

# Partners

A Newsletter for Our  
Agency Customers  
and Procurement Staff

## Procurement tests the Internet waters

If you have access to the Internet, here's an address to remember: [pd@dgs.ca.gov](mailto:pd@dgs.ca.gov).

Beginning this month, establishment of an Internet *home page* for Procurement Division marks a significant milestone, signaling exciting potential for state government purchasing.

As part of California's procurement reform initiative, information systems to support future procurement processes are being assessed. The Procurement 2000 Transition team includes a unit called CalEC which has focused on gathering information and data on electronic commerce and its use throughout the U.S.

According to Mary Salontai, CalEC program coordinator, it's been an exciting search. "There's a lot going on in many States right now; we've also had discussions with the Electronic Commerce Acquisition Team in Washington, D.C.," Salontai says. "At the Federal level, they've already got the 'bugs' out and know what works and what doesn't work, so we're looking closely at their experience."

While the possibilities for electronic commerce may include services ranging from electronic catalogues, to electronic vendor registration, to electronic bid advertising, CalEC staff stress the importance of thoroughly evaluating costs and benefits before implementing a "paperless" system. "We see this as a logical progression of the current procurement reengineering activities," says Scott Norton, CalEC manager.

Three projects are currently being implemented on the Internet. The home page is designed to offer general information on Procurement Division and contact information to help customers and vendors find the assistance they need. California Multiple Award Schedule information will also be available, offering state agencies an up-to-date listing of the contractors selling to the State under this program.

The third project is a pilot program to advertise a technology acquisition solicitation for

the Employment Development Department on the Internet. A copy of the bid will be displayed with contact information for those interested in pursuing the bid. According to Norton, other States currently advertise bid lists by commodity or topic but don't display solicitations.

"We want to test the waters," Norton says, "and see just what impact this will have, what problems may be generated, so we can gain some knowledge and experience in handling electronic bid documents." Results of this pilot, coupled with ongoing procurement reform initiatives, will determine whether bid advertising on the Internet will be expanded in the future.

For more information about our Electronic Commerce program contact Scott Norton (324-2989) or Mary Salontai (323-8445).

## Good idea = results

Congratulations to Jackie Collins, Procurement Division employee, who has proved that a good idea plus tenacity *can* yield results.

Jackie's good idea — "Distribution Code Change to Contracts Checklist" — has been approved as a Merit Award Suggestion (MAS) and her proposal was implemented on July 1. While the cost analysis was not complete at press time, savings are anticipated to be in excess of \$250 thousand per year.

Under the former system for coding and distribution of contracts, state agencies often received many contracts that they had not requested. Collins' MAS establishes a mailing list for each individual contract (versus groups of contracts), eliminating the old addressograph coding distribution set up many years ago. Agencies may now sign up for only the copies they need. Agencies will begin receiving their contracts under the new system soon.



Jackie Collins

*"Small businesses and MWDVBES contribute 60% or more to national and statewide economic growth."*

Reggie Banks

## PIN Classes On-going

Procurement Information Network classes are held at 1823 14th St, Sacramento, Rm 207. For additional information, or to register, please call (916) 574-2269.

Commodity/Vendor Queries 9:15 - 11:45 a.m.  
Aug. 23, Sept. 13, Sept. 27, Oct. 18

Contract/Delegation 1:00 - 4:00 p.m.  
Aug. 23, Sept. 13, Sept. 27, Oct. 18

Purchase Estimate/ Text 8:30 - 11:45 a.m.  
Aug. 24, Sept. 14, Sept. 28, Oct. 19

Material Services Module 1:00 - 4:00 p.m.  
Aug. 24, Sept. 14, Sept. 28, Oct. 19

## What Can a Master Agreement Do For Me?

Did you know that Master Agreements for Information Technology goods and services are established as the result of competitive procurements? Because of this, agencies can take advantage of offerings from contractors at a low cost. Some Master Agreements have multiple contractors allowing agencies to select products or services which best meet their business needs using their own value effective criteria. Orders are placed directly with the contractor without having to conduct a time-consuming procurement effort. The result: you save time and money.

The latest Master Agreement provides agencies with a method for acquiring personal computers, peripherals, printers and related software. AST, Dell, Compaq, and IBM personal computers and Hewlett-Packard printers are now available through this agreement.

Many Information Technology Master Agreements are available now and others will be available soon. For catalogs or additional information, call (916) 445-7986.

