

**Delegation Guidelines For Information Technology
Expanded Competitive Purchasing Authority**

A. Scope of Authority

1. This expanded purchasing authority is for information technology (electronic data processing and telecommunications) goods and services up to \$1,000,000 per transaction. Per transaction, for purposes of the limit of this purchasing authority, is defined as each solicitation or each non-competitively bid transaction. Multiple purchase orders created as the result of a single solicitation shall be considered a single transaction and, therefore, the combination of those purchase orders may not exceed the per transaction maximum.
2. The department must comply with the requirements contained in the Delegation Guidelines for Information Technology, dated May 2001, and the August 30, 2002, memorandum from the Purchasing Authority Management Section Manager, Procurement Division (PD), titled "Management Memo 02-19 Impact on Expanded Information Technology Delegated Purchasing Authority".
3. Transactions over the limit of this purchasing authority must be submitted on a Purchase Estimate (Std. 66) for IT goods or by memo for IT services to the Department of General Services (DGS), PD, Technology Acquisitions Section (TAS), 707 Third Street, Second Floor North, West Sacramento, CA 95606
4. This delegated authority does not include telecommunications project management, which must be requested from DGS Telecommunications Division. For more information regarding delegation of authority of telecommunications project management, see the State Telecommunications Management Manual, Section 0400.0.
5. This delegated authority does not include information technology project approval, which is granted by the Department of Finance (DOF). For more information regarding delegation of authority for information technology project approval, contact DOF.
6. Procurements conducted under this purchasing authority must comply with all management memos applicable to the procurement of information technology goods and services.
7. The department must obtain all required approvals, including, but not limited to, certification of compliance in accordance with State Administrative Manual (SAM) Section 4819, 4832 and 5200.7.
8. This purchasing authority does not include the authority to resolve protests. All protests must be reported immediately (no later than 24 hours after notification or receipt, whichever occurs first) to the Department of General Services (DGS), PD, Protest & Dispute Resolutions Unit, Attn: Susan Chan, Manager, 707 Third Street, Second Floor South, West Sacramento, CA 95606, phone (916) 375-4601, fax (916) 375-4614.

B. Split Orders

Splitting of orders for purposes of circumventing competitive bidding limits or the limits of this purchasing authority is prohibited.

C. Competition

Transactions prepared under this purchasing authority must result from fair and open competition. Solicitations must be prepared in writing and in accordance with the statutory and regulatory requirements set forth in the "Summary of Statutory and Policy Requirements for State Contracts" as contained in the Delegation Guidelines for Information Technology, dated May 2001 (Guidelines), and SAM sections 4800, et seq., and 5200, et seq.

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1. When a competitive bid cannot be conducted, a non-competitive bid (NCB) contract justification (justification) must be prepared. The justification must be approved by the department director and the agency secretary or immediate next ranking official, in accordance with Management Memo 02-19, and must be retained in the transaction file. The required justification document is attached to the Delegation Guidelines for Information Technology, dated May 2001 and is also available on PD's website at www.pd.dgs.ca.gov.
2. All solicitations exceeding \$500,000 for the acquisition of integrated systems or for the acquisition of information technology services must be evaluated based on the most value-effective solution that meets the State's requirements. Value-effective evaluation considers factors other than cost alone when considering bids for award. When evaluating on other than cost alone, the law requires the use of the following procedure:

Awards based on evaluation criteria other than cost alone must provide for a two-envelope evaluation procedure. All bidders cost information must be submitted separately and kept sealed and under lock and key until evaluation of all criteria, other than cost, is completed and the results published. The sealed cost proposals shall then be opened at a time and place designated in the solicitation and the remainder of the evaluation completed. The State's contact person for the administration of the procurement shall be identified in the solicitation and that person shall execute a certificate under penalty of perjury, which shall be made a permanent part of the official procurement file, that all cost proposals received by the State have been maintained sealed and under lock and key until the time cost proposals are opened.

