



# What to Expect with Delegations and Compliance Review

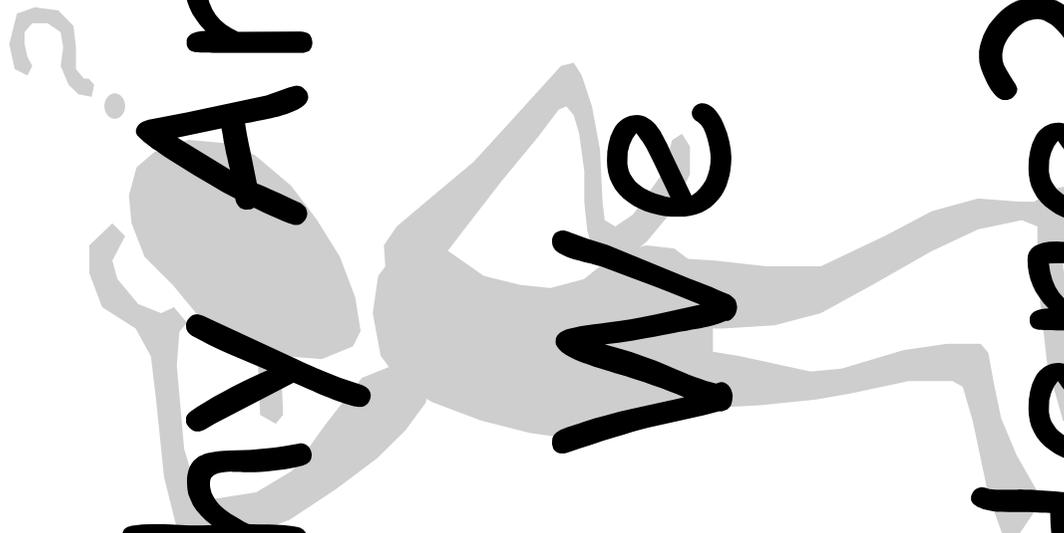
A Breakout Session brought to you by  
**Judy Heringer and Jeffery Guidera**  
of the  
Procurement Division's System Integrity Unit



# Welcome To Delegations "1A"



# Why Are We Here?





# Purpose

Provide you with a basic understanding of the Delegations Program



# Outline



- Why DGS?
- Delegations background (history)
- What is a Delegation?
- The Types of Delegations
- How do you obtain a Delegation?
- The future of Delegations



# Objective

You'll take what you've heard here today and go back to your office to meaningfully consider your options!



# Why DGS?

As the legal purchasing agent for the state the DGS has been granted the discretion to delegate its authority to buy commodities and IT/Telecommunication goods and services to other state agencies.



# Keep In Mind

In regard to commodities, PCC 10308 states in part: "Every purchase of supplies or equipment in excess of one hundred dollars (\$100) for any state agency shall be made by or under the supervision of the department."

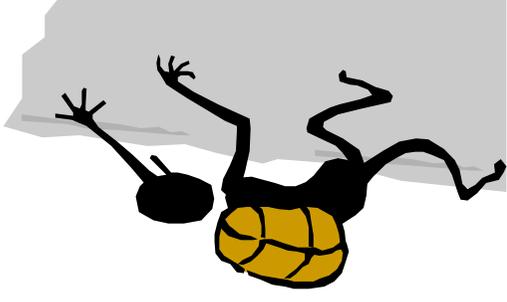


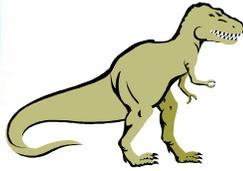
## What about IT/Telecom Purchases?

PCC 12102 (f) "Acquisition authority may be delegated by the Director of General Services to any state agency which has been determined by the Department of General Services to be capable of effective use of that authority."

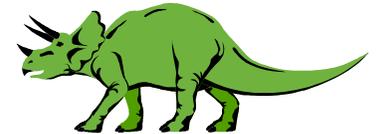


# Delegation's background





# Brief History



The Delegations Program was created in 1977 to provide State agencies with more authority to make purchases themselves and to decrease the number of low dollar orders being processed by the Procurement Division (PD).



