



State of California

**Franchise Tax Board**

## **Procurement Bureau**

### Information Technology Desk Manual



# Information Technology Desk Manual

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**INTRODUCTION**

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# CHAPTER 1

## INTRODUCTION

### 1. Purpose of Manual

This manual provides procedures for the procurement activities performed within the Procurement Bureau. The prevailing authority for Information Technology (IT) procurements of goods and services resides in [Public Contract Code 12100 et seq.](#) as well as the **State Contracting Manual Volume 3** ([SCM Vol. 3](#)). This manual is to be used in addition to the [SCM Vol. 3](#). Updates to this manual will be accomplished as changes occur to the prevailing authority and additional references. At a minimum, updates to this manual will occur every two years.

### 2. Authority to Contract

Statutory authority for purchasing IT goods and services for State government resides with the Department of General Services (DGS). DGS also has statutory authority to grant purchasing authority to those departments demonstrating the capability to make purchases that adhere to State statutes, regulations, executive orders, policies, procedures, sound business practices, and cost effectiveness and that are in the best interest of the State.

DGS is accountable and responsible for the purchasing authority it grants. The Purchasing Authority Application is designed to provide DGS with the information it needs to determine if a department has the expertise, experience, knowledge, and internal procurement policies and procedures to support the type(s), category(ies), and dollar thresholds of authority requested.

DGS approved FTB's purchasing authority request and granted FTB delegation for the acquisition of IT goods and services as itemized in Figure 1-1 below.

### 3. Roles and Responsibilities of the Procurement Analyst

The Procurement Analyst is responsible for ensuring that all contracts meet all statutory and policy requirements and are based on sound business practices. The Procurement Analyst must ensure that contracts are prepared with the appropriate contract language, provisions, modules, prescribed format, proper approvals and required documents. The Procurement Analyst also maintains proper files and documentation for all contracts and records procurement details in various unit databases and logs.

# CHAPTER 1

## INTRODUCTION

Department of General Services  
 Procurement Division  
 Purchasing Authority Management Section

### Purchasing Authority Approval

<b>Purchasing Authority is Granted for Procurement Activities Conducted by:</b>	
<b>Agency</b>	State and Consumer Services Agency
<b>Department</b>	Franchise Tax Board
<b>Part B(s)</b>	N/A
<b>Term</b>	April 1, 2012 through March 31, 2013
<b>Rev. Eff. Date</b>	

<b>William Christian, Non-IT Purchasing Authority Contact</b>	<b>Copies to:</b>
<b>Yvonne Olson, IT Purchasing Authority Contact</b>	Susan Bergman, Procurement and Contracting Officer Stan Thomas, Auditor, State Controller's Office

Purchasing Authority No. <b>9G-0313-FTB-HQ1</b>	
<b>Non-IT Goods and LPA Goods &amp; Services Purchasing Authority</b>	<b>Maximum Amounts</b>
Competitive	\$750,000.00
NCB Contract Approval	\$25,000.00
State Price Schedule Orders	\$25,000.00
CMAS Orders: Non-IT Goods	\$100,000.00
CMAS Orders: Non-IT Services*	\$250,000.00
SB/DVBE Option Contracts	\$249,999.99
Master Agmnt Orders: Non-IT Goods	\$500,000.00
Master Agmnt Orders: Non-IT Svcs	\$500,000.00
Cooperative Agreements (WSCA, NASPO, etc.)	\$500,000.00
Statewide Contract Orders	Unlimited
Prison Industry Authority (PIA)	Unlimited

Purchasing Authority No. <b>9I-0313-FTB-HQ1</b>	
<b>IT Goods &amp; Services Purchasing Authority</b>	<b>Maximum Amounts</b>
Competitive	\$3,000,000.00
NCB Contract Approval	\$25,000.00
State Price Schedule Orders	\$25,000.00
CMAS Orders	\$500,000.00
SB/DVBE Option Contracts	\$249,999.99
Master Agreement Orders	\$1,000,000.00
Cooperative Agreements (WSCA, NASPO, etc.)	Unlimited
Statewide Contract Orders	Unlimited
Software License Program Orders	\$2,000,000.00
Interagency Agreements (IAA)	Same as Competitive
Data Center Interagency Agreements (DIA)	Unlimited

\* CMAS Non-IT Services orders above \$50,000 must be approved by CDS prior to award (SCM Vol. 2, Chapter 6, 5.A1.4)

**Note:** LPA thresholds are applicable unless otherwise specified in the respective LPA User Instructions.

- If this box is checked, the department's competitive solicitation authority for the procurement of **non-information technology goods or information technology goods and services** over the approved amounts is **not** a general expansion of authority. This authority is limited as follows:  

--
- If this box is checked, the department has been granted single competitive solicitation authority as referenced above. The department must obtain PAMS concurrence for specified events in the procurement process. The department is cautioned not to execute additional unauthorized solicitations.
- If this box is checked, the department's Application is deficient. These deficiencies are identified in the attached list. The department must resolve the deficiencies and report the resolution to DGS/PO/PAMS by the corrective action due dates.
- If this box is checked, this approval revises the department's purchasing authority as of the revision effective date indicated above.

Approved: *Renata Rasberry*  
 Renata Rasberry, Purchasing Authority Specialist  
 (916) 375-4355  
 Renata.Rasberry@dgs.ca.gov

Date \_\_\_\_\_

(Rev. 7/8/11)

**Figure 1.1**

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### POLICIES

#### 1. Conflict of Interest

FTB's Conflict of Interest Code, which has been approved by the Fair Political Practices Commission, has been in place since January 1, 1977.

FTB requires and maintains a signed Conflict of Interest certification for every staff member involved in the procurement process. This includes staff involved in:

- Soliciting bids;
- Preparing procurement documents;
- Approving procurement documents;
- Receiving goods/services;
- Approving payments; and
- Making payments.

Employees must sign the Conflict of Interest certification at least once a year during their employment with FTB (see [Policy File 4131](#)).

#### 2. Prompt Payment Act

FTB has established procedures to comply with the provisions of the California Prompt Payment Act, [Government Code \(GC\) section 927](#). This includes:

- Date stamping supplier invoices upon initial receipt by FTB.
- Maintaining, in the procurement file, documentation of when goods and services are received.
- Paying properly submitted undisputed invoices in accordance with the purchase document.
- Submitting invoices to the State Controller's Office (SCO) for payment within 30 days, or paying invoices via the revolving fund process within 45 days from the later of:
  - the date of acceptance of goods or performance of services, or
  - receipt of an undisputed invoice.
- Automatically authorizing and paying prompt payment penalties whenever an undisputed invoice is not paid within required time frames.
- Disputing an invoice on the basis that it is incorrect or unsubstantiated (e.g., when a PO or contract is not in place) by informing the vendor. FTB's Fiscal Accounting Section will research and resolve the payment issue with the vendor, and may coordinate any resulting action with Procurement.
- Reporting to DGS/PD all prompt payment penalties paid by FTB each fiscal year. (Refer to SCM Vol. 3, [Chapter 12, Reporting Requirements](#))

For more information regarding prompt payment penalties, go to [Chapter 16](#) of this Manual.

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### POLICIES

#### 3. Environmentally Preferable Purchasing

[Public Contract Code \(PCC\) section 12400](#) defines environmentally preferable purchasing as the procurement or acquisition of goods/services that have a lesser or reduced effect on human health and the environment when compared with competing good/services. It is imperative that State agencies purchase energy efficient products in order to conserve electrical power and lower energy costs to State agencies.

FTB is committed to purchasing products that meet the Federal Energy Management Program (FEMP) recommended standards. Products that meet FEMP recommended standards display the Energy Star Label. FTB utilizes recycled content products and considers recycled products in conducting its purchasing activities. FTB has met and continues to meet our recycle goals consistent with statewide goals established by the Department of Resources Recycling and Recovery (CalRecycle).

More information regarding environmentally preferable purchasing is available on DGS' [Buying Green](#) webpage.

#### 4. Recycled Products

FTB is committed to meeting the Reportable Product Category set forth by the State Agency Buy Recycled Campaign (SABRC), CalRecycle, and DGS.

The reportable product category applicable to IT goods would be:

- Plastic Products that are 10 percent (10%) postconsumer, by weight; or
- Printer or duplication cartridges that:
  1. Have 10 percent (10%) postconsumer material, or
  2. Are purchased as remanufactured, or
  3. Are backed by a vendor-offered program that will take back the printer cartridges after their useful life and ensure that the cartridges are recycled and comply with the definition of recycled as set forth in [PCC section 12156](#).

[SCM Vol. 3, Chapter 3](#), provides the requirements for buying recycled products.

#### 5. Maintaining Bidder Lists

FTB establishes bidder lists for individual procurements using a variety of means to locate potential suppliers. FTB broadens its supplier base and solicits certified SBs and DVBEs whenever possible. Resources available to identify potential bidders include:

- FTB's list of vendors located in the VendorContacts folder in Outlook. Procurement Analysts may add this folder to their contact list by:
  1. Going to your "Contacts" folder in Outlook.

## CHAPTER 2

### POLICIES

2. Clicking on “Open Shared Contacts...”
3. Typing “VendorContacts” in the dialogue box and clicking “OK”.
4. The VendorContacts list will now be added.

NOTE: This list is not all inclusive, is recorded under the representative’s names, and does not contain product information.

- Internet
- Local trade unions
- Chamber of Commerce
- Industry listings
- LPA databases (CMAS suppliers and Statewide Checklist resources)
- Certified SB and DVBE firms database
- Recommendations from customers
- Catalogs
- Market surveys
- Request for Information (RFI)

#### 6. Americans with Disabilities Act (ADA)

Procurement Analysts ensure that all procurement related activities and services are available to all persons, including persons with disabilities. In addition, the Procurement Analyst ensures that FTB’s ADA coordinator will be available to assist and respond to persons with disabilities needing a reasonable accommodation to participate in the procurement process.

#### 7. Accessibility Requirements

DGS/PD has established a policy that all electronic documents, which will be publicly accessible, posted in the State’s [eProcurement](#) system shall be posted in a form readily accessible to persons with disabilities. All content shall be available in a manner that complies with the Americans with Disabilities Act (ADA) P.L. 101-336 and Section 508 of the Rehabilitation Act of 1973 in order to allow for equal and effective participation in the State procurement process.

This policy is based on the following federal and state laws:

- Federal laws include the Americans with Disabilities Act (ADA) P.L. 101-336 and [Section 508](#) of the Rehabilitation Act of 1973. The following link provides information on Section 508 Standards -
- California has adopted Section 508 of the Rehabilitation Act, pursuant to Government Code Section 11135, Subdivision (d) (1) and (2).

This accessibility requirement also applies to services provided by contractors. As part of the solicitation process they will be required to certify that they comply with:

- The accessibility requirements of [Section 508](#) of the Rehabilitation Act of 1973.
- The [IT Accessibility Resource Guide SIMM Section 25](#).

## CHAPTER 2

### POLICIES

#### **8. Ineligible Entities**

Procurement Analysts ensure that prior to award, a vendor is eligible to conduct business with the State of California. An [Ineligible Entities Checklist](#) has been developed of each program that must be checked for eligibility, as required by statute.

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## CHAPTER 3

### CONTRACT BASICS

#### 1. Determine the Procurement Method

[SCM Vol. 3, Chapter 2](#), section B, and [Chapters 4 - 6](#), are used as a guideline to help determine the appropriate procurement method.

The following table identifies the procurement methods available for the purchase of IT goods and services, based on the estimated cost of the purchase. Consistent with [SCM Vol. 3](#), dollar thresholds identified in this table exclude sales and use tax, finance charges, postage, and handling charges. Shipping charges are also excluded from the dollar thresholds unless the shipping charge is included in the evaluation, such as FOB Origin, Freight Collect, Freight Prepaid, or FOB Destination.

<b>Table 3.1 Procurement Methods</b>		
<b>Procurement Method</b>	<b>IT Goods and Services Dollar Thresholds</b>	<b>Desk Manual Reference Chapter</b>
Fair and Reasonable (F&R)	\$0.01 through \$4,999.00	<a href="#">Chapter 13</a>
Informal Competitive	\$5,000.00 through \$1,000,000.00	<a href="#">Chapter 6</a>
Formal Competitive	\$1,000,000.01 through \$3,000,000.00	<a href="#">Chapter 6</a>
One-time Delegation Request for Formal Competitive or Request for DGS to Conduct Procurement	More than \$3,000,000.00	<a href="#">Chapter 3</a>
NCB Contract Approval by FTB management and Agency Secretary	Up to \$25,000.00	<a href="#">Chapter 7</a>
NCB Contract Approval by FTB management, Agency Secretary and DGS	More than \$25,000.00	<a href="#">Chapter 7</a>
SB/DVBE Option per Government Code (GC) section <a href="#">14838.5(a)</a>	\$5,000.01 through \$249,999.99	<a href="#">Chapter 8</a>
LPA Orders: CMAS	\$500,000.00	<a href="#">Chapter 5</a>
LPA Orders: Master Agreements	\$1,500,000.00	<a href="#">Chapter 5</a>
LPA Orders: Cooperative Agreements (WSCA, NASPO, etc.), Statewide Contracts	Unlimited	<a href="#">Chapter 5</a>

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<b>Procurement Method</b>	<b>IT Goods and Services Dollar Thresholds</b>	<b>Desk Manual Reference Chapter</b>
LPA Orders: State Price Schedules	\$25,000.00	<a href="#">Chapter 5</a>
LPA Orders: Software License Program (SLP)	\$2,000,000.00	<a href="#">Chapter 5</a>
Interagency Agreements (IAs)	\$3,000,000.00	<a href="#">Chapter 27</a>
Community Rehabilitation Program Orders	Unlimited	<a href="#">Chapter 3</a>

## 2. Desktop And Mobile Computing Policy (DMCP)

### 2.1 Allowed purchases

The DMCP includes the acquisition and support of:

- Personal computers
- Laptop computers
- Personal digital assistants
- Peripheral equipment (e.g., printers)
- Local Area Networks
- Other equipment and software commonly required for most state employees to perform daily business transactions.
- Software typically purchased and installed on a standard desktop or mobile computer such as:
  - Word processing
  - Spreadsheets
  - Desktop database
  - Other non-modifiable commercial-off-the-shelf (COTS)

Refer to [SAM section 4989.1](#) for additional desktop and mobile computing definitions.