All awards of this nature must be thoroughly documented noting all events occurring in the solicitation process as well as a complete description of how points were awarded, calculating in accordance with the solicitation requirements. All deviations must be thoroughly analyzed, documented and retain with file.

Contact the Purchasing Authority Management Section for advice regarding use of value-effective methods.

D. Solicitation, Evaluation, and Award

1. Advertising. All solicitations prepared under this purchasing authority must be advertised in the California State Contracts Register (CSCR) for a minimum of ten days. Information regarding the CSCR is available on PD's website at www.pd.dgs.ca.gov or by contacting PD's Business Development Unit at (916) 375-4582.

All solicitations for IT goods exceeding \$100,000.00 must be advertised in the CSCR. All solicitations for IT services exceeding \$5,000.00 must be advertised in the CSCR; this includes solicitations for IT goods and services, when the services portion exceeds \$5,000.00.

2. Bidder Instructions. The most current version of the State's Bidder Instructions (GSPD-451) must be included in all written solicitations prepared under this purchasing authority. Deletion or alteration of any instruction may not occur without prior PD approval. The department may add any additional instructions required for special needs of an individual solicitation. The State's Bidder Instructions document is available on PD's website at www.pd.dgs.ca.gov. Requests to delete or alter any provision must be submitted to DGS, PD, TAS, 707 Third Street, Second Floor North, West Sacramento, CA 95605.

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All solicitations exceeding \$500,000.00 are considered formal bids; as such, the solicitation formats as identified in SAM Section 5212, 5213 and Sections 5221, Illustration 1 through 5221, Illustration 2 (Continuation 53) must be followed.

If a formal (\$500,000+) information technology solicitation is being conducted, the model Section II, Rules Governing Competition, document is to be included in the solicitation in place of the Bidder Instructions. Contact the Technology Acquisitions Section at (916) 322-3534 to obtain the most current version of Section II.

3. General Provisions. The most current version of the State's General Provisions -Information Technology (GSPD-401 IT) must be included in all written solicitations and purchase documents prepared under this purchasing authority. Deletion or alteration of any provision may not occur without prior PD approval. The department may add any additional provision required for special needs of an individual transaction. The State's General Provisions document is available on PD's website at www.pd.dgs.ca.gov. Requests to delete or alter any provision must be submitted to DGS, PD, Technology Acquisitions Section, 707 Third Street, Second Floor North, West Sacramento, CA 95605.
4. IT Model Contract Language. All solicitations exceeding \$100,000 must include the IT model contract language, including the IT Special Provisions Modules, available on PD's website at www.pd.dgs.ca.gov.
5. Statement of Work. A department must include a statement of work for all services transactions and for commodity transactions when appropriate. A statement of work protects the State and the contractor by identifying and documenting the details of the work to be performed. A statement of work is unique to each order, but usually consists, for example, of some or all of the following:
 - a detailed statement of the purpose, objective or goals to be undertaken by the contractor
 - the job classification or approximate skill level of the personnel to be made available by the contractor
 - an identification of all significant material to be developed by the contractor and delivered to the State
 - an identification of all significant materials to be delivered by the State to the contractor
 - an estimated time schedule for the provision of these services by the contractor
 - completion criteria for the work to be performed
 - the name or identification of the contractor personnel to be assigned
 - the contractor's work hours required to accomplish the purpose, objective or goals
 - the contractor's billing rates per work hour (as provided in the contract documentation)
 - contractor's total
6. Bid Submission Requirements. The solicitation must state the date and time by which bids must be received, and the date and time that bids will be publicly opened. Sealed bids must be submitted by the date and time specified. Bids not received by the date and time specified in the solicitation may not be considered in the bidding process. Bids must be publicly opened and read. Bids must be available for public inspection and evaluation.
7. Award to Other Than Low Bidder. Award must be made to the responsible bidder submitting the lowest bid responsive to all bid requirements. If award is to be made to a supplier other than the low bidder, the low bidder must be notified 24 hours prior to award unless a value-effective methodology is employed, Upon request, the award notice must be posted at least 24 hours prior to award. Documentation of the supplier selection rationale used to award to other than the low bidder must be retained in the transaction file.