Over the years the “base” Delegation level has changed. Currently a Commodities Base Delegation is \$15,000.





## Why the \$15K limit on a Base Delegation?

PCC 10302 is relatively silent on how to conduct a purchase between \$100 and \$14,999 but is detailed in its requirements beginning at purchases of \$15,000.



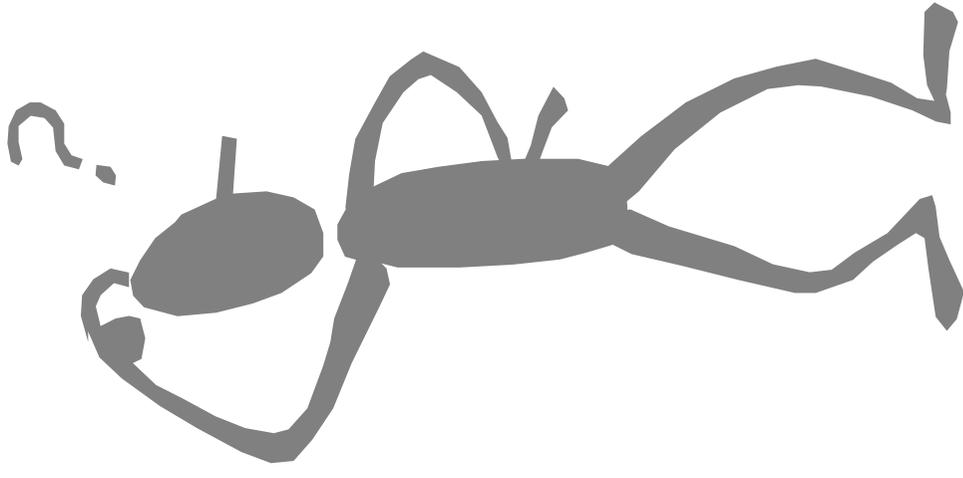


What about IT/Telecom's \$500K limit?

The limit on IT purchases is set by DGS policy at \$500,000.



# What is a Delegation?





# Simply Stated:

A customer agency has been granted expanded authority to purchase.





# The types of Delegation



# 5

## Types of Delegations

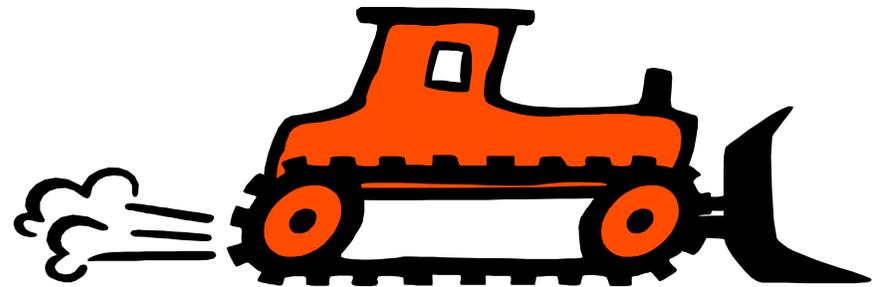
- Commodity
- Information Technology
- Special
- Expanded
- One Time



# Commodity Delegation

Commodities "Base" Delegation:

A purchasing mechanism for the acquisition of materials, supplies, and equipment up to \$15,000 per transaction.





# Information Technology

## IT "Base" Delegation:

A purchasing mechanism for the acquisition of information technology and telecommunication goods and/or services up to \$500,000 per transaction.





# Special Delegation

A purchasing mechanism for commodities, information technology, or telecommunications goods and/or services which exceeds the base delegation limit. Generally for a specific commodity or group of identified commodities.