### 2.2 Excluded purchases

In accordance with [SAM section 4989.2](#) the following activities are excluded from the DMCP and must be justified in accordance with [SAM sections 4819.3 through 4819.42](#):

- *IT Projects* - as defined in [SAM section 4819.2](#), beyond the acquisition, installation and operation of DMCP goods.
- *Budget Actions* - any acquisition, maintenance or support of desktop and mobile computing IT goods, which requires a Budget Change Proposal, a Budget Revision or other budget action.
- *Specialized or Single-purpose Systems* - such as computer-aided design systems, desktop publishing systems, programmer workbench systems or artificial intelligence systems.

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- *Infrastructure or Platform Migration* - acquisitions associated with or mandated by a change in FTB's standard technical architecture for servers, desktops and/or mobile computing platforms. Migrating to a newer version within the existing standard's product family is not considered an infrastructure or platform migration.
- *Wide Area Networks (WAN)* - acquisition, maintenance or support of desktop and mobile computing goods specifically to install or operate a WAN.

#### 2.3 Coordination

Responsibility for DMCP coordination is assigned to the Project Oversight and Guidance (POG) Section and the assigned analyst within that section. The responsibilities of the POG analyst as the Desktop and Mobile Computing Coordinator include the following functions:

- Assist staff in the completion of any desktop and mobile computing documents.
- Review all desktop and mobile computing requests for appropriate documentation and completion prior to being submitted to the Procurement Bureau.
- Ensure all required approving authorities have reviewed and signed off on the request.
- Ensure each request meets the DMCP and the justification provides sufficient information for the purchase of desktop and mobile computing commodities.
- Inform FTB stakeholders of changes to the desktop and mobile computing forms, procedures, and policies.

#### 2.4 File documentation

Purchases acquired under the DMCP for desktop and mobile computing equipment must include, within the procurement file, sufficient justification to support that the purchase was conducted in accordance with FTB's established hardware, software and security standards for desktop and mobile computing.

### 3. One-time Delegation Request for Formal Competitive or Request for DGS to Conduct Procurement

If the purchase exceeds FTB's delegation authority of \$3,000,000 and FTB chooses to request a one-time delegation to conduct the procurement, before commencing formal procurement activities, the Procurement Analyst must complete the [Request for One-Time Procurement of IT Goods](#) and Services and submit it to DGS for approval.

If the purchase exceeds FTB's delegation authority, and FTB chooses to request DGS to conduct the procurement, the Procurement Analyst must complete a Purchase Estimate, [STD. 66](#), and submit it to DGS for action.

File copies of either request must be retained in the procurement file.

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#### 4. Select Supplier and Draft Language

IT goods and services \$0.01 through \$4,999.99 may be purchased without competition or advertising and without obtaining approval of a non-competitive bid request.

For purchases ranging from \$5,000.01 through \$249,999.99 the SB/DVBE Option is the preferred method. See [Chapter 8](#), section 1 regarding FTB's SB/DVBE First Policy.

For purchases \$250,000 and over, use the appropriate procurement method based on the guidelines in the Table 3.1 above.

The Procurement Analyst must work with the requester and the supplier to ensure the contract language contains the appropriate provisions (i.e., General Provisions, Terms and Conditions, etc.). The completed contract package is then routed to obtain the necessary approvals. See the chapter associated with the selected procurement method for more detail and section 13 of this chapter for information on the General Provisions required language.

#### 5. Purchase Order and Solicitation Numbers

Every purchase order and contract must have a number assigned to it. The number for a purchase order is automatically assigned by the Purchasing Management System ([PMS](#)), once the purchase order is entered into the system. The number for a Standard Agreement for I.T. Goods/Services Only ([STD. 213 IT](#)) is automatically assigned by the Contract Management System ([CMS](#)), once the contract information is entered into the system. Solicitations are to be assigned numbers using the following naming convention: Solicitation Type FTB-Fiscal Year-Document Locator Number (DLN). Example: RFQ FTB-0708-001.

#### 6. Completing the Purchase Order

The following steps are general in nature and are not all-inclusive. Additional detail is listed in the chapter for the specific procurement method used.

##### 6.1 Certification of Compliance

A signed Certification of Compliance with Policies Pursuant to SAM [Sections 4819.41](#) and [4832](#) is required for all information technology procurements that cost \$100,000 or more and are in support of a development effort. Development is defined in SAM [Section 4819.2](#) as, "Activities or costs associated with the analysis, design, programming, staff training, data conversion, acquisition, and implementation of new information technology activities."

Procurements of hardware, software, and services (including Interagency Agreements) are included in this requirement. When processing an amendment, a certification will need to

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### CONTRACT BASICS

be signed if the amount will be \$100,000 or more.

A certification is not required for procurements:

- Less than \$100,000;
- Limited only to maintenance services;
- In support of previously-approved efforts, such as one with an approved Post Implementation Evaluation Report ([SAM Section 4819.40](#));
- Of services to conduct a feasibility study, provided the services are limited to supporting or conducting the feasibility study and/or preparing the feasibility study report ([SAM Sections 4927](#) and [4928](#)); or
- Of/for excluded activities as described in [SAM Section 4819.32](#).

The template for the [Certification](#) is located on the Y: Drive in the [Tools & Templates](#) folder. Route the Certification to the designated signee in POG along with a copy of the procurement request for approval.

#### **6.2 Confidentiality Statement and Rules of Conduct for Contractors and Subcontractors**

The Confidentiality Statement ([FTB 7904](#)) and Rules of Conduct for Contractors and Subcontractors ([FTB 7462](#)) are requirements for suppliers who will have personnel on any of FTB's premises or access to FTB systems and/or information. This normally applies to consultant and maintenance contracts, and may also apply to equipment installation services. The Procurement Analyst ensures these requirements are stated in the solicitation when applicable. The Personnel office will obtain signatures on these documents during the badging process.

#### **6.3 Payee Data Record ([STD. 204](#))**

Fiscal Accounting must have a copy of the Payee Data Record on file before issuing payment to the supplier. The [STD. 204](#) may be included in LPA contracts. If necessary, the Procurement Analyst will send a [STD. 204](#) to a new supplier for completion. A copy is saved in the procurement file, electronically in the Y: Drive [STD. 204 On File](#) folder, and the original is routed to Fiscal Accounting.

#### **6.4 Tax Compliance**

The Executive and Advocate Services Section of the Communications Services Bureau will verify whether a supplier is in good standing as a California business or Sole Proprietor. Use the Executive and Advocate Services Section's [Procurement Entity Request](#) form (also available on the Launcher) to obtain this verification for Corporations, and the hard copy format for Sole Proprietors.

For a corporation, provide the California Corporation's seven digit ID number assigned by the Secretary of State. If the company is a Limited Liability Company, the twelve digit ID number should be provided. These numbers are requested during the solicitation process and can also be obtained from the Secretary of State web site.

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After submitting the online form, including the supplier's FEIN, SEIN, and company name and address, the Procurement Analyst will receive an email confirmation from the Executive and Advocate Services Section. The Procurement Analyst shall place a copy of this email in the procurement file and in the Y: Drive [Taxpayer Advocate \(Current Month\)](#) folder. The tax status provided by the Executive and Advocate Services Section may be used during the next 30 days for any purchases made from that supplier.

In addition to business entities such as Corporations or Limited Liability Companies, responses are also submitted by sole proprietorships. In this event, submit their [Procurement Entity Request](#), with the supplier's SSN in hard copy format to the Executive and Advocate Services Section and attach the signed authorization document from the Sole Proprietor. The authorization document allows Executive and Advocate Services Section to release the information to the Procurement Bureau. **Under no circumstances should the SSN be entered onto the online [Procurement Entity Request](#) form.**

#### **6.5 Background Check, Fingerprinting and Tax Compliance of Contractor Personnel**

In addition to verifying the tax compliance of the business entity, FTB will investigate the personal history of all Contractor personnel who will have access to FTB's facilities, data systems or confidential materials in order to fulfill requirements of a contract. FTB will require such Contractors, subcontractors, independent contractors, and their employees to complete a Personal History Statement and be fingerprinted. Fingerprints will be sent to the California Department of Justice for information regarding prior criminal history. Based upon the results, FTB reserves the right to prohibit individuals from performing work at FTB facilities.

As part of the background check, FTB may require tax identification information to validate compliance with the California Revenue and Taxation Code. Compliance with the Revenue and Taxation Code means an individual has filed all required state income tax returns and all state income taxes are paid or a current payment installment agreement is in place.

If a member of the Contractor's staff or subcontractor staff (including replacements) is ineligible to work for FTB, the Contractor will be notified. If the contractor is unable to provide an eligible replacement, per the terms of this contract, it may be deemed a breach of contract and may be grounds for termination of contract.

#### **6.6 Reseller's Permit**

The supplier must have a valid resale certificate before any tangible purchases can be made. To validate resale certificates, complete the request form on the State [Board of Equalization's](#) website. Document the procurement file, and include the printout showing the supplier is valid.

#### **6.7 Purchase Orders**

Enter the information into [PMS](#) to produce the [STD. 65](#).

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#### 6.8 Unique Numbering

To facilitate tracking of individual purchases, avoid duplicate billings by DGS/PD, and coordinate supplier invoicing, FTB's contract and purchase order numbers are unique from transaction to transaction and from year to year. In addition, FTB uses unique identifiers to distinguish between purchase orders and contracts. The numbering convention for purchases is:

- First character - **P** = purchase order; **C** = contract. Example: **P1000016** is a purchase order.
- Second and third characters - These characters represent the fiscal year in which the purchase was awarded. Example: **P1000016** was awarded in FY 10/11.
- Fourth through eighth characters – These characters represent the sequential number of the order assigned by [PMS](#) or [CMS](#). Example: **P1000016** was the 16<sup>th</sup> purchase order awarded in FY 10/11.

#### 6.9 State Contract and Procurement Registration System (SCPRS) Tracking

All FTB purchases are entered into DGS' [eProcurement](#) system, which assigns a SCPRS number. The Procurement Analyst records the SCPRS number in the "Contract Registration Number" in [PMS](#) to be printed in the box at the top of the STD. 65, or in the "Registration Number" box at the top of the [STD. 213 IT](#). Refer to [Chapter 14](#) of this manual for SCPRS requirements.

#### 6.10 Internal Route Slip

An [Internal Route Slip](#) has been developed to be used for reviews and approvals involving more than just a Procurement Analyst and their Mentor, in alignment with the signature authority outlined in the [Mentorship Program](#) document. The [Internal Route Slip](#) will ensure consistency during the review and approval process and provide a means to document such review. For external approvals, a formal memo and hand courier route slip are used.

#### 6.11 Distributing the Purchase Order

The Procurement Analyst prepares a completed package for review and approval, per the internal and external signature authority process outlined in [Chapters 21](#) and [Chapter 23](#). After the purchase is approved, distribution is done as shown in the following table:

CHAPTER 3

CONTRACT BASICS

Table 3.2 Distributing the Purchase Document ( <a href="#">STD. 65/STD. 213 IT</a> )		
STEPS	RESPONSIBLE PARTY	TASKS
1.	Procurement Analyst	<p>Send the order with all attachments, including the <a href="#">Voluntary Statistical Data Sheet</a>, to the Contractor to begin the order process using one of the following methods:</p> <ul style="list-style-type: none"> <li>• Scan to .pdf and email to Contractor (preferred method); cc: Support Staff, and provide original order to Support Staff to mail to the Contractor; or</li> <li>• Fax order with fax cover sheet, and provide original order to Support Staff to mail to the Contractor; or</li> <li>• Provide original order to Support Staff who will mail to the Contractor.</li> </ul> <p>Retain a signed copy for the procurement file.</p>
2.	Procurement Analyst	<p>If faxed, retain a copy of the fax cover sheet; If emailed, request a return receipt email to print and retain in the procurement file If mailed, note “mailed” with the date on the purchase document.</p>
3.	Procurement Analyst	Provide purchase document and attachments (if applicable) to Support Staff.
4.	Support Staff	Mail original order to Contractor along with <a href="#">Voluntary Statistical Data Sheet</a> .
5.	Support Staff	Scan and save the purchase document and all attachments to the <a href="#">Executed Agreements/Agreements</a> folder, and move the appropriate online <a href="#">Working File</a> folder to the <a href="#">Executed Agreements/Supporting Documents</a> folder.
6.	Support Staff	<p>Email a link to the purchase document and all attachments to the following mailboxes:</p> <ul style="list-style-type: none"> <li>• Fiscal Accounting – <a href="#">FTB ACCTPAY</a></li> <li>• Departmental Oversight and Financial Performance Section (DRO) – <a href="#">Departmental Allotment Coordinators</a></li> <li>• <a href="#">Product Check In</a></li> <li>• <a href="#">IT Acquisitions</a></li> <li>• Requestor and any other staff listed on the Purchase Request</li> </ul>
7.	Support Staff	Make one copy of the STD. 65 to send to DGS at the end of the month for the delegation report.
8.	Support Staff	Stamp “File Copy” on the purchase document and file in IT “OPEN” file cabinets.

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#### 6.12 Encumbrance Document

An encumbrance document is required in the following situations to document how the funds will be allocated. [PMS](#) will produce single year encumbrance documents in the situations shown in examples b) 1. and b) 2. It will not produce multi-year encumbrance documents, as shown in examples a), b) 3. and c). If a purchase spans multiple years, or funds are being shifted between fiscal years, the Procurement Analyst will have to prepare the encumbrance document manually, following the examples below.

- a) An IT purchase spans more than one fiscal year and funding will be applied to multiple years.