## Just Ask...

*We encourage your comments and questions and, as space permits, we will provide answers to questions of general interest to our readers in this column. Please call 322-4617 or 322-4618, or write to: CVSU, Room 103, 1823 14th Street, Sacramento.*

**Q:** Does the Governor's recent Executive Order on Affirmative Action mean we no longer need to be concerned with meeting MWDVBE goals?

**A:** By its terms, the Executive Order on Affirmative Action does not override existing statute. As a result, the impact on existing MWDVBE programs relating to state contracting is relatively minimal. Departments are still required to meet annual goals of 15% (minority) and 5% (women) on contracts and report results to the Governor and Legislature annually. Existing regulation does permit a department to exempt individual contract(s) from MWDVBE goals so long as this is done before receipt of bids.

According to Reggie Banks, Procurement Division manager of the unit which provides outreach and education services related to MWDVBE, diversity can be profitable. "Small businesses and MWDVBES contribute 60 percent or more to national and statewide economic growth," Banks explains. "Small, minority and disabled veteran business enterprises often have low overhead and flexible schedules which allows for very competitive rates and quick response times. It makes good sense to consider MWDVBE sources for contracting and subcontracting opportunities."

For information call: (916) 324-4337

### Attachment B Workshops...

held at 1823 14th St., Sacramento provide information on MWDVBE participation; all begin at 1:00 pm. For info call (916) 445-5093.

Dates are:

**August 24**

**September 14**

**September 28.**



*CAL-Card purchasing  
saves time and money*

## More than 2000 CAL-Cards currently in use

California's CAL-Card program is growing steadily as agencies throughout the State implement this option aimed at cost effectively making small purchases. Data available at press time indicates that the program will most likely exceed \$12 million in card purchases this year. More than 20 state agencies, the California State University system, and three cities are now part of the CAL-Card program, with more than 2,000 cards in use.

"Some agencies have put their toe in the water while others have jumped in with both feet when it comes to implementing the card," says Alice Flissinger, CAL-Card Statewide administrator. "That's just one of the benefits of this program — it can be implemented and used by each agency based on *their* business and management needs."

With the ease of a widely-accepted VISA bank card, CAL-Card holders may make walk-in purchases, place telephone orders, and receive and confirm purchases of up to \$1000, or up to \$5000 per transaction upon approval of the Department of General Services. The Card allows agencies to effectively control and monitor small purchases and reduces the time and paperwork of using Contract/Delegation Purchase Orders.

"We urge agencies to read Management Memo 95-01 which describes the CAL-Card program and then call us about training," Flissinger explains. "We would like to pour on the steam and keep the program rolling along, to the benefit of all participating agencies. The charge for each card — currently at \$45 annually — will drop to *free*, when we get to \$35 million in purchases." CAL-Card program staff offer training throughout the State; for dates, call the CAL-Card office.

The State's Master Service Agreement contract for the CAL-Card (held since 1990 by Rocky Mountain BankCard System, Inc.) is currently in the re-bidding process as is required; a new contract will be awarded this fall. A CAL-Card Task Force representing five customer agencies has been involved in drafting the Request for Proposal and advising Procurement Division. Flissinger notes that as the program transitions to a new phase, cardholders will be informed of any changes and have a commitment from us that use of the CAL-Card will not be interrupted.

If you would like more information about CAL-Card or have questions about training, please contact Alice Flissinger (916) 322-5833.

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### Thinking about the CAL-Card program ...

You might wish to consider the following suggestions noted in the May 1995 issue of **NAPMinisights**.

— **Know your organization.** Keep your perspective on the dollar volume you're dealing with — most small-dollar transactions account for only 5 to 10 percent of total expenditures. Question whether you are over-controlling such a small percentage, and determine what this control is really costing you.

— **Determine who'll use the cards.** Analyze your purchasing patterns. Look at which employees are making repetitive, small-dollar purchases, and chances are they'll be among your first cardholders.

— **Train your cardholders.** Conduct thorough training. Make sure employees are aware that the cards are a privilege, and with that privilege come responsibilities.

*"CAL-Card can be used by each agency based on their business and management needs..."*

Alice Flissinger

"We are creating an action plan that will dramatically overhaul current processes..." JoAnne Payan

## Procurement 2000 — a blueprint

Over the past 15 years, California's procurement system has been extensively studied by many authoritative groups but most recommended changes or improvements were never effectively implemented. Given this historic perspective, the Procurement 2000 Transition Team's guiding principle has been to develop and initiate implementation of solutions.

