolidated in a single purchase estimate. See SAM Section 3553.1. The appropriate budget allotment or shipping information may be written in the description portion of the estimate form or it may be shown on an attached detail sheet.

Estimates for similar or like items should be combined even though the items are to be paid for from separate appropriations from the same fund, or from appropriations from separate funds. In such instances the encumbrance and the subsequent expenditure will be allocated to the appropriation and fund. A single invoice received in such instances may be claimed by including the invoice in a claim schedule filed against one of the appropriations involved and putting an adequate cross-reference in the claim schedule filed against the other appropriation concerned. Frequent recurrence of such consolidated estimates may make it advisable to charge the encumbrances and expenditures for such items to a single appropriation in the first instance and subsequently recover the appropriate amount due from other appropriations by State Controller's transfer under a plan of financial adjustment as authorized by Government Code Section 11251. However, this method presents the disadvantage of overstating the encumbered balance of the allotments to be charged under the plan until such time as the State Controller's transfer is formally requested. Agencies desiring to use the plan of financial adjustment method where substantial amounts are involved should consult the Department of Finance budget staff before doing so. See SAM Section 8456.

3554 DESCRIPTION OF ARTICLES (REVISED 4/67)

Each department and institution should have one current catalog for each kind of commodity which is usually ordered. An institution should have catalogs from large hardware, plumbing, hotel supply, and office furniture dealers. Departments should be equipped with catalogs suitable to their needs. Upon request to the Office of Procurement, Department of General Services, appropriate catalogs will be supplied. Reference should not be made to eastern catalogs unless the article desired is not obtainable on the West Coast. All items to be purchased should be briefly and completely described and, whenever possible, reference should be made to catalog numbers when completing the purchase estimate form. The typing should be double-spaced between items, with detailed description of items being single-spaced.

Department or institutions purchasing lumber should keep on hand a full set of grading rules for lumber, and estimates for lumber should be in conformity with such grading rules. Copies of grading rules will be supplied on request.

Descriptions, whenever possible, should be copied from the last purchase order (not the previous requisition) since the buyers of the Office of Procurement endeavor to make the purchase orders correct in every detail of nomenclature, catalog number, and style.

3555 LIMITING OF COMPETITIVE BIDDING (Revised 03/08)

Purchase estimates containing references to brand or trade name or other specifications which have the effect of limiting bidding to one bidder and/or one brand or trade name must be accompanied by a statement fully explaining why the product specified is necessary for the successful carrying out of the ordering agencies' services and functions. This statement shall include at least the following:

- The unique performance factors of the product specified.
- Why are these specific factors required?
- What other products have been examined and rejected and why?

Purchase estimates submitted without adequate information in support of limiting competitive bidding will be

returned to the originating agency. Acceptance of a purchase estimate and the purchase of the specified product will indicate Office of Procurement, Department of General Services, agreement with the ordering agency in conformance with Public Contract Code Section 10301.

3555.1 ITEMS OF SPECIFIED BRAND OR TRADE NAME (REVISED 9/85)

When an agency decides that an article of a specified brand or trade name is the only article which will properly meet its needs, the agency will state such fact on the requisition and set forth all reasons requiring purchase of the specified item.

Acceptance of the requisition and purchase of the item will indicate Office of Procurement, Department of General Services, agreement with the agency. If the Office of Procurement disagrees with the requisitioning agency as to the brand or trade name to be purchased, the agency will be notified.

When a specified brand or trade name item is to be purchased as a result of a Board of Control decision, a copy of the decision will be filed with the related purchase order or contract in the Office of Procurement.

3555.2 NONCOMPETITIVE PURCHASE OF EQUIPMENT REPAIR PARTS (NEW 5/79)

Purchase estimates requesting purchase of a specific brand or trade name of parts needed to repair equipment must contain the following information in lieu of that specified in SAM Section 3555:

- Why only one brand of part can be utilized to repair the equipment.
 - Whether the specified brand of repair parts is available from only one source (i.e., manufacturer) or multiple sources (i.e., distributor).
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3555.3 NONCOMPETITIVE PURCHASE OF EQUIPMENT TO INTERMEMBER WITH EXISTING EQUIPMENT (NEW 5/79)

Purchase estimates requesting purchase of a specific brand or trade name of equipment to match and/or intermember with existing equipment shall contain the following information:

- What is the quantity of existing equipment to be interfaced that is currently owned by the agency?
 - Why it is necessary that the requested equipment be the same manufacture as currently owned equipment?
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3556 SALES AND USE TAX (Revised 6/58)

Purchase estimates prepared for items subject to the retail sales or use tax will show such taxes as a separate item. (See Fiscal Affairs portion of this Manual for other information regarding taxes.)

3558 SUBMISSION PROCEDURE FOR PURCHASE ESTIMATES AND REQUISITIONS (REVISED 9/91)

Purchase estimates which require budget staff approval under the terms of SAM Section 3558.1 should be submitted directly to the budget staff, Department of Finance. Purchase estimates not requiring review by the

Department of Finance should be submitted directly to the Office of Procurement, Department of General Services.

