

## STATE ADMINISTRATIVE MANUAL

**MANAGEMENT MEMO**NUMBER:  
**MM 08-05**SUBJECT:  
**INCREASES TO THE DOLLAR THRESHOLD LEVELS FOR  
CONDUCTING INFORMAL SOLICITATIONS AND FOR USING  
SPECIFIC LEVERAGED PROCUREMENT AGREEMENTS**DATE ISSUED:  
**APRIL 22, 2008**EXPIRES: **RETIRED 02/08/12**  
UNTIL RESCINDEDREFERENCES:  
Public Contract Code 10301, 12102, 10290.1, 12101.5 and  
Government Code 14600  
SUPERSEDES MM 07-10ISSUING AGENCY:  
**DEPARTMENT OF  
GENERAL SERVICES****PURPOSE**

The purpose of this Management Memo is to notify State departments that, in accordance with the Public Contract Code (PCC), the Director of the Department of General Services (DGS) has increased the dollar threshold levels at which departments may:

- Use the informal solicitation to purchase non-information technology (non-IT) goods and information technology (IT) goods and services.
- Purchase goods and services from specific Leveraged Procurement Agreement (LPA) sub-categories contained in this memo.

**INFORMAL  
SOLICITATIONS  
AND APPROVAL  
REQUIRED FOR  
PURCHASING  
AUTHORITY**

The new dollar threshold levels available to departments for conducting informal solicitations have been increased as follows:

Type	Prior Threshold	New Threshold
Non-IT Goods	\$50,000	\$100,000
IT Goods and Services	\$500,000	\$1,000,000

This increase is not automatic and departments must apply for DGS approval to obtain the competitive purchasing authority to conduct informal solicitations up to the new dollar threshold levels listed above.

# MM RETIRED 02/08/2012 Incorporated into SCM Vol. 2.

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### LEVERAGED PROCUREMENT AGREEMENTS AND APPROVAL REQUIRED FOR PURCHASING AUTHORITY

The new LPA sub-category dollar threshold levels available to departments have been increased as follows:

Sub-Categories	Types	Prior	New
<b>Software License Program (SLP)</b>	IT Goods and Services	\$500,000	\$2,000,000
<b>State Price Schedule (SPS)</b>	Non-IT Goods	\$25,000	\$100,000
	IT Goods and Services	\$25,000	\$100,000
<b>Master Agreements</b>			
Cooperative Agreements (WSCA, NASPO, etc.)	IT Goods and Services	\$500,000	Unlimited
Master Service Agreements (MSA)	Non-IT Services	\$250,000	\$500,000
	IT Goods and Services	\$500,000	\$1,500,000

This increase is automatic for those departments with current approved LPA purchasing authority.

This increase is not automatic for departments without current approved LPA purchasing authority. These departments must apply for DGS approval to obtain the LPA purchasing authority to conduct purchases at the new dollar threshold levels listed above.

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### QUESTIONS

For questions regarding purchasing authority and dollar threshold information discussed in this management memo, please contact the DGS/PD's Purchasing Authority Management Section at: [pams@dgs.ca.gov](mailto:pams@dgs.ca.gov).

For policy questions regarding issues discussed in this management memo, please contact the DGS/PD's Policies and Procedures Office at: [ppo@dgs.ca.gov](mailto:ppo@dgs.ca.gov).

For additional information about informal solicitations and delegated purchasing authority, see the State Contracting Manual (SCM), Volume 2 and Volume 3 at <http://www.pd.dgs.ca.gov/polproc/default.htm>.

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### SIGNATURE

Original signed by Will Bush, Director

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Will Bush, Director  
Department of General Services