# Expanded Delegation

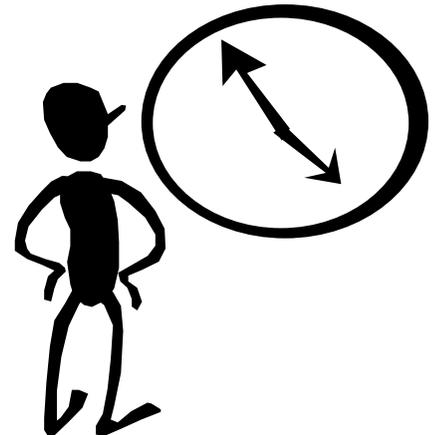
An expanded delegation is a general expansion of authority with no restrictions on the type of goods a department can acquire.





# One Time Delegation

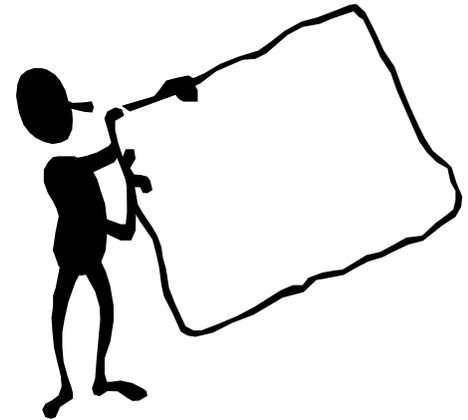
The requesting department is not seeking a special or expanded delegation. Generally, the procurements conducted under this delegation are project specific.





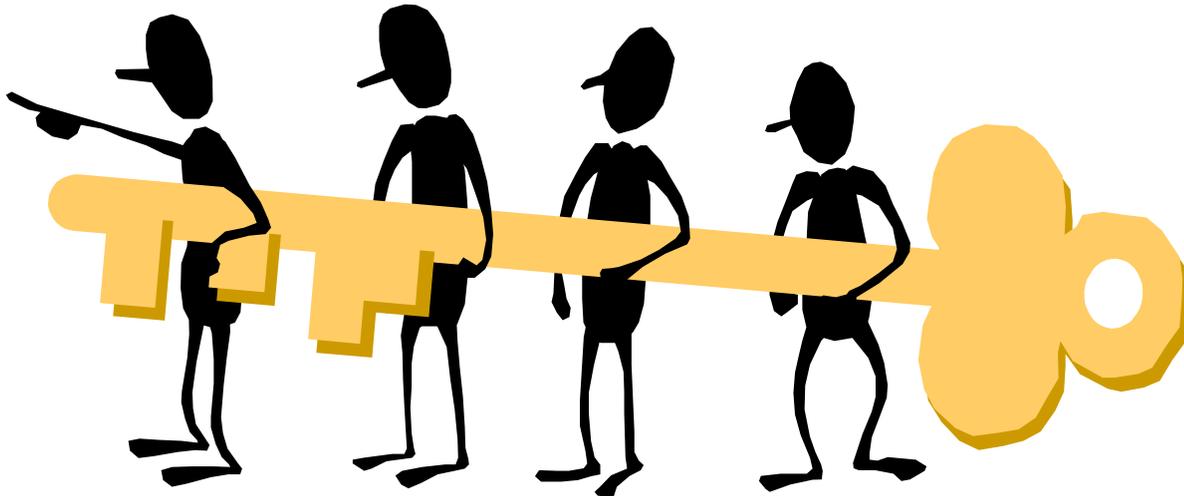
# Quick Review

- Base Commodity
- Base IT
- Special
- Expanded
- One Time





# How does my office obtain a Delegation?





First you give us a call, e-mail, letter and communicate your need!





