



Purchasing Authority Round Table

Meeting Minutes

Tuesday, September 13, 2016
1:30 p.m. – 3:30 p.m.

1. Welcome and Introductions

Ricardo Martinez, Branch Chief, Policy, Training and Customer Services Branch -

Ricardo opened the meeting on behalf of Daniel Kim and Jim Butler to welcome all attendees. A full agenda is planned with updates from FI\$Cal, CalPCA, Disabled Veterans Business Enterprise (DVBE) Substitutions, and from California Department of Technology (CDT).

2. DGS Implementation of Financial Information System for California (FI\$Cal) Updates

Roger Anderson & Susan Sudmann, FI\$Cal Business Team -

Updates to FI\$Cal include migrating billing in real estate. The target date is January 2017. Current improved functionality developments include: simplifying the bidder registration by condensing and eliminating form fields for registering in the FI\$Cal system; UNSPSC is now easier to search by description and code number; identifying bid opportunities for work/services can be searched by county; required contract license/service and UNSPSC information is now added to the event header instead of in attachment; linking multiple vendor records to one SB/DVBE certification record allows viewing of all DBAs and legal name under one certification; and provide URL links to events that can be copied and pasted as a shortcut to share with other vendors. The next step is to develop the STD 810 Contracting Activity Report. FI\$Cal is listening!

3. California Procurement & Contracting Academy (CalPCA) Updates

Joseph Watkins, Manager, CalPCA -

CalPCA is meeting strategic plan objectives which are as follows: 1) Increase reach to people and teach more classes! There are 71 classes so far, with 1,623 total students - an increase in students of 25%; 2) Expand solutions by putting the classroom online which would decrease travel time, expenses, and free CalPCA staff to expand class development and curriculum; 3) Provide short clips for training on YouTube for new beginning level applications; 4) Facilitate FI\$Cal functionality; 5) Facilitate services contract classes (provided by DGS, Office of Legal Services (OLS) and increase from 3-4 classes per year to 5 per year; and 6) Reduce travel load by hitting the road - 57% done. The CalPCA Basic Acquisition Certification (BAC) class is a five day class, decreased from eight days. BAC will be provided online as well to get more feedback from students. The annual CalPCA survey will go out soon.

4. CalPCA Learning Management System

David O'Hara, eLearning, CalPCA Learning Management System (LMS) -

The bid events and results for LMS are as follows: evaluations on August 15, intent to award on August 19 and awarded on September 1 to DV Computer Systems Solution and Software; leveraged procurement, CMAS acquisition method was used to procure the solicitation. The LMS program will eliminate the need to travel. The goal is to build a catalog of classes where students can participate on demand. Recently, there were six bay area students and two from

the southern delta area that attended classes online which saved the state approximately \$2,080 in travel expenses and reduced carbon footprint by 2,000 pounds.

5. Purchasing Authority Updates

Tom Abeyta, Purchasing Authority Unit (PAU) Supervisor – Introduced speakers for topic, Purchasing Authority Updates.

Adrian Carranza, Purchasing Authority Specialist – Pursuant to Public Contract Code 10331, the Purchasing Authority Unit (PAU) will conduct reviews of purchasing authority (PAR) granted to departments based on a schedule created and maintained by the Purchasing Authority Unit.

PAU with the assistance of a volunteer department, conducted a pilot PAR of their procurement program. The department selected eleven contracts/purchases for the PAR. The type of procurements included:

1. Non-IT goods
2. Leverage Procurements Agreements for non-it goods, IT goods and services
3. SB/DVBE option procurements of both goods and Services

PAU Specialists used Checklist created by PAU to assess the health of the department's procurement program.

PAU met with the department to discuss the findings of the pilot PAR. The department benefits from PAR include determining the health of their procurement program; provide feedback on ways to enhance their program, such as determining training needs for their staff, and assistance in revising their policy and procedures.

The lessons learned by PAU are to refine their tools and determine ways to provide assistance to the departments.

This will also give ample time for departments to make necessary corrections to findings prior to the PAU review. PAU review schedules are subject to change. If this occurs, departments will be notified at least 60 days in advance.

Nick DeAngeles, Purchasing Authority Specialist - PAU is conducting practice purchasing authority reviews (PAR) and needs a volunteer department! You may ask what if we don't pass? If you volunteer, you will receive the benefit of advance notice of what the PAU is looking for and time to address any issues before the real review takes place. If we can address any issues quickly, then the PAR will not greatly affect department program. The key is to help departments, not to reduce purchasing authority. PAU is seeking information to show how healthy the department's purchasing program is and to support department's delegated purchasing authority. The reviews are not to be mistaken for audits. PARs are meant to compliment Office of Audit Services, DGS and are part of the Purchasing Authority Accreditation. The reviews will be scheduled every three years, while avoiding overlap with Office of Audit Services, DGS. The PAR schedule is now located on the PAU web page. Several departments at the PART meeting were interested in volunteering; however, departments not

at the meeting will be able to volunteer until the end of the month by emailing their assigned PAU specialist.