The deadlines for receipt of purchase estimates by the Office of Procurement are as follows:

February 1 — All purchase estimates or purchase documents chargeable to current year expiring appropriations for EDP and telecommunications goods and/or services estimated to exceed \$100,000 must be submitted to the Office of Procurement for processing by this date. This deadline includes EDP Computer Assisted Retrieval (CAR) microfilm systems estimated to exceed \$100,000.

April 1 — All purchase estimates chargeable to current year expiring appropriations for equipment items, as defined in SAM Section 8602 and 8614, with an estimated cost exceeding \$10,000, must be received by the Office of Procurement by April 1.

May 1 — All purchase estimates or purchase documents for EDP goods and/or services submitted to the Office of Procurement for processing, and estimated to cost less than \$100,000, must be received by this date.

All other purchase estimates chargeable to current year expiring appropriations must also be received by May 1. Purchase estimates lacking required approvals by other State agencies or divisions of the Department of General Services will be returned to the ordering agency. Such purchase estimates must be received by the reviewing agencies as follows:

Department of General Services	Due Date in Approving Division (Prior workday if the date falls on a weekend)	
	NON-EDP AND TELECOMMUNICATIONS ITEMS	
	<u>\$10,000 or More</u>	<u>Less than \$10,000</u>
Telecommunications Division	Jan. 2	Feb. 1
Office of Fleet Administration	March 1	April 1
Office of State Printing:		
Equipment	March 15	April 15
Printing	March 15	April 15
Office of Records Management:		
Equipment	March 1	April 15
Files	March 1	April 15
Office of Real Estate and Design Services	March 1	April 15
Office of Support Services	March 15	April 15
<u>EDP AND TELECOMMUNICATIONS ITEMS</u>		
	<u>100,000 or more</u>	<u>Less than 100,000</u>

Telecommunications Division	Dec. 15	April 1
Office of Records Management	Dec. 15	April 1
(CAR microfilm and optical disk equipment		

NOTE: All EDP acquisitions, including CAR microfilm, must have necessary approvals from the Department of Finance, Office of Information Technology (OIT). Projects requiring OIT approval must be submitted to that office at least 45 days prior to the Office of Procurement's due dates.

A purchase estimate received after May 1 may be processed if there is a full and adequate explanation for the late submission approved by the department's chief administrative officer, or chief fiscal officer authorized by him/her, and it is either:

- Required by an emergency involving public health, welfare, or safety, or

- Funded by appropriations expiring June 30 or earlier which were not available before April 15.

Each purchase estimate should indicate that the funding is either from a "continuing appropriation" or an "expiring appropriation."

Refer to Board of Control Rule 610 concerning purchases in one fiscal year for use in the subsequent fiscal year and definition of legal charges against the old and the new fiscal years.

3558.1 EXEMPTION OF PURCHASE DOCUMENTS FROM PROGRAM AND BUDGETARY REVIEW BY DEPARTMENT OF FINANCE
(REVISED 9/91)

The Department of Finance exempts from review for program and budgetary determination all purchase documents for items of equipment which can be funded from the amount budgeted for the purchase of equipment in the approved fiscal year budget.

Purchases of equipment will remain a departmental responsibility subject to statutory and administrative rules and restrictions. Equipment lists for capital outlay projects will still be required for capital outlay projects in accordance with pertinent sections of the State Administrative Manual. Departments are specifically charged with the responsibility for the analysis of equipment requirements to supplement the approved legislative program and approval of the models and types of equipment which can most sufficiently support the project or program. Subsidiary effects such as changes in staffing requirements, operating expense, supplies, and space should be evaluated with respect to each choice.

The amount budgeted for equipment in the approved fiscal year program may not be augmented except with the approval of the Budget Revision, STD. 26, by the Department of Finance.

Purchase estimates for automotive equipment will be submitted directly to the Office of Fleet Administration, Department of General Services, for approval. Estimates approved by the Office of Fleet Administration will be routed to the Office of Procurement, Department of General Services. Estimates requiring changes or deletions and disapproved estimates will be routed to the originating department.

A certification will be required of the agency for any equipment purchase estimate exempted under the above instructions as follows:

"This purchase estimate does not require approval by the budget staff, Department of Finance, under the provisions of SAM Section 3558.1.

Signed _____, Accounting Officer
(or other authorized representative)."

3558.2 OTHER PURCHASE ESTIMATES

(REVISED 4/76)

Purchase estimates and requisitions for items other than equipment (See SAM Section 3558.1) will be submitted to the Sacramento or Los Angeles office of the Office of Procurement, Department of General Services (see SAM Section 3558.3 for offices serving various areas), unless it is:

- Dependent upon approval of a budget revision or a transfer of budget allotment, or
- For an item or class of item specifically restricted.