# Delegations Program Contacts

Joyce Henry - Delegations Program Manager  
(916) 327-7301

Teri Moore: (916) 445-7917

Jeff Guidera: (916) 327-5302

Address: 1500 5th St. Sacramento,  
CA 95814



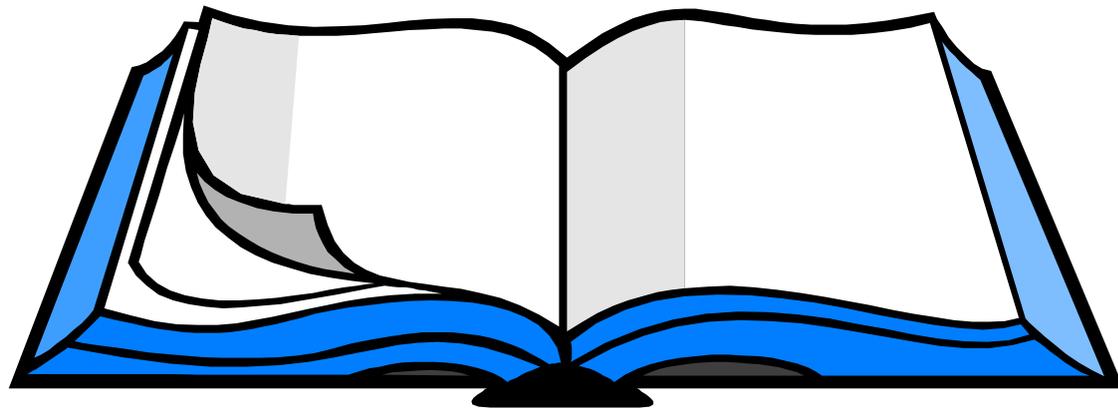
## Rules for obtaining Commodity Delegations (PCC 10333)

1. The Department shall designate an agency officer as responsible and directly accountable for the agency's purchasing program.



Rules for obtaining Commodity Delegations (PCC 10333) cont.

(2) Establishes written policies and procedures.





## Rules for obtaining Commodity Delegations (PCC 10333) cont.

(3) Establishes procedures for complying with the provisions of the Small Business Procurement & Contract Act.





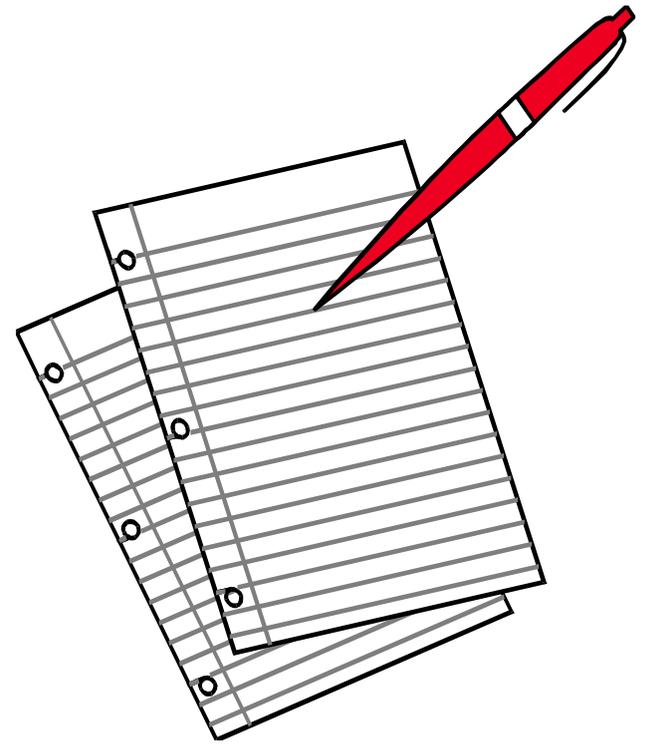
## Rules for obtaining Commodity Delegations (PCC 10333) cont.

(4) Establishes policies for training personnel in purchasing law and procedures, controlling and reviewing purchasing practices, auditing purchasing activities, and delegating purchasing authority within the agency.



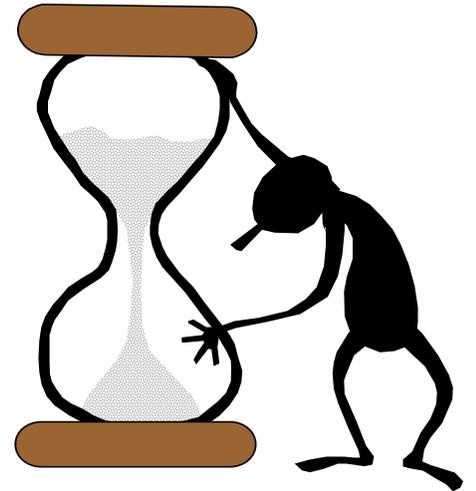
## Rules for obtaining Commodity Delegations (PCC 10333) cont.