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8. Protest. All solicitations exceeding \$100,000 must provide for a protest period and include protest instructions.

E. Required Purchase Document

All transactions under this purchasing authority must be prepared using the Contract/Delegation Purchase Order (Std. 65) for the purchase of IT goods or the Standard Agreement (Std. 213 or Std. 213www) for the purchase of IT goods and/or IT services. Order and delivery of goods and commencement of services may not take place until the required document has been prepared and approved, including verification of funds availability. All transaction changes, including cancellation, must be made by written amendment using the required document. All transactions, including amendments, must include the delegated purchasing authority number, as stated in the purchasing authority approval memorandum, in the "Contract or Delegation Number" box at the top of the Std. 65 or in the "DGS Approval" box on the Std. 213/213www.

F. Preferences and Goals

1. Small Business. The department must comply with Government Code Section 14835 that directs that a fair share of the State's purchases be awarded to certified small businesses. In addition, Government Code Section 14835 requires that a five percent preference be given to bidders that qualify as a certified small business when the selection is based on cost alone. The department must verify a small business' eligibility by contacting the Office of Small Business and Disabled Veteran Business Certification (OSDC) by phone or by printing the verification from OSDC's website at www.pd.dgs.ca.gov and documenting the procurement file
2. Disabled Veteran Business. The department must comply with Public Contract Code sections 10115.2 and 10115.13 that direct that a fair share of the State's purchases be awarded to certified disabled veteran businesses. If the department intends to require bidders' compliance with the Disabled Veteran Business Enterprise Participation Program, the appropriate language must be included in the solicitation document.
The department must verify the disabled veteran business' eligibility by contacting the by phone or by printing the verification from OSDC's website at www.pd.dgs.ca.gov and documenting the procurement file.
3. TACPA, EZA, LAMBRA. If the estimated purchase order or contract value is expected to exceed \$100,000, the solicitation document must include the Target Area Contract Preference Act (TACPA) requirements in accordance with Government Code Section 4530, et. seq., the Enterprise Zone Act (EZA) requirements in accordance with Government Code Section 7084, and the Local Agency Military Base Recovery Area Act (LAMBRA) requirements in accordance with Government Code Section 7118. PD recommends that the required language be included in solicitations valued at \$85,000 and greater.
4. The maximum preference that a bidder may be awarded for all preference programs combined is fifteen percent and cannot exceed \$100,000.

G. Reporting

1. The department must report all transactions conducted under this purchasing authority on a monthly basis no later than the 10th of the month following the reporting period. Transactions must be reported in **one** of the following ways:
 - Enter the transactions directly into the Procurement Information Network (PIN) **or**
 - Forward a copy of each Std. 65/213/213www **or**

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- Forward a monthly summary report of activity conducted under this purchasing authority. A copy of the report is attached to the Delegation Guidelines for Information Technology, dated May 2001 and is also available on PD's website at www.pd.dgs.ca.gov.

If the department reports its transactions by forwarding a copy of each Std. 65/213/213www or by forwarding a monthly summary report, each Std. 65/213/213www **or** monthly summary report must be submitted to Data Capture Unit, Business Management Section, Procurement Division, 707 Third Street, Second Floor North, West Sacramento, CA 95605. Transaction reporting must be batched separately from any other transactions submitted to PD.