"We are committed and focused on the development of an actual blueprint for change," says JoAnne Payan, Procurement 2000 Project Team manager. "We are creating an action plan that will dramatically overhaul current processes, and position procurement professionals throughout State government for the 21st century."

In early May, the Procurement 2000 team briefed Governor Wilson's Cabinet about progress on the procurement reform initiative and their action plans for the next six to twelve months. This information was also shared with hundreds of state agency customers and vendors at the Government Technology Conference and at the special Procurement Symposium held in conjunction with GTC. The following information

summarizes the concepts proposed by Procurement 2000.

### Single Statutory and Regulatory Framework

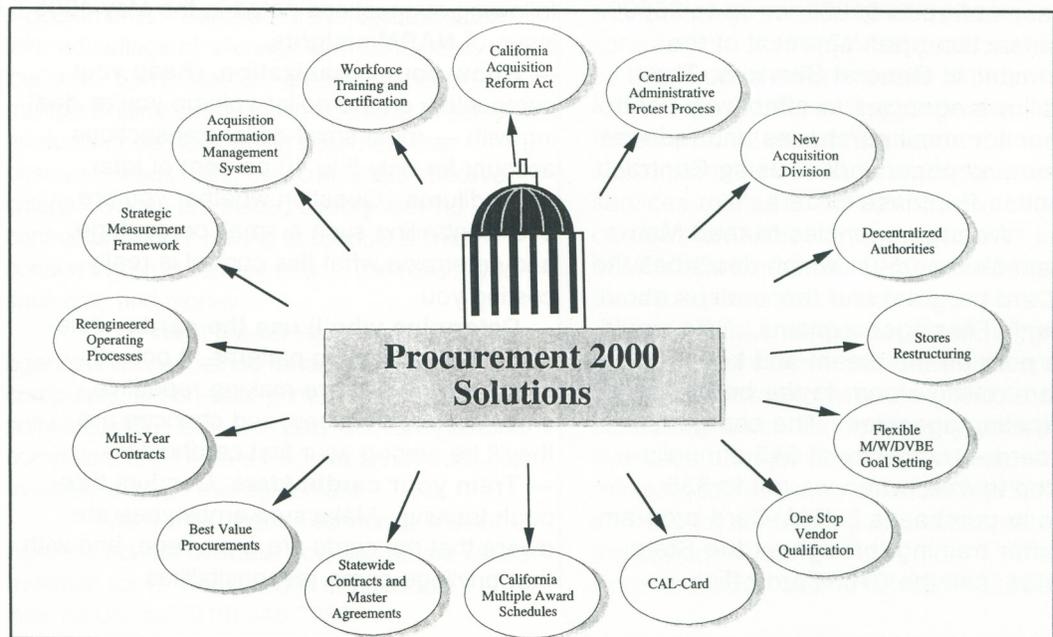
The Procurement 2000 Team proposes a single integrated statutory and regulatory framework to govern the State's acquisition process and will soon begin work on drafting the California Acquisition Reform Act of 1996. The new statutory framework will be streamlined, simplified, and structured to emphasize results rather than process, best value rather than lower cost, and quality factors such as experience, service, and performance.

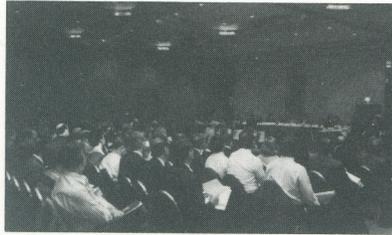
### Organizational Leadership and Ownership

The Procurement 2000 Team has developed organizational structures, roles, and responsibilities for a new Acquisition Division within the Department of General Services (DGS). This new Division would consolidate technology, goods, and services acquisition responsibilities, many of which are currently found within DGS and the Board of Control.

### Responsible Socio-Economic Programs

The Procurement 2000 Team is identify-





Business leaders from throughout California gathered at the Procurement 2000 Symposium held in May at GTC in Sacramento.

## for change

ing alternative acquisition and goal setting processes aimed at achieving equal opportunity for all businesses while reducing paperwork, shortening process cycle times, and decreasing costs. These initiatives can be achieved within existing statutory requirements.

### **Streamlined Processes**

In addition to the accelerated implementation of the CAL-Card program and CMAS, a pilot program is planned for giving customer agencies authority to conduct their own formal competitive contracting for one-time commodity purchases. New statewide contracts and master agreements will be developed to enable agencies to take full advantage of quantity discounts. The team has also identified needs for increased use of multi-year contract models.