(5) Reports such data to the Office of Procurement as the department may require.



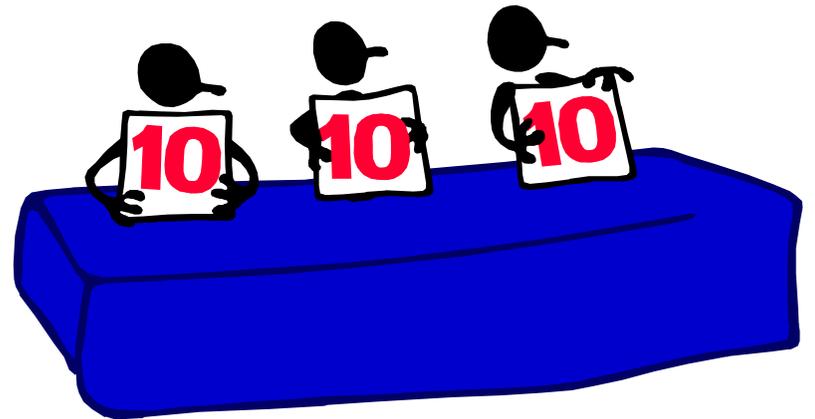


# What does the future hold for Delegations?





We are developing a standardized system to assess our customer's potential and capability.



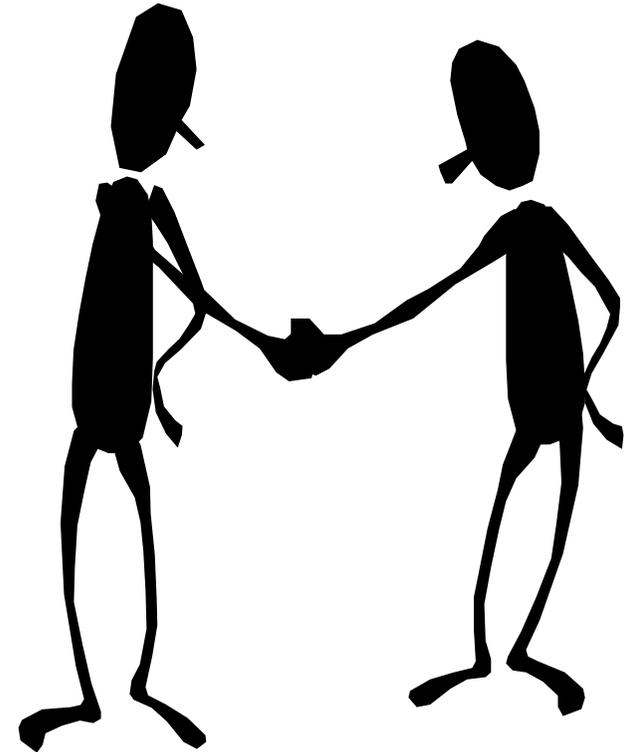


# Conclusion

- Why DGS administers the Program
- Brief History of Delegations
- The Definition of Delegation
- 5 Types of Delegations
- How to obtain a Delegation
- Future Improvements



If your  
purchasing  
program is  
successful  
then we're  
successful





# Today's Compliance Reviews

*.... compliance and quality...*



# Purpose of this Session

- *Using your delegation appropriately?*
- *Getting the most out of your delegation?*
- *Introduce “quality reviews”*



# Discussion Outline

- *Program review - what you can expect from a review, other programs reviewed*
- *Purchasing quality aspects - quality issues that are central to your entire purchasing program*
- *Review trends - understand the guidelines, use of the General Provisions, file documentation, Small Business*
- *Tools - new ideas for the future*