2. The department must submit an NCB Contract Quarterly Report reflecting all NCB transactions conducted under this purchasing authority on a quarterly fiscal year basis no later than the 10th of the month following the reporting period to Purchasing Authority Management Section, Procurement Division, Department of General Services, 707 Third Street, Second Floor South, West Sacramento, CA 95605, Attn: NCB Contract Quarterly Reporting. NCB reporting for different purchasing authorities must be submitted separately. A copy of the reporting form is available on PD's website at www.pd.dgs.ca.gov.
3. The department must submit a Late Payment Penalties Paid report annually for the period July 1 to June 30 by September 30 following the reporting period to Prompt Payment Unit, Purchasing Authority Management Section, Procurement Division, 707 Third Street, Second Floor South, West Sacramento, CA 95605, Attn: Late Payment Penalties Paid Reporting. For more information, visit the Procurement Division website at www.pd.dgs.ca.gov.
4. The department must submit a Contracting Activity Report (Std. 810) reporting disabled veteran business and small/micro business participation semi-annually for the period July 1 to December 31 by March 1 following the reporting period and annually for the period July 1 to June 30 by September 7 following the reporting period. Both reports must be submitted to Office of Small Business/DVBE Outreach and Education, Procurement Division, 707 Third Street, Second Floor South, West Sacramento, CA 95605, Attn: Report Coordinator. The annual report must also be submitted to the Governor, the Legislature, and the California Department of Veterans Affairs. For more information, visit PD's website at www.pd.dgs.ca.gov.
5. The department must submit an Ethnicity/Race/Gender Business Ownership Report to the Governor and Legislature annually for the period July 1 to June 30 by January 1 following the reporting period. For a sample form that the department may use to construct its own reporting form, visit PD's website at www.pd.dgs.ca.gov.
6. The department must submit a State Agency Buy Recycled Campaign Procurement Report (CIWMB #71) indicating the total dollar amount of all products the department has purchased in each of 11 reportable categories and the total amount spent on recycled-content products within each of the 11 reportable categories, along with recycled-content certification documentation, to the California Integrated Waste Management Board (CIWMB) annually for the period July 1 to June 30 by September 1 for the reporting period. For more information, visit the California Integrated Waste Management Board's website at www.ciwmb.ca.gov.

H. Billing

The department will be charged a DGS administrative fee, in accordance with the DGS Price Book and Directory of Services, to recover the cost of managing the purchasing authority and compliance programs. The fiscal year 2002-03 fee is 1.93 percent, to a maximum of \$35,000, per transaction. For more information, see the DGS Price Book and Directory of Services on DGS' website at www.dgs.ca.gov.

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I. Financing/Leasing

1. All departments are permitted to enter into either installment purchase agreements (commonly referred to in the industry as “lease purchases”) or financed leases as described in the Uniform Commercial Code, Section 2A, (commonly referred to as “operating leases”) via PD’s financial marketplaces – “GS \$Mart” or “Lease \$Mart.”
2. In order to utilize either one of these marketplaces, required language, available on PD’s website at www.pd.dgs.ca.gov, must be included in the purchase document. The purchase document must include this language, an amortization or lease payment schedule, and any pertinent contract documents. If there is a demonstrated need for any other type of financing or leasing plan, separate from the State’s financial marketplace, approval from the GS \$Mart or Lease \$Mart manager must be received in advance. If approval is granted, the appropriate financial manager will assist in the facilitation of such a transaction, and a consultation service fee may be charged.
3. A complete copy of all financing/leasing documents must be sent to the GS \$Mart or Lease \$Mart manager within 15 days of the purchase document date. This copy is necessary in order to create an “Opinion of Counsel,” a critical step in the closure of financing/leasing deals. This document copy is in addition to the delegation reporting requirements in Section D, Reporting.
4. In accordance with PCC 12102(c), lease or purchase alternatives must be considered if any bidder so requests, not less than 30 days prior to the date of the final bid submission. The bidder must be allowed this consideration unless it can be shown that the alternate financing should not be considered, and PD concurs.
5. For more information or assistance regarding PD’s financial marketplace, contact the GS \$Mart manager, Pat Mullen at (916) 375-4617.

J. Compliance Review

PD will periodically conduct a compliance review of the department’s purchasing authority. The compliance review will provide a comprehensive assessment of the department’s purchasing program strengths and weaknesses and provide guidance to help maintain compliance with the purchasing authority requirements.