### **Performance Measures**

The Procurement 2000 Team is identifying process measures, financial data, vendor performance indicators, customer satisfaction indices, and operational data which are needed to effectively manage, and establish accountability for, acquisition process performance.

### **Technology Enablers**

The Procurement 2000 Team is currently identifying what specific data and information is necessary to support the procurement mission and then will develop a future state systems architecture strategy. Information support system needs being assessed include electronic bid advertising, electronic catalogues, electronic vendor registration and electronic directories.

### **Human Resource Enablers**

To support full transition to procurement 2000, efforts to professionalize the organization with trained and capable staff resources must continue. Specific areas being addressed here include education, training, certification, classifications, performance management, management development and leadership.

## Procurement reform in the spotlight at Harvard

In early June, JoAnne Payan, project manager of the Procurement 2000 team, was a featured speaker at the John F. Kennedy School of Government's Information Technologies and Procurement Reform Program held at Harvard University in Cambridge, Massachusetts. Attended by industry leaders and government officials from throughout the U.S., the program offered an in-depth look at innovative procurement initiatives.

"Many States are making procurement process changes with tactics similar to ours," Payan says, "but none of them reflects the enterprise-wide direction of California's effort. There was tremendous interest and support from the vendor community and admiration expressed by other States which do not have support from the highest levels of government as we have here in California."

## Legislative Update

This session, Procurement Division is tracking more than two dozen bills, ranging from affirmative action to the Prison Industry Authority and the new Chief Information Officer.

Three that we are closely monitoring include: **SB 286** (Polanco) This bill authorizes state agencies to issue solicitations by way of electronic transmission and requires DGS to develop procedures to provide for electronic filing and dissemination of documents and information; **SB 910** (Polanco) This bill would establish a bid protest process to be detailed by DGS in the SAM, would have the DGS determine the feasibility of arbitration as a means of protest resolution, and would remove the statutory dollar limits on CMAS orders so DGS could set these administratively; **AB 1578** (Bowen) This bill establishes an alternative bid protest pilot to be administered by DGS.

## *CMAS offers flexibility to meet business needs*

The California Multiple Award Schedules (CMAS) program recently celebrated its first anniversary! Since May 1994, the program has grown rapidly from an initial four contracts to more than 220 contracts with more than 120 vendors — and new contracts and vendors are being added every week.

CMAS offer agencies the flexibility to choose a product or service according to their business needs whether they be price, warranty, vendor performance and/or brand name. CMAS contracts are used like master contracts, allowing agencies to place orders directly with CMAS vendors for both commodity products and information technology products and services.

With CMAS, you simply find the items you need, fill out a purchase order (Std.65), send it directly to the vendor, and receive your products in a timely manner. CMAS vendors will distribute copies of their contracts to any requesting agency. To determine whether the item you wish to purchase is available through a CMAS vendor (chances are it is), you may review the contracts listing available from Procurement Division's CMAS unit or log in to Office Vision at either the Teale or HWDC data centers.

"Any state agency which would like to learn more about our CMAS program is encouraged to call us," says Carol Umfleet, CMAS program manager. "We are looking for opportunities to spread the word on CMAS and staff will be happy to come to your office to make a presentation and answer questions about the program."

If you would like to book a presentation, establish a schedule for a vendor, or find out how to use the schedules, call the CMAS team at: (916) 324-8045 (public) or 8-454-8045 (Calnet).



*CMAS team members ready to assist you are: (front) Steve Casarez, Cecil Daily, (center) Marisa Truax, Carol Umfleet, Hiroko Kurosawa, Wendy Neely, Elaine Hall, (back) Larry Aronson, Paul Warner. (Dawn Ford was on vacation!)*

*Be a smart shopper; do not place an order until you have received and read all of the terms and conditions carefully.*

## Some fantastic (and helpful) facts about CMAS

No one ever said that policies and procedures are as fun to read as a good book. But, we want you to have the information you need to effectively use this procurement option. Based on many questions and telephone calls we receive, here are some facts you need to know. If you have a question not covered here, please call the CMAS office at **(916) 324-8045**.

**Fact:** Use of CMAS contracts is optional. Unlike some State Contracts, you choose whether or not to use CMAS based on your business needs.

**Fact:** A purchase from a CMAS contract is **not** considered to be a sole source and is not reportable as a sole source.