Example: The term is 1/1/2013–12/31/2013 and the amount is \$500,000 (to be paid in equal monthly amounts). This covers fiscal years 2011/2012 and 2012/2013. The funding to be allocated to each fiscal year must be delineated in an encumbrance document. This could include a one-time purchase where multi-year financing is attached. It does not apply when all years are paid up front in the first fiscal year.

CalSTARS	FY 2011/2012	FY 2012/2013	Total
9000-97900-473.99	\$250,000.00	\$250,000.00	\$500,000.00

- b) An IT purchase spans more than one CalSTARS allotment.

1. Example: The request is for equipment<sup>1</sup> (Object Code 473.99) and the related maintenance<sup>2</sup> (Object Code 227.99). Each has a separate object code in CalSTARS and must be broken out in an encumbrance document.

CalSTARS	FY 2011/2012
9000-97900-473.99 <sup>1</sup>	\$500,000.00
9000-97900-227.99 <sup>2</sup>	\$100,000.00
<i>TOTAL</i>	<i>\$600,000.00</i>

2. Example: The request covers more than one division or multiple areas within a division.

CalSTARS	FY 2011/2012
5557-97557-473.99	\$250,000.00
5557-97557-227.99	\$50,000.00
9000-97900-473.99	\$250,000.00
9000-97900-227.99	\$50,000.00
<i>TOTAL</i>	<i>\$600,000.00</i>

## CHAPTER 3

### CONTRACT BASICS

3. Example: The request could cover all of the above situations (multiple years, objects and business areas).

CaISTARS	FY 2011/2012	FY 2012/2013	Total
5557-97557-473.99	\$125,000	\$125,000	\$250,000.00
5557-97557-227.99	\$25,000	\$25,000	\$50,000.00
9000-97900-473.99	\$125,000	\$125,000	\$250,000.00
9000-97900-227.99	\$25,000	\$25,000	\$50,000.00
<b>TOTAL</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$600,000.00</b>

- c) The fiscal year end has excess funds that need to be transferred to the next fiscal year.

CaISTARS	FY 2011/2012	FY 2012/2013	Total
<i>ORIGINAL</i>			
5557-97557-227.99	\$50,000.00	\$50,000.00	\$100,000.00
<b>TOTAL</b>	<b>\$50,000.00</b>	<b>\$50,000.00</b>	<b>\$100,000.00</b>

<i>EMCUMBRANCE #1</i>			
5557-97557-227.99	\$50,000.00	\$50,000.00	\$100,000.00
2011/2012 RESERVE	(\$2,000.00)	\$2,000.00	0
<b>TOTAL</b>	<b>\$48,000.00</b>	<b>\$52,000.00</b>	<b>\$100,000.00</b>

#### 6.13 Contract Award Report (STD. 16)

For any purchase over \$5,000.00 (including amendments), [PMS](#) automatically generates a [STD. 16](#). The Procurement Analyst prints a copy of the [STD. 16](#), signs the form, and includes it in the procurement file. Upon distribution of the purchase document, Support Staff will scan the [STD. 16](#) and email it to: [complianceprograms@dfeh.ca.gov](mailto:complianceprograms@dfeh.ca.gov).

The [STD. 16](#) must be filed with the Department of Fair Employment and Housing within 10 days of contract award. (This is not applicable for Interagency Agreements and MSAs.)

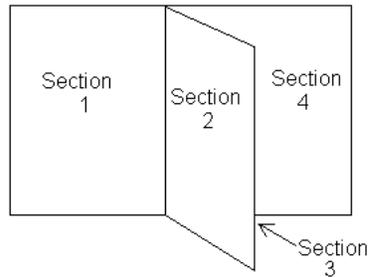
## 7. Procurement File

### 7.1 Purchases with Term Dates

Procurement files for purchases with term dates will be placed in green folders, with four sections as shown in Figure 3.1. Support Staff may assist in organizing the final file, upon request.

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### CONTRACT BASICS



**Figure 3.1**

- *Section 1* - File Documentation Checklist, Procurement Summary, Ineligible Entities Checklist, Quote Worksheet, and Internal Route Slip. *Section 2* – File copy of purchase document and attachments, encumbrance document, any amendments or cancellations, and the Services Received document, in sequential order with the most recent document on top.
- *Section 3* – FTB 6278A or FTB 6278C, [STD. 16](#), [STD. 204](#), Reseller’s Permit, FTB 7912, Tax Status verification, and SCPRS confirmation with the 6278 on top.
- *Section 4* – File the following documents, if applicable, in chronological order, with the most recent document on top:
  - Supplier Methodology (Request for Interest, NCB, Market Survey, [eProcurement](#) Advertisement, Bidders’ List, etc.)
  - Solicitation Documentation
  - General Correspondence
  - Bid responses for Successful and Unsuccessful Suppliers, including Small Business and DVBE Documentation
  - Evaluation Documentation (Procurement Summary, Score Sheets and/or Bid Quote Worksheet)
  - Amendment Documentation (place the new documents in chronological order on top of the originals)
  - Services Received

Give the completed file to Support Staff for labeling and filing to the appropriate file cabinet.

#### **7.2 Purchases without Term Dates**

Procurement files for purchases without term dates will be stapled or clipped together, with applicable documents in the following order (top to bottom):

- Services Received document
- File copy of purchase document and attachments, encumbrance document, and any amendments or cancellations in sequential order, with the most recent document on top.
- FTB 6278A
- SCPRS confirmation
- File Documentation Checklist

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### CONTRACT BASICS

- Internal Route Slip
- File the remaining documents in chronological order, with the most recent on top:
  - Evaluation Documentation (Procurement Summary, Score Sheets and/or Bid Quote Worksheet)
  - [STD. 16](#), [STD. 204](#), Reseller's Permit, FTB 7912, Tax Status verification, and Ineligible Entities Checklist
  - Bid responses for Successful and Unsuccessful Suppliers, including Small Business and DVBE Documentation
  - General Correspondence
  - Solicitation Documentation
  - Supplier Methodology (Request for Interest, NCB, Market Survey, [eProcurement](#) Advertisement, Bidders' List, etc.)

#### 8. Tracking

For purchases with term dates, the Procurement Analyst should enter the term expiration date in the "Expiration" field in [PMS](#) for the line item that applies. Purchases with term dates are tracked for renewal purposes. Once the contract term has expired, Support Staff will move the file from the open files to the closed files.

The Procurement Analyst must enter summary information regarding all purchases in DGS' eProcurement System. See [Chapter 14](#), State Contract and Procurement Registration System (SCPRS) of this manual.

#### 9. Community Rehabilitation Programs

Purchases from Community Based Rehabilitation Programs (CRP) may be made without competitive bidding based on criteria established by [Welfare and Institutions Code section 19404](#). See [Chapter 12, Section 3](#) of this manual.

#### 10. SB and DVBE Reporting and DVBE Substitution

State law requires that vendors must:

- Report actual SB and DVBE utilization within 60 days of the end of the contract
- Request DGS Office of Small Business and DVBE Services (OSDS) approval prior to replacing a DVBE subcontractor using DGS' [form and instructions](#)

Section 59 of [GSPD-401IT](#) includes the language advising vendors of these requirements and must be referenced in all solicitations and purchase documents.

Additionally, [SCM Vol. 3, Chapter 3](#), sections 3.5.6, requires the following language be included in **all** solicitations and purchase documents with the exception of acquisitions

## CHAPTER 3

### CONTRACT BASICS

made using F&R pricing<sup>1</sup>. The language must be included even if there is no DVBE requirement or incentive.

*The Contractor understands and agrees that should award of this contract be based in part on their commitment to use the Disabled Veteran Business Enterprise (DVBE) subcontractor(s) identified in their bid or offer, per [M&VC section 999.5 \(e\)](#), a DVBE subcontractor may only be replaced by another DVBE subcontractor and must be approved by the Department of General Services (DGS). Changes to the scope of work that impact the DVBE subcontractor(s) identified in the bid or offer and approved DVBE substitutions will be documented by contract amendment.*

*Failure of the Contractor to seek substitution and adhere to the DVBE participation level identified in the bid or offer may be cause for contract termination, recovery of damages under rights and remedies due to the State, and penalties as outlined in [M&VC section 999.9](#); [Public Contract Code \(PCC\) section 10115.10](#).*

## 11. Emergency Purchases

### 11.1 Definition

An emergency as defined by [PCC 12102](#) is "where immediate acquisition is necessary for the protection of the public health, welfare, or safety."

### 11.2 Types of Emergencies

Emergencies are divided into the following classifications, which ultimately affect how the purchase activity will be processed:

- An emergency purchase in response to a natural disaster, i.e., fire, flood, earthquake.
- An emergency purchase not in response to a natural disaster.

### 11.3 Required Documentation

Regardless of the classification of the emergency, FTB must document the procurement file and/or provide to DGS/PD, as applicable, the following information:

- A description of the emergency.
- Explanation of how the situation falls within the parameters of an emergency justifying the emergency purchase.
- Explanation of the consequences of making the purchase through normal procurement processes.
- A description of the goods and price.
- The names and quotations of suppliers contacted.

---

<sup>1</sup> The General Provisions and SCM Vol. 3 do not specifically exempt Fair and Reasonable purchases from this requirement. However, since solicitation documents are not prepared for Fair and Reasonable purchases, the vendor is not required to sign a document agreeing to terms of the agreement, it is logical to assume that these terms would not apply.

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**11.4 Emergency Purchases in Response to a Natural Disaster**

The following table provides the process for executing an emergency purchase in response to a natural disaster when a response requires immediate action:

<b>Table 3.3 Emergency Purchases in Response to a Natural Disaster</b>	
<b>If the purchase activity</b>	<b>Then the Procurement Analyst will proceed with the purchase</b>
Is within FTB's \$25,000 purchasing authority for Non-Competitively Bid (NCB) contracts	<ul style="list-style-type: none"> <li>• Document the circumstance of the emergency purchase.</li> <li>• Issue the purchase document, identifying the Purchasing Authority (PA) number in the PA number box on the purchase document.</li> <li>• Record the transaction in DGS' <a href="#">eProcurement System</a>.</li> </ul>
Exceeds FTB's \$25,000 purchasing authority for NCB contracts	<ul style="list-style-type: none"> <li>• Document the circumstance of the emergency purchase.</li> <li>• Document names and quotations of suppliers contacted.</li> <li>• Issue the purchase document, leaving the PA number box on the purchase document blank.</li> </ul>

**11.5 Emergency Purchases Not in Response to a Natural Disaster**

The following table provides the emergency purchase process in response to an emergency situation other than a natural disaster.

<b>Table 3.4 Emergency Purchases Not in Response to a Natural Disaster</b>	
<b>If the purchase activity</b>	<b>Then the Procurement Analyst will proceed with the purchase</b>
Is within FTB's \$25,000 purchasing authority for Non-Competitively Bid (NCB) contracts	<ul style="list-style-type: none"> <li>• Document the circumstance of the emergency purchase.</li> <li>• Issue the purchase document, identifying the PA number in the PA number box identified on purchase document.</li> <li>• Record the transaction in DGS' <a href="#">eProcurement System</a>.</li> </ul>

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### CONTRACT BASICS

Exceeds FTB's \$25,000 purchasing authority for NCB contracts	<ul style="list-style-type: none"><li>• Contact DGS/PD immediately or within the next business day to provide the circumstance of the emergency.<ul style="list-style-type: none"><li>◦ IT goods and services contact: DGS/PD Technology Acquisitions Branch (TAB) at (916) 375-4381.</li></ul></li><li>• DGS/PD contact reviews the circumstance and if approved, assigns the transaction an Authorization to Exceed Monetary Limits (Form 42) number.</li><li>• Document the circumstance of the purchase.</li><li>• Record the Form 42 number in the PA number box on the purchase document prior to issuing the purchase document.</li></ul>
---	--

#### 12. IT General Provisions

The IT General Provisions are to be used for all purchases valued over \$4,999.99 placed within FTB's delegation. This excludes orders purchased under LPA contracts which include their own general provisions.

Either preprinted (hardcopy) forms of [IT General Provisions GSPD-401IT](#) or, for reasonable accommodation, the [IT General Provisions GSPD-401IT](#) incorporated by reference, should be used.

Unless otherwise specified these General Provisions may not be modified; however, they may be supplemented (when permissible) with additional provisions tailored to a specific solicitation, as long as they don't conflict with the General Provisions.

#### 13. Bidder Instructions

Bidder Instructions (GSPD-451) are used in all competitive IT goods and services solicitations. While the [Bidder Instructions](#) are used for informal (<\$1,000,000) IT solicitations, the model Section II, Rules Governing Competition, replaces the Bidder Instructions in formal (\$1,000,000+) IT solicitations.

Contact DGS' TAB at (916) 375-4470 to obtain the most current version of Section II.

#### 14. Model Language

##### 14.1 IT Modules

[IT Modules](#) are to be added to all IT contracts in excess of \$100,000; however, DGS/PD recommends use of these modules, combined with the current IT General Provisions and a well-developed Statement of Work in all IT solicitations and contracts regardless of dollar value.

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The Procurement Analyst selects the [IT Modules](#) needed according to the goods and/or services being acquired. For instance, if procuring hardware maintenance only, include the: Statement of Work, IT General Provisions, and the IT Maintenance Special Provisions. However, if procuring hardware and maintenance, add to the above the IT Purchase Special Provisions.

Either preprinted (hardcopy) forms of the applicable [IT Modules](#) or, for reasonable accommodation, the link to the website may be incorporated by reference, and used in all IT solicitations, and IT purchase documents.

Additionally, any FTB Special Provisions can be included as an attachment to the purchase document.

Unless otherwise specified, the IT Modules may not be modified without DGS/PD approval.

