

Chapter 3570 - Sub-Purchase Orders

3570 SUB-PURCHASE ORDERS (REVISED 9/91)

The Sub-Purchase Order procedure is intended to facilitate the economical and orderly procurement of personal property by State agencies. The privileges and shortcuts extended to operating departments under this procedure are not intended as a substitute for centralized purchasing nor are they to be used as an excuse to engage in widespread purchasing without approval by the Office of Procurement, Department of General Services. Sub-purchase orders cannot be used to contract for services.

3571 USE OF SUB-PURCHASE ORDER, STD. FORM 40 AND 40A, AND CONTRACT/DELEGATION PURCHASE ORDER STD. FORM 65 (REVISED 6/80)

Departments may, at their discretion, subject to categories and monetary limits listed in SAM Section 3571.1–3571.2, issue Sub-Purchase Order, STD. 40 or 40A, or Contract/Delegation Purchase Order, STD. 65, to secure delivery of any necessary and required items of personal property. Splitting of purchases to avoid the monetary limitation specified is not permitted. Budgetary limitations are established in SAM Section 3558, et seq.

The California Legislature, through enactment of the Small Business Procurement and Contract Act (Government Code Section 14835), has directed that a fair share of the State's purchases be placed with small businesses. All purchases made under this section are subject to reporting requirements as outlined in SAM Section 1204 (Contracts, Part 8, Small Business Procurement and Contract Act).

3571.1 CONTRACT/DELEGATION PURCHASE ORDER (Revised 6/03)

Departments using the Contract/Delegation Purchase Order STD. 65 are advised that a name change for this form is anticipated in July 2003. The new name will be Purchasing Authority Purchase Order, STD. 65.

Departments will use the Contract/Delegation Purchase Order, [STD. 65](#) to secure items covered by their delegated purchasing authority for non-information technology goods and information technology goods and service as directed by the requirements of a department's approved delegated purchasing authority. Delegated purchasing authority covers competitive transactions as well as leveraged procurement agreements such as California Multiple Award Schedules (CMAS), Master Agreements, Statewide Contracts, State Price Schedules (SPS). Transaction amounts are specified in the approval document granting purchasing authority to departments.

3571.2 SUB-PURCHASE ORDER (REVISED 3/89)

Items listed below may be purchased by using a Sub-Purchase Order, STD 40 or 40A, or at the agency's option, a Contract/Delegation Purchase Order, STD. 65. Total dollar value, per order, may not exceed limits shown below. The monetary limits are the aggregate cost of items shown on a single order exclusive of taxes and transportation charges.

Items listed below may be purchased without monetary limitations

- » Purchases from Prison Industry Authority
- » Acquisitions from the State Department of Education, Office of Food Distribution
- » Acquisitions from the Department of General Services, Surplus Property
- » Purchases of excess personal property from the Federal Government by qualified State agencies
- » Interagency purchases

Special Monetary Limit — less than \$10,000

- » Non-Contract Intravenous solutions
- » Cadavers and live laboratory animals
- » Prosthetic devices

Special Monetary Limit — \$1,000

- » Bottled drinking water or distilled water (subject to SAM Section 3612) and ice

Special Monetary Limits — \$100

- » All supplies and materials except those obtainable from Material Services and/or State Contracts (agencies are encouraged to review State Price Schedules)
- » All classes of material not otherwise stated (except under emergency provisions noted below)

Emergency Use

In the event of emergencies where it is necessary to buy material in excess of the dollar limits shown above, the following procedures may be used:

- » The agency desiring to make the purchase will contact the nearest Department of General Services, Office of Procurement, explaining the circumstances surrounding the emergency and giving as complete a description of the material, price, and source of supply as is possible. The Office of Procurement Buyer receiving the request will review the circumstances. If the circumstances warrant the purchase, the Authorization to Exceed Monetary Limits of SAM Section 3571.1 by Sub-Purchase Order, GSOP-42, will be issued. The routing of the copies of form GSOP-42 is indicated on the form.
- » In the event that it is impossible or impractical to contact the Department of General Services, Office of Procurement, agencies may proceed with the purchase on their own initiative without prior approval by the Office of Procurement. They must, however, immediately (within five days) notify the Office of Procurement of the action taken and the circumstances necessitating such action. On review by the Office of Procurement if, in the opinion of the proper person, such action was warranted, a form GSOP-42 will be made out as indicated above and sent to the agency.
- » During any period of a natural disaster (earthquake, fire, and/or flood) an agency, charged with the

emergency services support, may process emergency orders, but must, within thirty (30) days after the official termination of said disaster, but in no case more than sixty (60) days from the date of the purchase, submit the proper purchasing document and justification. If, on review by the Office of Procurement such action was warranted, a form GSOP-42 will be made out as indicated above and sent to the agency.

- Copies of the form GSOP-42 noted above will be attached to the copies of the Sub-Purchase Order or Contract/Delegation Purchase Order which the agency shall originate to complete the transaction. All such purchase orders must be clearly identified and marked "EMERGENCY."

3572 IMPROPER USE OF SUB-PURCHASE AND DELEGATED PURCHASE ORDERS (REVISED 9/91)

Operating agencies should continue to try to plan their supply requirements and consolidate orders, in order to enjoy the lower prices which normally will be secured through wholesale purchasing. Do not circumvent normal procurement methods by splitting purchases into a series of sub-purchase orders or delegated purchase orders.

Sub-Purchase Orders may not be used to purchase the following:

- Articles obtainable from Office of Procurement, Material Services Section. (This does not prevent agencies from purchasing similar items of a lower cost and quality than those specifically listed in the Office of Procurement catalog if such items adequately meet their needs.) If comparable products are required, agency must submit a Purchase Estimate, STD. 66, to the Office of Procurement with justification for the purchase.
- Printing, unless in conformance with SAM Section 2804, Emergency Printing.
- Alcoholic beverages. For tax-free alcohol, see SAM Section 3661.3.
- Carbon tetrachloride fire extinguishers or refills.

3573 DISCOUNTS (NEW 8/53)

It is normal practice to extend both trade and cash discounts to the State on many items. Where Sub-Purchase Orders are placed by operating agencies, vendors should be questioned as to the applicability of discount, and all discounts granted will be shown on the face of the order.