# Today's Objectives

- *Feel comfortable with the reviews*
- *Understand quality aspects of a purchasing program*
- *Integrate these quality aspects into your program*



# Program Review

## What you can Expect from Purchasing Delegation Compliance Reviews

### Scheduling -

- *Minimum of 2 weeks advance notice*
- *Confirmation memo that includes the scope (see Handout #1)*
- *Guidelines are the ground rules - the basis for the review and scope of delegation*



## Scheduling, cont'd

- *Review of transactions placed under these guidelines*
- *Review of other leveraged acquisition programs; CAL-Card, CMAS and Master Contracts and Agreements*
- *Reviewed for rationale and reasonableness of the award*



## Entrance Interview

- *Discuss what will happen and how it will happen, (see Handout #2)*
- *Delegation contact and purchasing staff should be present*
- *Ask questions, what kind of follow-up*



## The Review

- *Reviewer will query delegation holder as to security and access to files*
- *Review requested transaction files along with documentation of transaction, (see Handout #3)*



## Exit Interview

- *Discuss findings and resolve concerns, (see Handout #4)*
- *Discuss recommendations*
- *Provide brief training or refer to other programs for more formal training*



## Written Report

- *Reports the out-of-compliance and quality issues with associated recommendations, (see Handout #5)*
- *Reviewers want to commend excellence*
- *Examples of quality purchasing programs*



# Purchasing Quality Aspects

- *Quality equally important to delegation transactions as to those conducted for CMAS & Masters*
- *PD adds value to your entire purchasing program helping to answer questions such as:*
  - ➔ *How can I make the most of the \$\$'s I have?*
  - ➔ *How do I know that my suppliers are delivering what I asked for?*
  - ➔ *How can I ensure that I'm getting high quality goods and services?*
  - ➔ *How can I increase my delegation?*



## Two ways to look at quality issues:

- *Delegation program quality issues* - *applies to ALL transactions, however review covers delegation transactions, issues such as:*
  - ➔ *How do you maintain your supplier bid lists*
  - ➔ *What kind of internal “peer” review is used within your purchasing program*
  - ➔ *How do you maintain training manuals and train staff*



- *Other programs - by using a few additional steps you can achieve higher quality*
  - ➔ *Best value and the CMAS and Master Contracts and Agreements*
  - ➔ *On-hand copies of CMAS and Master Contracts terms and conditions*
  - ➔ *Statements of Work (SOW) for services contracts*
  - ➔ *Manage deliverables against the SOW when hiring consultants and approving payment*



# Review Trends

- *Common to recent reviews, certain trends have emerged that all purchasing staff should be aware of, they are:*
  - ➔ *Understand the delegation guidelines, what do they mean, how do you use them*
  - ➔ *Often certain required contract provisions are missing*
  - ➔ *Documentation of transaction files needs improvement*
  - ➔ *More emphasis on Small Business - both competition and awards*



# Future Review Tools

- *Developing useful aids, some available now:*
  - ➔ *“Buyers Tips”*
  - ➔ *Checklists for delegation requirements*
  - ➔ *Staff resources list for advice, (see Handout #6)*
  - ➔ *Useful forms, i.e., quote sheets*
  - ➔ *Procedures for standardized methods*



# Future Review Tools

- *Working with PD's information services for really creative Web designed interactive tools such as:*
  - ➔ *e-tools, i.e., on-line buying*
  - ➔ *Help tools on the Web*
  - ➔ *On-line forms, manuals and procedures*



# In Conclusion

- *Today we learned that:*
  - ➔ *Quality is the key ingredient*
  - ➔ *How you can use your purchasing \$\$'s more effectively*
  - ➔ *How YOU can do it better*
  - ➔ *Take advantage of "best value" ideas*
  - ➔ *Document your files for better contract mgmt*
  - ➔ *Stay tuned for new tools and innovative ways we can help make your job easier!*



# Thank You

*Call us, email us, phone us - we want to hear from  
**you!***