#### **14.2 Links To IT Modules**

- [Information Technology Purchase Special Provisions](#), effective 02/08/07
- [Information Technology Maintenance Special Provisions](#), effective 01/21/03
- [Information Technology Software License Special Provisions](#), effective 01/21/03
- [Information Technology Personal Services Special Provisions](#), effective 02/08/07

## CHAPTER 4

### PROCUREMENT PROCESS

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## CHAPTER 4

### PROCUREMENT PROCESS

#### 1. Procurement Request for New Purchases (FTB 6278A)

All requests for new purchases of IT goods and services are submitted on FTB Form 6278A by the IT Acquisitions Unit. The requestor's PC Coordinator completes an online [IT OE&E Request](#) and the request is electronically routed for approvals.

#### 2. Procurement Request for Renewals (FTB 6278C)

All requests for renewals of IT services (e.g., software and hardware maintenance) are submitted on FTB Form 6278C by the IT Contracts Unit. The IT Contracts Unit routes the request for approvals.

#### 3. Assigning the Request

When the Procurement Bureau's Technology Acquisitions Unit receives a request for the purchase or renewal of goods or services, the Technology Acquisitions Supervisor assigns the request to a Procurement Analyst. Procurement Support Staff then enters the request in the Purchasing Management System ([PMS](#)). PMS generates a sequential Document Locator Number (DLN). The assigned Procurement Analyst records the assignment in the [Analyst Workload Database](#), updates the [IT Tracking Document](#), and creates a [working folder](#) on the Y: Drive. Support Staff emails a confirmation notice to the requestor and DRO informing them that the request has been assigned to a procurement analyst. The confirmation also includes the date received and a description of the request.

#### 4. Service Request/Telecommunications Form ([FTB 7519](#))

This form is for requesting a personal communication device. The appropriate Division Section Manager, Bureau Director and the Department Allotment Coordinator must approve request. This form may be forwarded to a Telecom representative depending on the request.

#### 5. Purchasing Authority Purchase Order ([STD. 65](#))

The Purchasing Authority Purchase Order (STD. 65) is used for the majority of IT goods purchases or when required by the specific contract instructions. A PO is also used for standard software maintenance categorized as IT goods. This form may also be used when services are incidental to the purchase of goods. However, the goods must be the larger part of the procurement (more than 50%).

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### PROCUREMENT PROCESS

#### 6. Standard Agreement for IT Goods/Services Only ([STD. 213 IT](#))

The Standard Agreement for IT Goods/Services Only ([STD. 213 IT](#)) is used when services make up the majority of the purchase, or when required by the specific contract instructions.

#### 7. Purchase Estimate ([STD. 66](#))

The Purchase Estimate ([STD. 66](#)) is used when any transaction, for IT goods only, exceeds or is expected to exceed FTB's purchasing authority, by type, category or dollar threshold. Procurements for IT goods are conducted by the DGS/PD One –Time Acquisitions Unit ([OTA](#)).

When a transaction for IT goods and services exceeds or is expected to exceed FTB's purchasing authority, by type, category or dollar threshold, a memo must be submitted to DGS/PD Technology Acquisitions Branch ([TAB](#)) requesting their assistance in conducting the procurement.

DGS/PD is also available, at our request, to conduct any procurement that is within our purchasing authority.

**Note:** Contact [TAB](#) for instructions on submitting IT service procurement requests.

#### 8. PO Distribution

See [Chapter 3](#), Section 7.9 of this manual and [Chapter 24](#) for distribution instructions.

#### 9. Checklists

Checklists are provided for each procurement method as a tool for Procurement Analysts to use during the procurement process and to perform a final quality check of their documents before submitting them for review (See [Chapter 19](#) of this manual).

#### 10. Signature Authority

FTB's Procurement and Contracting Officer (PCO) has implemented a signature authority guideline for all Procurement Analysts (See [Chapter 21](#) of this manual).

#### 11. Official Procurement File

Procurement files should be consistently organized. Follow the procedures outlined in [Chapter 3](#), Section 8 of this manual for file organization. File documentation must include the following:

- Services Received Document (added after goods are received)

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### PROCUREMENT PROCESS

- Purchase Order ([STD. 65](#)), or Standard Agreement ([STD. 213 IT](#)). An Agreement/Summary ([STD. 215](#)) must accompany a [STD. 213 IT](#)
- FTB 6278A, FTB 6278C, or [FTB 7519](#)
- SCPRS Confirmation
- Checklist for Applicable Procurement Method
- Evaluation Documentation (Procurement Summary, Score Sheets, Bid Quote Worksheet, or Evaluation and Selection Report)
- Contract Award Report ([STD. 16](#)) for transactions over \$5,000
- Payee Data Record ([STD. 204](#)), Redact the SSN if Vendor is Sole Proprietor
- Advocate's Office Verification of Tax Compliance
- Seller's Permit Validation from [BOE](#)
- [Ineligible Entities Checklist](#)
- Current SB/DVBE Certification, if applicable
- [Bidder Declaration](#)
- All Bid Responses, including the following, if applicable:
  - Small Business and DVBE Documentation (Commercially Useful Function (CUF))
  - Target Area Contract Preference Act (TACPA) - [STD. 830](#)
  - Enterprise Zone Act (EZA) - [STD. 831](#)
  - Local Agency Military Base Recovery Preference Request (LAMBRA) - [STD. 832](#)
  - Bidder's Summary ([DGS/PD 525](#))
  - Manufacturer's Summary ([DGS/PD 526](#))
- [Supplier Performance Report](#), if applicable
- Small Business or DVBE Documentation/[Waiver](#) if applicable
- Confidentiality Statement ([FTB 7904](#)) if applicable
- General Correspondence in chronological order, most current on top
- Solicitation Documentation
- Supplier Methodology (Request for Interest, NCB, Market Survey, eProcurement Advertisement, Bidders' List, etc.)

#### 12. Amended Purchase Order or Standard Agreement Documentation

Add amendment details to the procurement summary already in the procurement file, and add the amended [STD. 65](#) or [STD. 213 IT](#) on top of the original purchase document.

#### 13. Location and Access to Files

Procurement files are located on shelves between aisles **SA3A-B12** and **SA3A-B14**. For official auditing purposes a hard copy of the purchase documentation is located in these files. An electronic copy of selected documents is also stored in the unit's shared Y: Drive [Executed Agreements](#) folder.

**CHAPTER 5**

**LEVERAGED PROCUREMENT AGREEMENTS**

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## CHAPTER 5

### LEVERAGED PROCUREMENT AGREEMENTS

#### 1. Leveraged Procurement Agreements (LPA) Basics

The LPA program, established by DGS/PD as set forth in [PCC sections 10290](#) et.seq. and [12101.5](#), enables FTB to streamline State purchases by removing repetitive, resource intensive, costly and time consuming bid processes.

All solicitations for LPA's require the LPA Contractors to provide copies of their LPA Contracts, including the contract cover page and all applicable pricing pages. These contract copies will either be kept in the procurement file, or placed in a labeled binder and filed alphabetically in the designated and documented area (SA3A-B12-10 drawer) in Procurement's file cabinet.

#### 2. California Multiple Award Schedule (CMAS)

CMAS agreements are established with manufacturers or contractors that offer products and/or services currently on an existing multiple award schedule with the federal General Services Administration (GSA) or other competitively negotiated or awarded multiple award contracts. FTB is authorized to purchase up to \$500,000 for IT goods and services on CMAS orders per FTB's purchasing authority approval (see [Chapter 1](#) of this manual). There is no exemption to CMAS dollar threshold.

Consistent with FTB's SB/DVBE First Policy, if the purchase is expected to be under \$250,000 and there are SBs or DVBEs available, then the SB/DVBE Option must be used (see [Chapter 8](#) of this manual), unless there are sufficient SB/DVBE CMAS holders that can provide offers. The Procurement Analyst must obtain a waiver from the SB/DVBE Advocate prior to placing an order to a large business under CMAS ([GC section 14846\(b\)](#)). The Procurement Analyst will process the CMAS order following the procedures below.

<b>Steps</b>	<b>Activity</b>	<b>Responsibility/Contact</b>
1.	Determine what product(s) are needed.	Requestor
2.	Complete an online <a href="#">IT OE&amp;E Request</a> . The request is electronically routed for approvals.	Requestor through their PC Coordinator
3.	Deliver the completed 6278A or 6278C form to the Procurement Bureau.	IT Acquisitions Unit or IT Contracts Unit
4.	Review the request package to make sure all approving signatures were obtained, CalStars coding is correct, and justification for purchase is attached. When necessary conduct research to ensure the correct products are being ordered, along with verifying any maintenance needs.	Procurement Analyst

CHAPTER 5

LEVERAGED PROCUREMENT AGREEMENTS

<p align="center"><b>Table 5.1</b> <b>CMAS Agreement Procedures</b></p>		
<b>Steps</b>	<b>Activity</b>	<b>Responsibility/Contact</b>
5.	Prepare a Request for Offer (RFO) using FTB's <a href="#">RFO Template</a> . An RFO is the solicitation document used when conducting a CMAS procurement.	Procurement Analyst
6.	Provide completed RFO to mentor for review and make changes/correction as needed.	Mentor/Supervisor
7.	Issue RFO, which needs to be sent to a minimum of three suppliers for transactions between the amounts of \$5,000 to \$500,000, including at least one SB and/or DVBE (if available), and for transactions up to \$4,999.99, multiple offers are not necessary if fair and reasonable pricing has been established and documented.	Procurement Analyst
8.	Any changes to the RFO after release, prior to the due date, will need to be sent to all the participating suppliers as an addendum.	Procurement Analyst
9.	Only RFO responses received by the due date and time specified are accepted and considered.	Procurement Analyst
10.	If responses were not received from at least three of the suppliers solicited for transactions of \$5,000 to \$500,000, contact the vendors who did not respond and document their reason(s). If no responses were received, cancel the solicitation and start over.	Procurement Analyst
11.	Request a complete copy of the CMAS Contract from the apparent winning supplier. Verify that the supplier has a valid contract by checking the expiration date and confirming that the products, services, and prices are included, and that the prices quoted are at or below the CMAS contract rates.	Procurement Analyst
12.	A <a href="#">Certification of Compliance</a> is required if the IT procurement is valued at \$100,000 or more and is in support of a development effort. See <a href="#">Chapter 12</a> , Section 7 of this manual for details on the process to be followed and exemptions to this requirement.	Procurement Analyst

**CHAPTER 5**

**LEVERAGED PROCUREMENT AGREEMENTS**

<b>Table 5.1 CMAS Agreement Procedures</b>		
<b>Steps</b>	<b>Activity</b>	<b>Responsibility/Contact</b>
13.	Select the winning supplier, based on evaluation criteria, process and sign the STD. 65 Purchase Order, and complete all required file documentation. Complete the <a href="#">LPA file documentation checklist</a> . The file documentation must include the location where the entire CMAS contract for this procurement is located (designated drawers located at <b>SA3A-B12-10</b> ). Copies of the CMAS contract's front page and the pricing pages with the ordered items/services must be kept in the procurement file.	Procurement Analyst
14.	Provide purchase order, along with all documentation, to your mentor to review.	Procurement Analyst
15.	Review, make any needed corrections, and approve the purchase order before it is released to the supplier.	Mentor/Procurement Analyst
16.	Complete the distribution and filing of the procurement documentation consistent with <a href="#">Chapter 3</a> , Table 3.2 of this manual.	Procurement Analyst and Support Staff

**3. Software Licensing Program (SLP)**

SLP contracts were established to reduce the need for individual departments to conduct repetitive acquisitions for software licenses and software upgrades. SLP contracts take advantage of the large volume discounts offered by the software publishers.

Copies of these contracts are in a labeled binder and filed alphabetically in the designated drawers located at **SA3A-B12-10**.

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Table 5.2 SLP Dollar Thresholds	
Dollar Amount	Approvals
\$5,000 - \$2,000,000	Mentor/Supervisor (See <a href="#">Chapter 23</a> , Mentorship Program of this manual.)
Over \$2,000,000	<p>In order to obtain approval to execute a purchase document that exceeds the SLP dollar threshold of \$2,000,000, a Software License Program Exemption Request (<a href="#">SLPER</a>) must be completed and submitted to the DGS/PD/Software License Program.</p> <p>The following information must be documented and submitted to the DGS/PD/Software License Program:</p> <ul style="list-style-type: none"> <li>• A statement indicating this purchase is “mission critical” to FTB, signed by FTB CIO;</li> <li>• A clear statement of what is being purchased including all line items and the estimated dollar amount;</li> <li>• Identification of the savings that will be realized by this purchase (e.g., list price compared to SLP price);</li> <li>• The consequences that will occur if FTB is unable to make the purchase; and</li> <li>• A statement that this purchase, in this amount, is consistent with the FTB’s <a href="#">IT Strategic Plan</a> (attach an excerpt of the appropriate section pertaining to this purchase).</li> </ul> <p>Upon review and approval of the documentation submitted, DGS/PD will issue an approval letter concurring with the request. Upon receiving approval from DGS/PD, the department may proceed to initiate the RFO approval process. If not approved a different procurement method must be used, usually a competitive bid.</p>

Table 5.3 SLP Agreement Procedures		
Steps	Activity	Responsibility/Contact
1.	Determine what product(s) are needed.	Requestor
2.	Complete an online <a href="#">IT OE&amp;E Request</a> . The request is electronically routed for approvals.	Requestor
3.	Deliver the completed 6278A or 6278C form to the Procurement Bureau.	IT Acquisitions Unit or IT Contracts Unit