**Fact:** A CMAS contract is much more than a price list. CMAS vendors are required to distribute complete contract packets, each consisting of five pieces — the signature page, the ordering instructions customized by our office, California contract terms and conditions, Federal contract terms and conditions, and the product/price list.

**Fact:** Some CMAS contracts contain Not Specifically Priced Items (NSP). While not on the contract, these items may be purchased from the same vendor on the same order. This language, from the Federal GSA schedule, is a method of completing an order. If, for instance, you purchase a PC but the fax/modem card is not on the contract, you may add this item to the purchase order under the NSP provision. NSP provisions are very specific, limit the types of items which can be purchased, and **cannot exceed \$2500 per order**. A NSP item must be subordinate to, or in support of, an item on the same PO. This provision eliminates the need to conduct a bid for these items.

**Fact:** The CMAS Unit identifies the MWDVBE and Small Business Certification status of each vendor. The Department of General Services

accepts self-certification for minority and women owned business enterprises. If we receive a CalTrans certification, we note it on the contract. Disabled veteran and small business enterprises are certified by the Office of Small and Minority Business. Some vendors have identified resellers in their CMAS who may be MWDVBE or SBE. These resellers are identified in a matrix included with the CMAS.

**Fact:** The total value of a CMAS order may be counted toward an agency's MWDVBE annual participation goals. As the awarding agency, **you count** all of the order dollars for both commodities and information technology and you may count the amount towards your annual goals.

**Fact:** CMAS vendors can offer prices lower than those published in their CMAS contract. Many CMAS vendors offer special promotions which have a limited term; ask them about special promotions.

**Fact:** CMAS order limits are not based on — and may exceed — your agency's purchase delegation limit. The order limit of \$250,000 for information technology and \$20,000 for commodities is available for all agencies, regardless of their delegation approvals.

**Fact:** Purchase of information technology equipment may require approval by the Office of Information Technology (Finance) and Telecommunications Division (DGS). Depending on the type of equipment in the CMAS contract, we include language in the CMAS ordering procedures to remind each agency of the required review or approval. Be aware that we do not include reminders for all policies. **Know your State policies and procedures**; use of CMAS does not relieve you from adhering to them.

**CMAS ON-LINE  
TEALE & HWD**  
*Just log in to Office  
Vision and from  
the prompt "====>"  
execute the com-  
mand "CMAS."  
The list of CMAS  
contracts is up-  
dated weekly.*

## PROCUREMENT DIVISION MISSION

To provide professional, value-added procurement and materials management services, using effective, innovative processes that result in continuous customer satisfaction while maintaining public trust with the assurance that each tax dollar will be used in the most efficient manner.

### PARTNERS Summer 1995

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## PCs and Copiers now on CMAS

CMAS now offers more than 50 contracts for Personal Computer equipment, including system units from industry leaders, local area network (LAN) systems and components, printers, and accessories. Both PC resellers and manufacturers are included. If you're in the market for PCs, check CMAS.

Copiers — for purchase and lease— are also now available through CMAS under a 12 month pilot program. During the next year, Procurement Division will run both CMAS and the Statewide Contract for copiers; you have the option to use either program.

The Statewide Contract for copiers and CMAS are very different programs. Compare the terms and conditions, including guarantees and warranties very carefully. The Department of General Services will continue to maintain the Acceptable Brands List (ABL). Agencies purchasing a non-ABL copier on a CMAS contract must provide justification for this choice. Details of this justification are included in each CMAS copier contract.

## Customer and Vendor Services formally established

When Governor Wilson signed Executive Order W-123-95 initiating studies to determine new and innovative alternative bid award protest processes, he also formalized the establishment of customer and vendor advocates within Procurement Division. The Division's Customer and Vendor Services Unit (CVSU), which began operation in November 1994, offers a wide range of services, information, and advice to both state agency customers and vendors.

If you have questions, concerns, or issues that need to be addressed, CVSU can assist you. If you need referral to an appropriate buyer or other staff person, CVSU can help connect you. Our goal is to provide you with "one-stop/one-call" access to Procurement Division services.

One information resource is the newsletter which you're now reading. For vendors throughout California, our toll-free number (1-800-559-5529) provides access to CVSU as well as to a menu of services related to the State Bidders List. CVSU also maintains a directory of Procurement Division personnel which includes "services smart pages." If you would like a copy of this directory, please call (916) 322-4617 or 322-4618.

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