

Historical Financing Information

The State of California has financed contracts on a tax exempt basis since 1980. Prior to that, bank financing by suppliers was the norm when any financing was needed. Since 1980, the State has done tax exempt and taxable transactions utilizing monthly, quarterly, semi-annual, and annual payment periods. In the mid 1980's, the State established standard terms and conditions in its Model Purchase Rider E. Those terms and conditions have been modified into various standard financing plans offered in GS \$Mart®.

As of November 18, 1995, the State had 181 financed transactions dating back to 1986 involving \$331 million of equipment and services, mostly in the technology area, for 28 State agencies. The **top eleven State agencies** comprise 98% of the financed amounts. They are as follows:

1.	Franchise Tax Board	\$72,028,055
2.	California State Universities	\$64,842,717
3.	Health & Welfare Data Center	\$62,174,016
4.	Department of General Services	\$41,027,468
5.	Department of Justice	\$40,049,309
6.	Department of Corrections	\$21,610,676
7.	Teale Data Center	\$13,938,006
8.	Department of Insurance	\$2,950,766
9.	Board of Equalization	\$2,364,726
10.	Department of Motor Vehicles	\$2,270,904
11.	Prison Industry Authority	\$2,113,725

Of these contracts, approximately 25% are for three years or less, 25% are for four years, 25% for five years, and 25 % are for beyond five years.

The California State University campuses are no longer processing their contracts through DGS so their current numbers including the last few years may be higher. Just looking at the last three full fiscal years, however, the number of financed contracts have varied between 29 and 43 involving between \$50 and \$77 million. With California Multiple Award Schedule (CMAS) order limits at \$500,000 for technology and \$100,000 for commodities, and the availability of this quick, convenient process, more financed contracts are anticipated.

The above historical data should provide a basis to project business activity for this marketplace for all participants. As for transactions done through this marketplace, the history remains to be made.