William Rodriquez, Purchasing Authority Specialist – In July 2016, PAU transmitted a survey to all departments with purchasing authority. The purpose of this effort was to identify departments' purchasing staff identified as "Buyers and Incidental Buyers" as defined in SCM-F, 1.A4.2. Data from the survey will be used to determine training needs and assess any gaps. PAU Specialists will work with departments' PACs, Training Officers, and CalPCA toward the development and implementation of each department's training plans.

6. DVBE Substitutions and Program Abuse

Carl Josephson, Manager, Small Business and Disabled Veterans Business Enterprise (SB/DVBE) – Office of Small Business & DVBE Services (OSDS) will exercise enforcement on processing SB/DVBE program abuse which includes misrepresentation of SB/DVBE certification, substitutions, or fraudulently representing a Commercially Useful Function (CUF). The awarding department is responsible for the investigation of SB/DBVE program abuse. OSDS encourages SB/DVBE Advocate involvement in these investigations. For substitutions, there is no involvement with OSDS if the department does not approve the substitution. If the department approves substitutions, OSDS must then provide approval before work begins. Early communication is important for substitutions in order to prevent situations where work has already begun before OSDS has given approval.

Anda Draghici, Manager, Small Business and Disabled Veterans Business Enterprise (SB/DVBE) - Question was raised regarding value added reseller for CUF. Anda suggested to use an evaluation form and to ask vendor questions on payment and who the manufacturer is. Tom Abeyta, PAU, added that Original Equipment Manufacturer (OEM) is determined by the publisher of the software.

7. California Department of Technology (CDT) Project Approval Lifecycle Updates

Tiffany Angulo, CDT- the FSR is now broken down into the Project Approval Lifecycle (PAL), with four stages. No longer will the term FSR be used but rather Stage Gates. Stage 4 is the Project Readiness and Approval which is currently being reviewed. The Certification of Compliance and Policies are now updated.

Stage 1- Business Analysis: Identify Problem/Opportunity, Establish Business Case/Need, Ensure Strategic Alignment, and Assess Organizational Readiness

Stage 2- Alternative Analysis: Assess Existing Business Processes, Market Research, Mid-level Solution Requirements, Identify Solution Alternatives (COTS/MOTS, Custom, Existing), Recommend Solution, Procurement and Staffing Strategy, Project Timeline

Stage 3- Solution Development: Part A Procurement Profile, Detailed Solution Requirements, Statement of Work; **Part B** Solicitation Package (Evaluation Methodology, Cost/Payment Model), State Staffing Allocation

Stage 4- Project Readiness and Approval: Solicitation Release, Select Vendor, Contract Management, Baseline Project, DOF/Legislature Award/Approval

Stage 3 guidelines – Statement of Work and requirements are located on CDT website as well as in SIMM. Key Action Dates (KAD) guidelines, procurement tool kits, STPD templates (i.e. RFO,

IFB), Technology Letters (TL) and answers to questions regarding Post Implementation Evaluation Report (PIER) are also available on CDT website.

IT self-certification compliance form for over \$100,000 referenced in SAM and SIMM has been updated. Self-certification is for non-reportable projects only. Currently, DGS and CDT, Statewide Procurement Division (STPD) is collaborating on posting self-certification updates to the Broadcast Bulletin.

PAL is specifically under Information Technology Project Oversight Division (ITPOD), CDT and is split between Stage Gate and PAL. Projects still in FSR are grandfathered in for 2014 years.

8. Discussions

Charleen Fain-Keslar, Standards & Quality Control Manager – Announced an upcoming event on October 12, 2016. A letter will be sent to PCOs and PACs regarding the Spend Analysis Outreach event. Data results of the spend analysis conducted will be posted and used in strategic goals for procuring green sustainable goods. NOTE: This event has been postponed until a later date. A letter to announce the new date and time will be forthcoming.

Ricardo Martinez, Branch Chief Policy, Training & Customer Service (PT&CS) – Bureau of State Audits (BSA) conducted an audit on Non-Competitive Bids (NCB) approved by DGS. As a result, DGS will be posing more questions to departments on their NCB requests. BSA findings will be published sometime next year.