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Table 5.3 SLP Agreement Procedures		
Steps	Activity	Responsibility/Contact
4.	Review the request package to make sure all approving signatures were obtained, CalStars coding is correct, and justification for purchase is attached. When necessary conduct research to ensure the correct products are being ordered, along with verifying any maintenance needs.	Procurement Analyst
5.	Identify that the software products being requested are available through the SLP by checking DGS' <a href="#">eProcurement</a> website. Select the appropriate SLP contract for the software product being requested.	Procurement Analyst
6.	For procurements under \$250,000, solicit only SB or DVBE SLP vendors, if possible, or use the SB/DVBE Option.	Procurement Analyst
7.	Prepare an RFO using FTB's <a href="#">RFO Template</a> .	Procurement Analyst
8.	Provide completed RFO to mentor for review and make changes/correction as needed.	Procurement Analyst/Mentor
9.	Send RFO between the amounts of \$5,000 to \$500,000 to a minimum of three SB or DVBE SLP suppliers. It is recommended that it be sent to more than three when possible. For transactions up to \$4,999.99, multiple offers are not necessary if fair and reasonable pricing has been established and documented. If SB or DVBE vendors are not included in the SLP, ask if the large business SLP vendor holding the contract would be willing to subcontract to a SB or DVBE.	Procurement Analyst
10.	If processing a Microsoft software purchase via their SLP contract, use the <a href="#">Microsoft Select Purchasing</a> document to determine which large, SB or DVBE resellers to solicit.	Procurement Analyst
11.	Any changes to the RFO after release, prior to the due date, will need to be sent to all the participating suppliers as an addendum.	Procurement Analyst
12.	Evaluate the responses that were received. Only RFO responses received by the due date and time specified are accepted and considered.	Procurement Analyst

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<b>Table 5.3 SLP Agreement Procedures</b>		
<b>Steps</b>	<b>Activity</b>	<b>Responsibility/Contact</b>
13.	If responses were not received from at least three of the suppliers solicited, contact the suppliers who did not respond and document their reason(s). If no responses were received, cancel the solicitation and start over.	Procurement Analyst
14.	Verify that the costs provided are no more than those listed on the SLP contract which are the maximum charges allowed, and negotiate lower prices if possible.	Procurement Analyst
15.	A <a href="#">Certification of Compliance</a> is required if the IT procurement is valued at \$100,000 or more and is in support of a development effort. See <a href="#">Chapter 12</a> , Section 7 of this manual for details on the process to be followed and exemptions to this requirement.	Procurement Analyst
16.	Process and sign the STD. 65 Purchase Order, and complete all required file documentation, including the <a href="#">LPA file documentation checklist</a> . The file documentation must include the location where the entire SLP contract for this procurement is located (designated drawers located at <b>SA3A-B12-10</b> ). Copies of the SLP contract's front page and the pricing pages with the ordered items must be kept in the procurement file.	Procurement Analyst
17.	Provide purchase order, along with all documentation, to your mentor to review.	Procurement Analyst/Mentor
18.	Review, make any needed corrections, and approve the purchase order before it is released to the supplier.	Mentor/Procurement Analyst
19.	Complete the distribution and filing of the procurement documentation consistent with <a href="#">Chapter 3</a> , Table 3.2 of this manual.	Procurement Analyst and Support Staff

#### 4. Statewide Contracts (SC)

SCs were established to reduce the need for individual departments to conduct repetitive bids for like products. LPAs previously referred to as California Strategically Sourced Initiative (CSSI) contracts are now called SCs. The use of some SCs is mandatory. FTB must verify the mandatory or non-mandatory status of a contract by reviewing the contract or checking the [State Contracts Index Listing](#). SCs do not have

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### LEVERAGED PROCUREMENT AGREEMENTS

dollar limits or limitations to their use unless otherwise noted in the specific contract and/or user instructions. A STD. 65 purchase order is the common purchase document used for SC procurements, unless otherwise directed by individual SC user instructions.

<b>Table 5.4 Statewide Contracts (SC) Procedures</b>		
<b>Steps</b>	<b>Activity</b>	<b>Responsibility/Contact</b>
1.	Determine what product(s) are needed.	Requestor
2.	Complete an online <a href="#">IT OE&amp;E Request</a> . The request is electronically routed for approvals.	Requestor
3.	Deliver the completed 6278A or 6278C form to the Procurement Bureau.	IT Acquisitions Unit or IT Contracts Unit
4.	Review the request package to make sure all approving signatures were obtained, CalStars coding is correct, and justification for purchase is attached. When necessary conduct research to ensure the correct products are being ordered, along with verifying any maintenance needs.	Procurement Analyst
5.	Determine what SC will be used (if any) and whether the contract is mandatory or non-mandatory. If the contract is not mandatory, determine whether to use the contract or another procurement method.	Procurement Analyst
6.	If the SC will be used, obtain a complete copy of the SC from the <a href="#">State Contracts Index Listing</a> . Verify that the contract is valid by checking the expiration date and confirming that the products, services, and prices are included. For items being purchased that are not included, “off-spec” approval must be requested and received from the DGS SC administrator. Keep the approval in the procurement file.	Procurement Analyst
7.	Request a price quote from the SC supplier(s). Verify pricing does not exceed the pricing listed in the SC, which are the maximum charges allowed, and negotiate lower prices if possible.	Procurement Analyst
8.	A <a href="#">Certification of Compliance</a> is required if the IT procurement is valued at \$100,000 or more and is in support of a development effort. See <a href="#">Chapter 12</a> , Section 7 of this manual for details on the process to be followed and exemptions to this requirement.	Procurement Analyst

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<b>Steps</b>	<b>Activity</b>	<b>Responsibility/Contact</b>
9.	Process and sign the STD. 65 Purchase Order, and complete all required file documentation, including the <a href="#">LPA file documentation checklist</a> . The file documentation must include the location where the entire SC contract for this procurement is located (designated drawers located at <b>SA3A-B12-10</b> ). Copies of the SC contract's front page and the pricing pages with the ordered items must be kept in the procurement file.	Procurement Analyst
10.	Provide purchase order along with all documentation to your mentor to review.	Procurement Analyst/Mentor
11.	Review, make any needed corrections, and approve the purchase order before it is released to the supplier.	Mentor/Procurement Analyst
12.	Complete the distribution and filing of the procurement documentation consistent with <a href="#">Chapter 3</a> , Table 3.2 of this manual.	Procurement Analyst and Support Staff

#### **5. Office of Technology Services (OTECH), Office of Telecommunications Procurement Contracts**

FTB is required to use the CALNET 2 contracts to obtain mandatory voice and data services unless an exemption is granted by the OTech. There is no dollar value limit for any mandatory purchase made from any CALNET 2 contract. Items deemed as non-mandatory, both equipment and services, must be obtained through the DGS established State Procurement Process. These contracts are listed in DGS' [eProcurement](#) website.

OTech is responsible for managing all CALNET 2 contracts to ensure compliance with OTech policy. The DGS/PD has oversight procurement responsibilities pertaining to all CALNET 2 purchases.

Once approval is obtained from the OTech, telecom equipment and any service on CALNET 2 that have been deemed non-mandatory may be procured through any approved LPA or any other authorized procurement category by FTB.

All non-mandatory offerings available on CALNET 2 may be obtained by following the guidelines noted in the CALNET 2 User Instructions that are currently being developed and will be placed on the OTech website when complete.

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For additional information regarding CALNET 2 Mandatory Services, delegations, and/or exemptions, refer to the [State Telecommunications Management Manual](#).

#### 6. State Price Schedule (SPS)

[State Price Schedules](#) are non-competitively bid agreements for IT goods at a fixed price for a specified period of time. SPS agreements were established for unique and unusual items that preclude competitive bidding. SPS agreements are not mandatory.

FTB is authorized to purchase up to \$25,000 on SPS agreements per FTB's purchasing authority approval (See [Chapter 1](#) of this manual).

DGS/PD has established an SPS agreement, with an IT component, for Adaptive Equipment and Services for Persons with Disabilities. When executing orders against SPS, all the required approval and documentation requirements must be applied as applicable to an IT acquisition. The SPS requires soliciting and obtaining offers from a minimum of three suppliers listed on the SPS agreement for transactions of \$5,000.00 and over. For SPS transactions valued at \$4,999.99 and under, FTB may execute orders to a supplier on the current SPS Approved Supplier Listing without obtaining multiple offers if fair and reasonable pricing has been established and documented. The SPS has unique user instructions that must be followed. For more information, see [State Contracts Index Listing](#).

<b>Step</b>	<b>Activity</b>	<b>Responsibility/ Contact</b>
1.	Determine what product(s) are needed.	Requestor
2.	Complete an online <a href="#">IT OE&amp;E Request</a> . The request is electronically routed for approvals.	Requestor through their PC Coordinator
3.	Deliver the completed 6278A or 6278C form to the Procurement Bureau.	IT Acquisitions Unit or IT Contracts Unit
4.	Review the request package to make sure all approving signatures were obtained, CalStars coding is correct, and justification for purchase is attached. When necessary conduct research to ensure the correct products are being ordered, along with verifying any maintenance needs.	Procurement Analyst
5.	Determine what SPS contract will be used.	Procurement Analyst
6.	If the SPS will be used, obtain a complete copy of the SPS from the <a href="#">State Contracts Index Listing</a> . Verify that the contract is valid by checking the expiration date and confirming that the products, services, and prices are included.	Procurement Analyst

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<b>Table 5.5 State Price Schedule (SPS) Procedures</b>		
<b>Step</b>	<b>Activity</b>	<b>Responsibility/ Contact</b>
7.	Prepare an RFO using FTB's <a href="#">RFO Template</a> .	Procurement Analyst
8.	Provide completed RFO to mentor for review and make changes/correction as needed.	Procurement Analyst/Mentor
9.	Send the RFO to a minimum of three SPS suppliers for transaction of \$5,000.00 through \$25,000.00 (three offers need to be obtained), or send RFO to just one SPC supplier if transaction is for \$4,999.99 or less.	Procurement Analyst
10.	Evaluate the responses that were received. Verify pricing in response(s) does not exceed the pricing listed in the SPS.	Procurement Analyst
11.	Process and sign the STD. 65 Purchase Order, and complete all required file documentation, including the <a href="#">LPA file documentation checklist</a> . The file documentation must include the location where the entire SPS contract for this procurement is located (designated drawers located at <b>SA3A-B12-10</b> ). Copies of the SPS contract's front page and the pricing pages with the ordered items must be kept in the procurement file.	Procurement Analyst
12.	Provide purchase order along with all documentation to your mentor to review.	Procurement Analyst
13.	Review, make any needed corrections, and approve the purchase order before it is released to the supplier.	Mentor/Procurement Analyst
14.	Complete the distribution and filing of the procurement documentation consistent with <a href="#">Chapter 3</a> , Table 3.2 of this manual.	Procurement Analyst and Support Staff

**7. Master Agreement (MA)**

Master Agreements are one of the State's main procurement vehicles for leveraging its buying power. FTB is authorized to purchase up to \$1,500,000 for IT goods and services on MA orders per FTB's purchasing authority approval. (See [Chapter 1](#) of this manual.) MA contracts are not mandatory.

An exemption to exceed the LPA dollar threshold of \$1,500,000 for IT MAs may be obtained upon completion and submittal to DGS/PD of a Leveraged Procurement Agreement Request for Exemption to the \$1,500,000 Limit ([LPAER](#)) form.

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The following information must be documented and submitted to the DGS/PD:

- Identify the need for the goods and/or services and the dollar value of the impending purchase document.
- Explain how the issuance of a purchase document to this particular contractor was determined to make good business sense and how best value for the department has been achieved.
- A copy of the Feasibility Study Report/Information Technology Procurement Plan (FSR/ITPP) Sections 1-5 approved by the California Technology Agency.

Upon review and approval of the documentation submitted, the DGS/PD will issue an approval letter concurring with the request. Upon receiving approval from DGS/PD, the department may proceed to initiate the RFO procurement process. If DGS disapproves the request, the procurement must be conducted via another procurement method.

The Procurement Analyst must review the MA in its entirety (contract, supplements and unique user instructions) to determine what requirements are applicable to FTB's business need. An MA will usually require the use of a pool of authorized suppliers to determine and obtain best value. Some MAs have been designated "exempt" either by statute or policy from obtaining multiple offers. See MA User Instructions for specific solicitation requirements.

<b>Steps</b>	<b>Activity</b>	<b>Responsibility/ Contact</b>
1.	Determine what product(s) are needed.	Requestor
2.	Complete an online <a href="#">IT OE&amp;E Request</a> . The request is electronically routed for approvals.	Requestor through their PC Coordinator
3.	Deliver the completed 6278A or 6278C form to the Procurement Bureau.	IT Acquisitions Unit or IT Contracts Unit
4.	Review the request package to make sure all approving signatures were obtained, CalStars coding is correct, and justification for purchase is attached. When necessary conduct research to ensure the correct products are being ordered, along with verifying any maintenance needs.	Procurement Analyst
5.	Determine what MA contract will be used (if any).	Procurement Analyst
6.	If the MA will be used, obtain a complete copy of the MA from the <a href="#">State Contracts Index Listing</a> . Verify that the contract is valid by checking the expiration date and confirming that the products, services, and prices are included.	Procurement Analyst

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<p align="center"><b>Table 5.6</b> <b>Master Agreements (MA) Procedures</b></p>		
<b>Steps</b>	<b>Activity</b>	<b>Responsibility/ Contact</b>
7.	Prepare an RFO using FTB's <a href="#">RFO Template</a> , or price request depending on the user instructions.	Procurement Analyst
8.	Provide completed RFO or price request to mentor for review and make changes/correction as needed	Procurement Analyst/Mentor
9.	Send the solicitation to the required number of vendors.	Procurement Analyst
10.	Any changes to the RFO after release, prior to the due date, will need to be sent to all the participating vendors as an addendum.	Procurement Analyst
11.	Only RFO responses received by the due date and time specified are accepted and considered.	Procurement Analyst
12.	When a minimum of three suppliers are to be solicited, and responses were not received from at least three, contact the suppliers who did not respond and document their reason(s). If no responses were received, cancel the solicitation and start over.	Procurement Analyst
13.	Evaluate the responses that were received. Verify that the costs provide are no more than those listed on the MA contract which are the maximum charges allowed, and negotiate lower prices if possible.	Procurement Analyst
14.	Process and sign the STD. 65 Purchase Order, and complete all required file documentation, including the <a href="#">LPA file documentation checklist</a> . The file documentation must include the location where the entire MA contract for this procurement is located (designated drawers located at <b>SA3A-B12-10</b> ). Copies of the MA contract's front page and the pricing pages with the ordered items must be kept in the procurement file.	Procurement Analyst
15.	Provide the contract, along with all documentation to your mentor to review.	Procurement Analyst
16.	Review, make any needed corrections, and approve the purchase order before it is released to the supplier.	Mentor/Procurement Analyst

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<b>Table 5.6 Master Agreements (MA) Procedures</b>		
<b>Steps</b>	<b>Activity</b>	<b>Responsibility/ Contact</b>
17.	Complete the distribution and filing of the procurement documentation consistent with <a href="#">Chapter 3</a> , Table 3.2 of this manual.	Procurement Analyst and Support Staff

**8. Western States Contracting Alliance (WSCA)**

The WSCA established cooperative multi-state contracts where participating states may join together to achieve cost-effective and efficient acquisition of quality products and services. [PCC sections 10298-10299](#) allow DGS/PD to enter into cooperative purchasing agreements with other states. Review the User Instructions to determine if the WSCA contract is mandatory or not.