In either of the above circumstances, the estimate or requisition will be submitted to the budget staff, Department of Finance, through agency channels.

3558.3 AREAS SERVED BY OFFICE OF PROCUREMENT

(REVISED 3/89)

Areas served by the two procurement offices are shown on the map, 3558.3 Illustration. All purchase estimates should be submitted to the Sacramento office, except estimates for fresh produce for Southern California delivery should be submitted to the Los Angeles office.

3559 INCREASE OR DECREASE OF ESTIMATES

(REVISED 6/80)

The Request for Purchase Order or Estimate Change, STD. 96, is used under the circumstances described below, to change estimates that have already been forwarded to the Office of Procurement, Department of General Services. A separate STD. 96 should be used for each estimate to be changed.

Refer to SAM Section 3558.1 concerning approval required by the budget staff, Department of Finance, for overdraft of budget allotments.

3559.1 INCREASE

(REVISED 9/85)

The Request for Purchase Order or Estimate Change, STD. 96, is required:

- If the original estimated cost is less than \$1,000 and the increase amounts to \$100 or more and exceeds the estimated cost by 25%.
- If the original estimated cost is from \$1,000 to \$4,999 and the increase amounts to \$250 or more and exceeds the estimated cost by 10%.
- If the original estimated cost is at least \$5,000 and the increase amounts to \$500 or more, regardless of percentage.
- When requested by the Office of Procurement, Department of General Services, for specific estimates.

The percentages noted above pertain to the total dollar amount encumbered on the purchase estimate for one or more items, not to the individual line items listed.

If agencies wish to be advised of an anticipated expenditure that would exceed a specific amount, it should be noted on their estimate; i.e., "If expenditure exceeds \$_____, notify agency before Purchase Order is issued."

3559.2 DECREASE
(REVISED 11/71)

Request for Purchase Order or Estimate Change, STD. 96, may be used to decrease estimates in process if it is determined that the actual expenditure will be less than anticipated, and it is desired to reduce encumbrances to facilitate other use of funds.

3565 PURCHASE ORDERS
(REVISED 9/85)

Purchases are authorized on the form Purchase Order, which is completed and sent to the vendor by the Office of Procurement, Department of General Services.

One purchase order will be issued for each vendor supplying items listed on a single purchase estimate. See SAM Section 3553.

3566 PURCHASE ORDER CHANGES
(REVISED 9/91)

The form Purchase Order Change, GSOP-7, and Purchase Order Revisions are made out by the Office of Procurement, Department of General Services, when necessary and distributed to the parties concerned.

3566.1 WHEN REQUIRED
(RENUMBERED 9/55)

Purchase order changes are required in the following instances:

- Change in F.O.B. point
- Change in terms if unfavorable to the State
- Change in estimate number
- Change in vendor's name (except simple spelling corrections)
- Increase in Unit Price
- Mathematical error over \$10
- Addition or cancellation of any item
- Change in description specifications, or substitution of any material
- Extension of time on "As Needed" or "As Required" order (such orders are written for units of material; "As Required" or "As Needed" for a period ending DATE). The extension of this time is what would require a purchase order change.

- Adding or changing a priority rating or certification
 - Any overdraft of a purchase order except as permitted under subparagraph 3 in SAM Section 3566.2.
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3566.2 WHEN NOT REQUIRED

(REVISED 9/91)

Purchase order changes are not required when:

- Price billed is less than purchase order.
 - Weight or quantity is less than purchase order and unit price as stated on the purchase order.
 - At the time of taking a final delivery, there is a balance in a purchase order, and the final delivery does not overrun the order by more than 10%. This would apply to such items as yardage, steel, lumber, rock, asphalt, products produced from roll paper stock; e.g., forms, cartons, etc., and other items when exact quantity is not known at the time the order is placed, including items that come in standard containers.
 - Delivery of items such as fresh vegetables varies from the weight, quantity or count specified, on the order (not to exceed plus or minus 10% of the value of the total order up to \$1 million).
 - Order specifies certain sized containers and other containers which are acceptable are delivered, but total quantity and price are within the limits of the order.
 - Items are purchased by Procurement for resale and final delivery does not exceed the order value by more than 10%.
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3568 BLANKET PURCHASE ORDERS

(REVISED 3/89)

Blanket purchase orders issued without the taking of competitive bids and in which the products ordered and unit prices are not specified are strongly discouraged. Requests for blanket purchase orders must be accompanied by a statement explaining the nature of the probable emergency requiring the blanket purchase order, the probable effect on public health, welfare or safety caused by this emergency, and the reasons why other purchase methods will not meet the agency need.

Present policy all but excludes the use of blanket purchase orders. All such purchases will be made under a delegated purchase authority program which may be granted on an individual basis to agencies with approved Material Management Plans. Agencies must provide a justification of their need in order to receive the special purchase authority. All requests must be submitted to the Office of Procurement, Department of General Services. Details of information which must be included in such requests may be obtained from the Office of Procurement's Research and Analysis Section.
