MANAGEMENT MEMO

NUMBER: **MM 15-05**	
SUBJECT: **POLICY AND PROCEDURES FOR ACQUIRING MODULAR SYSTEMS FURNITURE**	DATE ISSUED: 7/17/2015
	EXPIRES: UNTIL RESCINDED
REFERENCES: California Government Code Section 14612(e), California Public Contract Code § 12200(i), and DGS Management Memo 11-01, "Cost-Effective Reuse of Surplus Furniture," dated February 11, 2011	ISSUING AGENCY: DEPARTMENT OF GENERAL SERVICES

Purpose

This management memo sets forth the policy and procedures for state agencies (departments) wishing to acquire Modular Systems Furniture (MSF). MSF utilizes components including panels, work surfaces, storage, and accessories that can be configured in a variety of combinations to create workstations.

Policy

It is the policy that surplus MSF will be utilized to the greatest extent possible by Executive Branch departments wishing to acquire MSF. This policy is in concert with Public Contract Code Section 12153 that authorizes the Department of General Services (DGS) "to draft, establish, and implement policies that ensure the procurement and use of recycled resources."

Procedures for Acquiring MSF

As described in Management Memo 11-01, "Cost-Effective Use of Surplus Property," departments wishing to acquire MSF must first contact the DGS Office of Fleet and Asset Management (OFAM) to determine if surplus MSF will meet their needs.

If OFAM notifies the requesting department that its needs cannot be met using surplus furniture, the department is to contact California Prison Industry Authority (CALPIA) for the purchase of revitalized furniture. If CALPIA revitalized furniture is not available, the department will work with the DGS Real Estate Services Division project manager (DGS project manager) to submit a CALPIA form titled, "CALPIA Request for Modular Systems Furniture" to CALPIA.

If CALPIA accepts the project, it will notify the DGS project manager, and the project will then proceed through coordination of the design, purchase, manufacturing, shipping, installation and final completion phases.

CALPIA Waiver

CALPIA may indicate on the request form that it is waiving the project because either it cannot meet the department's needs, or it has schedule or scope concerns.

If CALPIA waives the project, the requesting department, with assistance from the DGS project manager, may contact the MSF vendor designated in the current DGS Open Office Panel Systems contract.

Government Code Provisions

If CALPIA accepts an MSF project, but the requesting department is not in agreement with CALPIA's fulfillment plan, Government Code Section 14612 (e) states: *Notwithstanding Section 2807 of the Penal Code, the* [DGS] *director or his or her designee may procure goods from the private sector even though the goods may be available from the Prison Industry Authority, when in his or her discretion, it is cost beneficial to do so and if the director or his or her designee continues to include the authority in soliciting quotations for goods.*

Obtaining a DGS Exemption

The process for obtaining a DGS exemption is:

1. The requesting department sends a written exemption request to the DGS project manager. This request must:
    a. be addressed to the DGS Director;
    b. include a compelling argument for the exemption; and
    c. be signed by the requesting department's director or his/her designee.

    The request will be part of the complete package forwarded to the DGS Director for final determination.

The requesting department, with assistance from the DGS project manager, determines the cost of the MSF by requesting a Cost Comparison Estimate (CCE) from both CALPIA and the DGS Master Contract Vendor (Vendor). A description of the information that must be provided to CALPIA and the Vendor can be found at: http://www.documents.dgs.ca.gov/dgs/resd/Cost_Comparison_Estimate_Package.pdf

2. The project information referenced above is concurrently submitted to both CALPIA and the Vendor via electronic mail (email).

Within two weeks of the request, and based on the project information provided by the requesting department, CALPIA and the Vendor will each submit a MSF CCE package (for evaluation purposes only) to both the requesting agency and to the DGS project manager. The specific information that must be provided by CALPIA and the Vendor in the CCE package can be found at: http://www.documents.dgs.ca.gov/dgs/resd/Cost_Comparison_Estimate_Package.pdf

3. The MSF CCE package shall be final upon receipt by the requesting department. No subsequent modifications or adjustments to the MSF CCE will be accepted. The unit pricing and discounted rate in the MSF CCE shall be effective for the duration of the designated project. The DGS project manager will assist the requesting department in evaluating the CCE package for procedural compliance.

4. After review by the requesting department and the DGS project manager, the two completed CCE packages will be forwarded to the DGS Director or his/her designee, along with the written exemption request from the requesting department, to determine the disposition of the exemption request.

5. The DGS Director's decision will be sent to each MSF provider and the requesting department within two weeks of the submittal to DGS Director, unless otherwise instructed by DGS.

Contacts

For additional information, please contact:

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Signature

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