When executing orders using the WSCA program, obtaining three offers or documenting best value is not required, but it is encouraged to conduct price comparisons among WSCA suppliers if available, unless the purchase equals or exceeds \$1.5 million. For purchases which equal or exceed \$1.5 million the Procurement Analyst should follow the process defined in the User Instructions.

<b>Table 5.7 WSCA Procedures</b>		
<b>Steps</b>	<b>Activity</b>	<b>Responsibility/ Contact</b>
1.	Determine what product(s) are needed.	Requestor
2.	Complete an online <a href="#">IT OE&amp;E Request</a> . The request is electronically routed for approvals.	Requestor through their PC Coordinator
3.	Deliver the completed 6278A or 6278C form to the Procurement Bureau.	IT Acquisitions Unit or IT Contracts Unit
4.	Review the request package to make sure all approving signatures were obtained, CalStars coding is correct, and justification for purchase is attached. May have to do research to make sure the correct product is being ordered, along with verifying any maintenance needs.	Procurement Analyst
5.	Determine what WSCA contract will be used (if any).	Procurement Analyst
6.	If WSCA will be used, obtain a complete copy of the WSCA contract from the <a href="#">State Contracts Index Listing</a> . Verify that the contract is valid by checking the expiration date and confirming that the products, services, and prices are included.	Procurement Analyst

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Table 5.7 WSCA Procedures		
Steps	Activity	Responsibility/ Contact
7.	Request pricing. Conduct price comparisons among multiple WSCA suppliers when available. Verify pricing provided doesn't exceed those listed on the WSCA contract which are the maximum charges allowed. Also verify that pricing does not exceed maximum configuration thresholds set by the parent WSCA contract, when applicable. Negotiate prices lower than the WSCA rates if possible ( <a href="#">SCM 3, 6.G1.3</a> ).	Procurement Analyst
8.	Process and sign the STD. 65 Purchase Order, and complete all required file documentation, including the <a href="#">LPA file documentation checklist</a> . The file documentation must include the location where the entire WSCA contract for this procurement is located (designated drawers located at <b>SA3A-B12-10</b> ). Copies of the WSCA contract's front page and the pricing pages with the ordered items must be kept in the procurement file.	Procurement Analyst
9.	Provide the contract, along with all documentation to your mentor to review.	Procurement Analyst
10.	Review, make any needed corrections, and approve the purchase order before it is released to the supplier.	Mentor/Procurement Analyst
11.	Complete the distribution and filing of the procurement documentation consistent with <a href="#">Chapter 3</a> , Table 3.2 of this manual.	Procurement Analyst and Support Staff

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9. RFOs – Notice to Suppliers, Selection Documentation and Disclosure

Table 5.8 RFOs – Notice to Suppliers, Selection Documentation and Disclosure	
<b>Notice to Suppliers after Offers Have Been Reviewed</b>	<p>Notice or e-mail notice may be sent to suppliers.</p> <ul style="list-style-type: none"> <li>This notice will list the total submitted offer amounts and the compared offer amounts. The compared offer amounts are the totals obtained after any mathematical corrections are made.</li> </ul>
<b>Selection Documentation</b>	Comparison of Offers Report
<b>Disclosure of Offers and Related Procurement Documents</b>	<p>After the order is issued, the following documents may be provided to suppliers upon request:</p> <ul style="list-style-type: none"> <li>Comparison of Offers Report</li> <li>Competing Supplier's Offer</li> <li>PRA requests should be handled through FTB's Disclosure Office</li> </ul>

10. RFOs – Reviewers and Approvers

Table 5.9 RFOs – Reviewers and Approvers		
	\$1,000,000 or less	Over \$1,000,000
<b>Evaluators</b>	<ul style="list-style-type: none"> <li>Procurement Analyst</li> <li>Technical evaluators, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>Procurement Analyst</li> <li>Technical evaluators, if applicable</li> </ul>
<b>Reviewers</b>	<ul style="list-style-type: none"> <li>Mentor/Supervisor</li> <li>SB/DVBE Advocate if requesting waiver</li> </ul>	<ul style="list-style-type: none"> <li>Manager</li> <li>SB/DVBE Advocate if requesting DVBE waiver</li> </ul>
<b>Approvers</b>	<ul style="list-style-type: none"> <li>Mentor/Supervisor</li> <li>SB/DVBE Advocate if requesting waiver</li> <li>Executive Officer must approve the order before it is released if over \$250,000.</li> </ul>	<ul style="list-style-type: none"> <li>PCO</li> <li>SB/DVBE Advocate if requesting waiver</li> <li>Executive Officer must approve the order before it is released.</li> </ul>
<p><b>Internal SB/DVBE First Policy Waiver</b> – For any of the above procurement methods that will result in a contract award under \$250,000 to a non SB/DVBE, the Procurement Analyst must obtain a <a href="#">First Policy Waiver Under \$250K</a> from the SB/DVBE Advocate.</p>		

## CHAPTER 6

### COMPETITIVE BID PROCESS

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## CHAPTER 6

### COMPETITIVE BID PROCESS

#### 1. Introduction

This chapter describes the requirements to conduct competitive solicitations under FTB's approved purchasing authority for IT goods and services. This chapter only addresses these solicitation methods and does not include achieving best value through the use of LPA purchasing authority or other procurement method.

#### 2. Delegated Procurement Authority Thresholds

Competitive procurements conducted under purchasing authority for IT goods and services may not exceed FTB's dollar thresholds as authorized by DGS/PD (See [Chapter 1](#) of this manual and the Purchasing Authority document therein).

Dollar thresholds exclude sales and use tax, finance charges, postage and handling. Shipping charges are included in the dollar threshold limits in the evaluation when the freight terms are FOB Origin, Freight Collect or FOB Destination, Freight Prepaid/Add.

#### 3. Confidentiality

During the development and management of the competitive solicitation and throughout the evaluation and award process, all information must remain confidential.

Documentation must be maintained in a secured area. Once bids are opened and evaluated and an Intent to Award is released, documentation becomes available to participating bidders. Once an award is executed, documentation becomes public record available to anyone that requests a review of the procurement file. Refer to Public Records Act, [GC section 6250](#) et seq, for exceptions from disclosure. In general, public records include all bids, the contract, and the evaluation selection report. Public records do not include working papers or the cost portion of bids that were deemed unresponsive. Refer all Public Records Act requests to FTB's Disclosure Office.

In addition to the assigned Procurement Analyst, written competitive solicitations will often have other participants from FTB and other State agencies involved in the solicitation development, evaluation, and selection process. All of these personnel must sign [Conflict of Interest and Confidentiality Certification](#).

The Procurement Analyst will prepare the Conflict of Interest and Confidentiality Certification by identifying the potential firms involved in the procurement and listing them on the Conflict of Interest portion of the form. Once the form is prepared, the Procurement Analyst will have all participants sign and return the form for retention in the procurement file.

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### COMPETITIVE BID PROCESS

#### 4. Establishing and Maintaining Bidder Lists

The first step in the competitive process is to establish a bidder list. FTB establishes bidder lists using a variety of means to locate potential suppliers. FTB verifies the use of suppliers selected for competition to broaden the supplier base and solicit certified SBs and certified DVBEs whenever possible. See [Chapter 2](#), Section 5 of this manual for available resources in establishing bidder lists.

Bidder lists may also be used in conjunction with advertising. (See section 5 below.)

For information about SB/DVBE bidder lists, see [Chapter 8](#) of this manual.

##### 4.1 Know the Supplier Pool

To ensure a competitive bid process, when establishing bidder lists, it is important to know through experience or research that the list includes multiple bidders who can potentially provide the goods that are needed.

##### 4.2 Considering SB/DVBE

For purchases less than \$250,000 if it is not feasible to purchase goods from an SB/DVBE, a [First Policy Under 250K Waiver](#) must be obtained from FTB's SB/DVBE Advocate before the solicitation process commences. See [Chapter 8](#) of this manual.

##### 4.3 Request for Interest (RFI)

An RFI may be used to separate those suppliers who intend to participate in an upcoming solicitation from those who have no interest in participating. RFIs are typically used when there is an excessively large pool of interested suppliers. The RFI and the bidder list become part of the procurement file and must be retained therein.

The RFI should:

- Be short, concise and to the point,
- Include the solicitation number and title,
- Include a general description of the equipment to be solicited,
- Include estimated quantities, features, general time frames, any pertinent geographic information, Procurement Analyst's name and telephone number, etc.
- Request only general catalog or retail pricing; not expected bid cost information or discounts as this information could create an unfair bidding environment,
- Provide space for interested bidders to provide contact name, address, telephone number and submittal date, and
- Include where and how to submit the response to the RFI.

##### 4.4 Limit to Brand or Trade Name (LTB) ([Form GSPD-08-001](#))

Pursuant to PCC sections [10301](#) and [12102\(a\)](#), FTB may limit competitive bidding to a specified brand or trade name if DGS agrees that the product specified is the only product that will properly meet FTB's needs.

## CHAPTER 6

### COMPETITIVE BID PROCESS

- If the competitive solicitation is valued at \$25,000 or less, approval is only required from FTB's Executive Officer, or designee, and FTB may conduct the solicitation without DGS' approval. Use the LTB Statement ([Form GSPD-08-001](#)) to document the procurement file.
- If FTB plans to conduct an LTB solicitation valued at greater than \$25,000, then DGS/PD agreement must be obtained prior to conducting the solicitation by submitting the LTB Statement to DGS/PD. DGS will return the approved or denied LTB Statement to FTB. If the LTB Statement is denied, FTB may not limit the competitive bidding to the specified brand or trade name. If the LTB Statement is approved, FTB may conduct the solicitation limited to the specific brand or trade name. Refer to [SCM Vol. 3, Chapter 4](#), Section C, Topic 3 for more information. Retain DGS' response in the procurement file.

Purchases that do not need completion nor DGS approval of an LTB Statement:

- Increases to software license quantities and/or maintenance for software already installed at FTB ("on-the-brick")
- Products purchased via an LPA (e.g., Statewide Contracts, WSCA, SLP)
- Purchases exempt from competition per SCM 3 (e.g., proprietary software and related maintenance, proprietary hardware maintenance, subscriptions, etc.)
- When any reference to brand names and/or numbers in the solicitation is intended to be descriptive, but not restrictive, per Bidder Instructions ([GSPD-451](#)) item 7.

#### 5. Advertising

A solicitation requiring advertisement must be published in DGS' [eProcurement](#) website. The [eProcurement](#) website was established to maximize competition through advertising State purchasing and contracting opportunities. FTB must advertise solicitations in DGS' [eProcurement](#) website (BidSync) depending on the dollar level of the solicitation. A copy of the published advertisement must be included within the procurement file.

[GC section 14838.5](#) eliminates the advertising requirement for transactions awarded to a certified SB or a certified DVBE when conducting a SB/DVBE Option solicitation. [GC section 14838.5 \(a\) and \(b\)](#) allows FTB to solicit California certified SB and DVBE suppliers and award purchase documents valued from \$5,000.01 to \$250,000, provided responsive bids are obtained from at least two responsible bidders.

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### COMPETITIVE BID PROCESS

Table 6.1 Advertising Requirements		
If the purchase is classified as	And the dollar threshold is valued at	Then advertising is
IT Goods and Services	Under \$5,000 is not considered competitive; see <a href="#">Chapter 13</a> of this manual	Not Required
IT Goods	\$5,000 - \$100,000	Not Required, but recommended
IT Goods	In excess of \$100,000	Required
IT Services	In excess of \$4,999.99	Required
IT Goods and Services SB/DVBE Option	\$5,000.01 - \$250,000	Not Required

FTB shall not release solicitations prior to publication in DGS' [eProcurement](#) website. FTB must advertise for at least 10 working days prior to the bid due date or, if the solicitation is an Invitation for Bid (IFB) or Request for Proposal (RFP), the first key action date.

#### 5.1 How to Place a BidSync Advertisement

For instructions on how to place an advertisement to DGS' [eProcurement](#) website, log into [BidSync](#), then select the "Tools" tab. Under the "Training" heading, select the tutorials titled "Creating an Electronic Solicitation". Follow the steps in the tutorial to create and post the advertisement.

Before creating the solicitation in [BidSync](#), you must allow pop-ups from the [BidSync](#) site. Otherwise, you will lose data if you enable pop-ups during the creation process. To enable pop-ups, follow the steps listed below. You should only have to do this one time, unless you reset your security settings.

- Log into [BidSync](#)
- In "Internet Explorer", select "Tools" from the toolbar
- Select "Internet Options"
- Select the "Security" tab
- Select the "Trusted Sites" icon
- Click on the "Sites" button
- Under, "Add this website to the zone", <https://www.bidsync.com> will appear
- Click on the "Add" button
- Click on the "Close" button
- Click on the "OK" button, and begin creating your solicitation in [BidSync](#)

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### COMPETITIVE BID PROCESS

Supplemental Instructions: The following are FTB-specific instructions not included in the [BidSync](#) Tutorial.

- On the “Bid Creation” screen, under “Bill Code”, enter “029000” in the “Bill Code” field. Leave the remaining fields blank.
- On the “Bid Creation” screen, under “Bid Number”, enter the FTB solicitation number using the following naming convention: Solicitation Type FTB-Fiscal Year-Document Locator Number (DLN). Example: RFQ FTB-0708-001.

#### 6. Solicitation Formats

Solicitations are procurement documents used to request quotes, bids, or proposals from suppliers and characterized as either informal or formal. Templates for all solicitation formats may be found in the Procurement Bureau’s shared Y: Drive [Tools & Templates](#) folders. Refer to [SCM Vol. 3, Chapter 4](#), Section B, Topic 2, for information on developing competitive solicitations.

##### 6.1 Informal Solicitations

Informal solicitations are generally straightforward or uncomplicated and usually of lower dollar value. Informal solicitations may be used for procurements of \$1,000,000 or less. An informal solicitation may be conducted using a [Phone Quote](#) or Request for Quotations ([RFQ](#)), depending on the degree of specific language needed.

<b>Table 6.2 Competitive Informal Acquisition Reference Guide</b>					
Classification	Informal Dollar Levels	Select Applicable Method	If oral, the common document used is:	If written, the common document used is:	PO/Contract Approvals
<b>IT Goods**</b>	* \$4,999.99 or Less	Oral, Fax, or Written	<a href="#">Bid Quote Worksheet &amp; Script</a>	<a href="#">Request for Pricing</a>	1. Mentor/Supervisor 2. SB/DVBE Advocate if requesting waiver
<b>IT Goods**</b>	\$5,000.00-\$100,000.00	Oral, Fax, or Written	<a href="#">Bid Quote Worksheet &amp; Script</a>	<a href="#">RFQ</a>	1. Mentor/Supervisor 2. SB/DVBE Advocate if requesting waiver
<b>IT Goods**</b>	\$100,000.01 - \$1,000,000.00	Written Must Advertise	N/A	<a href="#">RFQ</a>	1. Mentor/Supervisor 2. SB/DVBE Advocate if requesting waiver
<b>IT Services**</b>	* \$4,999.99 or Less	Oral, Fax, or Written	<a href="#">Bid Quote Worksheet &amp; Script</a>	<a href="#">Request for Pricing</a>	1. Mentor/Supervisor 2. SB/DVBE Advocate if requesting waiver

## CHAPTER 6

### COMPETITIVE BID PROCESS

Table 6.2 Competitive Informal Acquisition Reference Guide					
Classification	Informal Dollar Levels	Select Applicable Method	If oral, the common document used is:	If written, the common document used is:	PO/Contract Approvals
<b>IT Services**</b>	\$5,000.00 - \$1,000,000.00	Written Must Advertise	N/A	<a href="#">RFQ</a>	1. Mentor/Supervisor 2. SB/DVBE Advocate if requesting waiver
<p><b>Internal SB/DVBE First Policy Waiver</b> – For any of the above procurement methods that will result in a contract award under \$250,000 to a non SB/DVBE, the Procurement Analyst must obtain a <a href="#">First Policy Waiver Under \$250K</a> from the SB/DVBE Advocate.</p> <p><b>DVBE Program Requirements and DVBE Incentive Waiver</b> – For any of the above procurements, where applicable, the Procurement Analyst must obtain a <a href="#">DVBE Waiver Justification</a> and DVBE Program Requirements and DVBE Incentive Waiver Form (<a href="#">GSPD-07-04</a>) to waive the DVBE Requirement and/or Incentive.</p>					

\*Could use Fair and Reasonable

\*\*Fax or Written – Refer to Bidder Instructions, Submission of Bids

#### 6.1.1 Phone Quotes

Procurement Analysts may conduct informal solicitations by phone. The Procurement Analyst using this solicitation method must prepare a script or narrative of the quote requirements so that each bidder is informed equally and the quotes can be evaluated fairly. Use this [Phone Quote](#) sample script. The script must include referring bidders to DGS/PD's web page for the current bidder instructions and applicable general provisions associated with the purchase.

##### 6.1.1.1 Documenting the Results

The Procurement Analyst must document the quotes received over the phone by using the [Bid Quote Worksheet](#) from the Y: Drive. Supplier signatures are not required, but the Procurement Analyst must document the name of the supplier's representative providing the quote. Both the script and the Bid Quote Worksheet must be retained in the procurement file.

##### 6.1.1.2 Contract Award

Contract award will be to the responsible bidder that submits the responsive bid that is the lowest cost after application of any preference and/or DVBE incentive application.

#### 6.1.2 Request for Quotation ([RFQ](#))

The most common written solicitation format used for conducting informal competitive solicitations is the RFQ for solicitations valued between \$5,000 and \$1,000,000. The

## CHAPTER 6

### COMPETITIVE BID PROCESS

[RFQ](#) is a straightforward procurement format identifying the items and quantities needed and requesting a quote.

#### 6.1.2.1 Required Language

The following solicitation language must be considered and included if applicable in a solicitation using the RFQ format:

- [Bidder Instructions](#), [General Provisions](#) and applicable [IT Special Provision Modules](#) for the solicitation.
- Requirements to fax bid responses.
- Language addressing the socioeconomic and environmental programs as applicable (SB, DVBE, TACPA/EZA/LAMBRA, Recycle, etc.)
- Payee Data Record - [STD. 204](#)
- Bidder's Declaration – [GSPD-05-105](#)
- Commercially Useful Function Documentation
- FTB Special Provisions, such as Conflict of Interest, Confidentiality of Data, and Background Check, Fingerprinting and Tax Compliance of Contractor Personnel

See [SCM Vol. 3, Chapter 4](#), Section B, Topic 3 and one of the Elements of a Competitive Solicitation document for more information to determine applicability of these items.

- Click here for [IT Goods](#)
- Click here for [IT Services](#)
- Click here for [IT Goods and Services](#)

#### 6.1.2.2 Distribution Method

Written solicitations may be distributed by fax, mail, electronically or by other means such as a supplier picking up the solicitation in person. The Procurement Analyst must document the distribution method in the procurement file.

#### 6.1.2.3 Supplier Signatures

Supplier quote or bid responses to any written solicitation regardless of dollar value, solicitation format or delivery method (i.e., fax, electronically, mailed or delivered in person) must include the signature of an authorized representative of the bidding company. "Faxed" signatures are acceptable.

#### 6.1.2.4 Documenting the Results

The Procurement Analyst must document quotes received by using the [Bid Quote Worksheet](#) from the Y: Drive. The worksheet must be retained in the procurement file.

#### 6.1.2.5 Contract Award

Contract award will be to the responsible bidder that submits the responsive bid that is the lowest cost after application of any preference and/or DVBE incentive application.

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### COMPETITIVE BID PROCESS

#### 6.2 Formal Solicitations

Formal solicitations are more complicated, higher in risk and of higher dollar value. A formal solicitation must be used for solicitations over \$1,000,000. A Formal Solicitation is conducted using the IFB or RFP format. All formal solicitations (IFB/RFP) for IT goods and services exceeding \$1,000,000 must be submitted to the Technology Agency for review no later than 45 business days prior to the planned date for release to the public. In addition, all RFPs must be reviewed by the Department of General Services.

<b>Table 6.3 Competitive Formal Acquisition Reference Guide</b>				
<b>Classification</b>	<b>Formal Dollar Levels</b>	<b>Applicable Method</b>	<b>Document Used</b>	<b>PO/Contract Approvals</b>
<b>IT Goods*** or IT Goods and Services</b>	\$1,000,000.01 or Greater	Written Must Advertise	IFB	1. Manager 2. Over \$3M, PCO 3. SB/DVBE Advocate if requesting waiver
<b>IT Services***</b>	\$1,000,000.01 or Greater	Written Must Advertise	RFP	1. Manager 2. Over \$3M, PCO 3. SB/DVBE Advocate if requesting waiver
<b>DVBE Program Requirements and DVBE Incentive Waiver</b> – For any of the above procurements, where applicable, the Procurement Analyst must obtain a <a href="#">DVBE Waiver Justification</a> and DVBE Program Requirements and DVBE Incentive Waiver Form ( <a href="#">GSPD-07-04</a> ) to waive the DVBE Requirement and/or Incentive.				

\*\*\*Written – Rules Governing Competition are referenced in the standard language in Section II of an RFP.

#### 6.2.1 Invitation for Bid (IFB)

The IFB is a written procurement method used to solicit bid responses for IT goods alone or for IT goods and services where suppliers are asked to provide a bid to the State's known, detailed, and clear requirement. The solicitations are of a higher dollar value exceeding \$1,000,000 and are higher in risk.

##### 6.2.1.1 Two IFB Formats

There are two IFB formats available for IT purchases. The characteristics of the purchase will determine which format best suits the purchasing activity. The following bullets below describe the elements to consider in determining which IFB format to use.

- If the purchase is for **IT goods only** (for example hardware or software containing straightforward requirements, considered to be a low risk purchase, or less complex purchase) and the evaluation selection criteria is low net cost meeting all other bid specifications, then the solicitation will be developed using:
  - IFB for IT goods only format that includes Contract Award and Protest language

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### COMPETITIVE BID PROCESS

- Eliminates the need to include Section II – Rules Governing Competition, as well as the remaining solicitation sections (ten in total) of a formal IFB solicitation for more complex purchases.
- Bidder Instructions ([GSPD-451](#))
- IT General Provisions and applicable IT Special Provisions

Click here to access the [IFB for IT Goods Only format](#).

- If the purchase is for **IT goods and services** (for example, hardware, software, and services), then the solicitation will be developed using the:
  - Formal IFB solicitation format, including all ten sections of a solicitation.
  - Section II – Rules Governing Competition replaces the Bidder Instructions ([GSPD-451](#)). Note: Bidder Instructions in lieu of Section II may be used if the procurement is straightforward, and evaluation and selection is based on lowest net cost meeting all other bid specifications. In such cases, there may be only one step. Contact DGS/TAB to obtain the most current version of Section II.
  - [IT General Provisions](#) and applicable [IT Special Provisions](#)

Click here to access the suggested [IFB format for IT goods and services](#).

#### 6.2.1.2 Required Language

The following solicitation language must be considered and included if applicable in a solicitation using the IFB format:

- [Bidder Instructions](#) or Section II Rules Governing Competition, [IT General Provisions](#) and applicable [IT Special Provision Modules](#) for the solicitation.
- Requirements to fax bid responses.
- Language addressing the socioeconomic and environmental programs as applicable (SB, DVBE, TACPA/EZA/LAMBRA, Recycle, etc.)
- Payee Data Record - [STD. 204](#)
- Bidder's Declaration – [GSPD-05-105](#)
- Commercially Useful Function Documentation
- FTB Special Provisions, such as Conflict of Interest, Confidentiality of Data, and Background Check, Fingerprinting and Tax Compliance of Contractor Personnel

See [SCM Vol. 3, Chapter 4](#), Section B, Topic 4 and one of the Elements of a Competitive Solicitation document for more information to determine applicability of these items.

- Click here for [IT Goods](#)
- Click here for [IT Services](#)
- Click here for [IT Goods and Services](#)

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### COMPETITIVE BID PROCESS

#### 6.2.1.3 Distribution Method

Written solicitations may be distributed by fax, mail, electronically, through DGS' [eProcurement](#) system or by other means such as a supplier picking up the solicitation in person. The Procurement Analyst must document the distribution method in the procurement file.

#### 6.2.1.4 Supplier Signatures

Supplier quote or bid responses to any written solicitation regardless of dollar value, solicitation format or delivery method (for example fax, electronically, mailed or delivered in person) must include the signature of an authorized representative of the bidding company. "Faxed" signatures are acceptable.

#### 6.2.1.5 Documenting the Results

The Procurement Analyst must evaluate the procurement following Section 9, Evaluation of the solicitation and record the results using the [Evaluation and Selection Report](#). This report must be retained in the procurement file.

The purpose of this document is to provide a chronology of the events that occurred during the solicitation process, such as:

- Date of Advertisement
- Names of Bidders Responding
- Material Deviations
- Ranking of Responsive Bidders
- Date Solicitation Released
- Addenda to the Solicitation
- Question and Answer Sets
- Bidder's Conference
- Bid Opening or Public Cost Opening

#### 6.2.1.6 Contract Award

The evaluation criteria governing contract award may be based on the highest evaluated points for value effective evaluations that include services or may be based on lowest cost if the IFB is for goods alone.

If the IFB evaluation criteria is based upon a value effective methodology then cost is required to be submitted in a separately sealed envelope and requires the technical and administrative evaluation to occur prior to opening the cost envelope. Cost envelopes will not be opened for bid responses containing material deviations. See [SCM Vol. 3, Chapter 4](#), Section C, for a discussion regarding evaluation of deviations and the handling of cost envelopes.

The IFB contract award process is determined by the evaluation criteria. For the:

- Lowest net cost meeting all other bid specifications criteria, the contract award, if made, will be to the responsible bidder submitting a responsive bid that is the

## CHAPTER 6

### COMPETITIVE BID PROCESS

lowest cost after application of any preference requirements (SB/DVBE, TACPA/EZA/LAMBRA, recycle, etc) or discounts, if applicable.

- Value effective criteria, then the contract award if made, will be the responsible bidder submitting a responsive bid that scores the highest points in accordance with the evaluation methodology as described in the solicitation.

#### 6.2.2 Request for Proposal ([RFP](#))

The RFP is a written solicitation document required for IT services or IT goods and services acquisitions exceeding \$1,000,000. The [RFP](#) format is structured like the IFB to allow organization of requirements by type, such as administrative and technical specifications, evaluation methodology, bid preparation instructions and contract language.

The [RFP](#) states the solicitation requirements or specifications in a more general nature describing the problem to be solved or the goal to be achieved. Suppliers “propose” a business solution to the State’s described needs, free of any precise or imposed mix of hardware, software, etc.

The risk assessment process is completed during the planning stage of the procurement. [Risk evaluation guidelines and financial protection measures](#) for formal solicitations valued at and above \$1,000,000 are established [SCM Vol. 3, Chapter 4](#), Section B, Topic 2. It is important to re-evaluate risk and revise the risk assessment plan, as warranted, during the procurement process in case conditions change.

Click here to access the [IFB/RFP solicitation format](#).

#### 6.2.2.1 Required Language

The following solicitation language must be considered and included if applicable in a solicitation using the RFP format:

- Section II Rules Governing Competition, [IT General Provisions](#) and applicable [IT Special Provision Modules](#) for the solicitation.
- Language addressing the socioeconomic and environmental programs as applicable (SB, DVBE, TACPA/EZA/LAMBRA, Recycle, etc.)
- Payee Data Record - [STD. 204](#)
- Bidder’s Declaration – [GSPD-05-105](#)
- Commercially Useful Function Documentation
- FTB Special Provisions, such as Conflict of Interest, Confidentiality of Data, and Background Check, Fingerprinting and Tax Compliance of Contractor Personnel

See [SCM Vol. 3, Chapter 4](#), Section B, Topic 4 and one of the Elements of a Competitive Solicitation document for more information to determine applicability of these items.

- Click here for [IT Goods](#)
- Click here for [IT Services](#)

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### COMPETITIVE BID PROCESS

- Click here for [IT Goods and Services](#)

#### **6.2.2.2 Distribution Method**

Written solicitations may be distributed by fax, mail, electronically, through DGS' [eProcurement](#) system or by other means such as a supplier picking up the solicitation in person. The Procurement Analyst must document the distribution method in the procurement file.

#### **6.2.2.3 Supplier Signatures**

Supplier quote or bid responses to any written solicitation regardless of dollar value, solicitation format or delivery method (for example fax, electronically, mailed or delivered in person) must include the signature of an authorized representative of the bidding company. "Faxed" signatures are acceptable.

#### **6.2.2.4 Documenting the Results**

The Procurement Analyst must evaluate the procurement following Section 9. Evaluation of the solicitation and record the results using the [Evaluation and Selection Report](#). This report must be retained in the procurement file.

The purpose of this document is to provide a chronology of the events that occurred during the solicitation process, such as:

- Date of Advertisement
- Names of Bidders Responding
- Material Deviations
- Ranking of Responsive Bidders
- Date Solicitation Released
- Addenda to the Solicitation
- Question and Answer Sets
- Bidder's Conference
- Bid Opening or Public Cost Opening

#### **6.2.2.5 Contract Award**

Contract award will be to the responsive and responsible bidder who scores the highest points in accordance with the evaluation methodology as described in the solicitation document.

### **7. Small Business and Disabled Veteran Business Enterprises Programs**

See [Chapter 8](#) of this manual.

**CHAPTER 6**

**COMPETITIVE BID PROCESS**

**8. Notice to Bidders, Evaluation Documentation and Disclosure**

<b>Table 6.4</b>		
<b>Notice to Bidders, Evaluation Documentation and Disclosure</b>		
	<b>\$1,000,000 or less</b>	<b>Over \$1,000,000</b>
<b>Notice to Bidders after Bids Have Been Evaluated</b>	Notice or e-mail notice may be sent to bidders listing the total submitted bid amounts and the evaluated bid amounts. The evaluated bid amounts are the totals obtained after any preferences are accounted for or mathematical corrections are made.	<a href="#"><u>Notice of Intent to Award</u></a>
<b>Evaluation Documentation</b>	<a href="#"><u>Bid Quote Worksheet</u></a> or <a href="#"><u>Evaluation and Selection Report</u></a>	<a href="#"><u>Evaluation and Selection Report</u></a>
<b>Disclosure of Bids and Related Procurement Documents</b>	After Contract Award, procurement documents are available with a Public Records Act (PRA) request, which are handled through FTB's Disclosure Office.	<p>After the <a href="#"><u>Notice of Intent to Award</u></a> is issued, participating bidders can have access to procurement documents and proposals.</p> <p>After Contract Award, these documents are available with a PRA request, which are handled through FTB's Disclosure Office.</p>

**CHAPTER 6**

**COMPETITIVE BID PROCESS**

**9. Competitive Bid - Evaluators and Approvers**

<b>Table 6.5</b>			
<b>Competitive Bid - Evaluators and Approvers of Evaluation Documentation</b>			
	<b>\$1,000,000 or less</b>	<b>Over \$1,000,000 to \$3,000,000</b>	<b>Over \$3,000,000</b>
<b>Evaluators</b>	<ul style="list-style-type: none"> <li>• Procurement Analyst(s)</li> <li>• Technical Evaluators, if applicable.</li> </ul>	<ul style="list-style-type: none"> <li>• Two Procurement Analysts</li> <li>• Technical Evaluators, if applicable.</li> </ul>	<ul style="list-style-type: none"> <li>• Two Procurement Analysts</li> <li>• Technical Evaluators, If applicable</li> </ul>
<b>Reviewers</b>	Mentor/Supervisor	Manager	Manager
<b>Approvers</b>	<ul style="list-style-type: none"> <li>• Mentor/Supervisor</li> <li>• SB/DVBE Advocate if requesting waiver</li> </ul>	<ul style="list-style-type: none"> <li>• Manager</li> <li>• SB/DVBE Advocate if requesting waiver</li> </ul>	<ul style="list-style-type: none"> <li>• PCO</li> <li>• SB/DVBE Advocate if requesting waiver</li> </ul>
<p><b>Internal SB/DVBE First Policy Waiver</b> – For any of the above procurement methods that will result in a contract award under \$250,000 to a non-SB/DVBE, the Procurement Analyst must obtain a <a href="#">First Policy Waiver Under \$250K</a> from the SB/DVBE Advocate.</p> <p><b>DVBE Program Requirements and DVBE Incentive Waiver</b> – For any of the above procurements, where applicable, the Procurement Analyst must obtain a <a href="#">DVBE Waiver Justification</a> and DVBE Program Requirements and DVBE Incentive Waiver Form (<a href="#">GSPD-07-04</a>) to waive the DVBE Requirement and/or Incentive.</p>			

## CHAPTER 7

### NON-COMPETITIVELY BID (NCB)

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## CHAPTER 7

### NON-COMPETITIVE BID (NCB)

#### 1. Introduction

The State is committed to a policy of competitive procurement and contracting that promotes and provides for open and fair competition when competition is known to exist. This chapter describes the process to follow when executing a transaction where no known competition exists, that is, a Non-Competitively Bid (NCB) transaction. An NCB may not be used to circumvent the competitive bidding process. For additional information on IT NCBs, refer to [SCM Vol. 3, Chapter 5](#).

All NCB transactions require approval by FTB's Executive Officer and the Secretary of the State and Consumer Services Agency. NCB's for IT goods and services over \$25,000 also require approval by DGS.

If making a purchase through a Leveraged Procurement Agreement (LPA), and only one LPA source is known (competing offers cannot be obtained), the NCB contract approval process must be followed. Review the LPA user instructions to determine if the LPA is exempt from competitive bidding.

#### 2. NCB Procedures

Table 7.1 NCB Procedures		
Steps	Activity	Responsibility/Contact
1.	Determine what product(s)/services are needed.	Requestor
2.	Complete an online <a href="#">IT OE&amp;E Request</a> . The request is electronically routed for approvals.	Requestor through their PC Coordinator
3.	Deliver the completed 6278A or 6278C form to the Procurement Bureau.	IT Acquisitions Unit or IT Contracts Unit
4.	Review the request package to make sure all approving signatures were obtained, CalStars coding is correct, and justification for purchase is attached. When necessary conduct research to ensure the correct products are being ordered, along with verifying any maintenance needs.	Procurement Analyst
5.	Verify if no known competition exists and the product(s) can only be obtained through an NCB. Obtain pricing from vendor.	Procurement Analyst

## CHAPTER 7

### NON-COMPETITIVE BID (NCB)

<b>Table 7.1 NCB Procedures</b>		
<b>Steps</b>	<b>Activity</b>	<b>Responsibility/Contact</b>
6.	<p>Prepare <a href="#">NCB Contract Justification</a>. The justification must provide background information on what is requested, why we are making an NCB request, what steps were taken to avoid an NCB situation, what are the consequences if we do not get the goods or services, market research, and justification of the cost.</p> <p>If the request is for IT services, also complete the <a href="#">Contract Advertising Exemption Request (STD. 821)</a>.</p>	Procurement Analyst/Project Manager
7.	Prepare a folder to obtain approvals of the NCB exemption, which includes the memo to Agency (step 8) and the <a href="#">NCB Contract Justification</a> (step 6).	Procurement Analyst
8.	Prepare a memo from the PCO to the Secretary of the State and Consumer Services Agency. The memo explains, in non-technical language, what is requested, provides justification for using the NCB method, the consequences of not having the goods or services, and the reasonableness of price and a cost analysis.	Procurement Analyst
9.	Obtain approval and signature for the memorandum to Agency and the <a href="#">NCB Contract Justification</a> from your Supervisor, the PCO and FTB's Executive Officer.	Procurement Analyst
10.	Send the signed memorandum and the <a href="#">NCB Contract Justification</a> to the Agency Secretary for approval (Agency Secretary has to approve all NCBs).	Procurement Analyst
11.	For procurements over \$25,000, once Agency approval is received, send the Agency approved <a href="#">NCB Justification</a> to DGS/PD., along with a signed <a href="#">Mission Critical Purchase Certification</a> . For procurements \$25,000 or less, DGS/PD approval is not required.	Procurement Analyst
12.	Once approval is received from DGS for procurements over \$25,000 and under \$3,000,000, a written offer and acceptance of the State's terms and conditions shall be obtained from the supplier.	Procurement Analyst

## CHAPTER 7

### NON-COMPETITIVE BID (NCB)

<b>Table 7.1 NCB Procedures</b>		
<b>Steps</b>	<b>Activity</b>	<b>Responsibility/Contact</b>
13.	Once the written offer and acceptance is received from the supplier, the purchase document is prepared and sent to the supplier.	Procurement Analyst
14.	For purchases over \$3,000,000, FTB's delegated purchasing authority, and after DGS approves the NCB, prepare a Statement of Work in collaboration with the requestor, and include pertinent contract language. Complete a Purchase Estimate ( <a href="#">STD. 66</a> ), which contains FTB's Procurement Analyst's name, the supplier's name, address, and FEIN, the products ordered, and allotment and budget codes. Route the <a href="#">STD. 66</a> to the following for approval and/or signatures: <ul style="list-style-type: none"> <li>• Supervisor</li> <li>• Manager</li> <li>• Fiscal Accounting</li> </ul> Send the approved <a href="#">STD. 66</a> with the SOW to DGS/PD.	Procurement Analyst
15.	DGS will prepare the Purchase Order ( <a href="#">STD. 65</a> ), and will send it to the supplier and will provide a copy to FTB.	DGS PD

### 3. NCB Contract Justification

<b>Table 7.2 Non-Competitively Bid Contract Justification</b>	
<b>Prepares</b>	Procurement Analyst and Project Manager
<b>Reviews</b>	<ul style="list-style-type: none"> <li>• Mentor/Supervisor or Procurement Manager</li> <li>• Legal</li> <li>• Budget Officer (if financed)</li> </ul>
<b>Approves</b>	<ul style="list-style-type: none"> <li>• PCO (Cover Letter)</li> <li>• FTB Executive Officer</li> <li>• Agency Secretary</li> <li>• DGS (if over \$25,000)</li> </ul>

## CHAPTER 7

### NON-COMPETITIVE BID (NCB)

#### 4. Special Category NCB Request (SCR)

An SCR represents categories of contracts for the purchase of IT goods and services necessary to achieve FTB's program objectives in a timely manner. DGS must have determined in advance and in writing, that for a specific type of category of IT goods and services there is no viable competition, or that due to critical time requirements such competition cannot be completed by the exercise of reasonable efforts prior to the time such IT goods and services are required.

All SCRs must use the [Special Category NCB Request](#) form. If the request is for IT services, also complete the [Contract Advertising Exemption Request \(STD. 821\)](#).

The same procedures outlined above for an NCB are followed for an SCR.

#### 5. New and Existing Proprietary Software

When procuring existing proprietary software maintenance or upgrade renewal contracts, or new proprietary software or maintenance, refer to [SCM Vol. 3, Chapter 5](#), Topic 5 to determine if an NCB justification is required.

#### 6. Purchases Exempt from the NCB Process by Statute or DGS Policy

Certain purchases may be awarded without advertising or competitive bidding as a result of being exempt by statute or by DGS policy. Refer to [SCM Vol. 3, Chapter 5](#), Topic 6 to see a listing of such purchases and the process to follow.

**CHAPTER 8**  
**SB/DVBE POLICY AND PROCEDURES**

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## CHAPTER 8

### SB/DVBE POLICY AND PROCEDURES

#### 1. SB/DVBE First Policy

FTB has adopted a Small Business, (SB) including Micro-Businesses (MBs), and Disabled Veteran Business Enterprise (DVBE) [First Policy](#) to ensure that FTB meets the annual statewide participation goal of 25% to SBs and 3% to DVBEs. It is our policy that all orders under \$250,000 must be awarded to an SB and/or DVBE whenever feasible. If this policy cannot be met, the Procurement Analyst must obtain a [First Policy Under 250K Waiver](#) from the SB/DVBE Advocate. The following is required of all procurement staff to ensure that FTB meets the annual statewide participation goals:

- Procurements under \$5,000 – use the Fair and Reasonable (F&R) procurement method to award orders to SBs and DVBEs. The criteria described in [SCM Vol. 3, Chapter 4](#), Section C, Topic 2, must be met in order to establish F&R costing.
- Procurements from \$5,000.01 to less than \$250,000 – Must be conducted utilizing the SB/DVBE Procurement Option. Procurements exempt from this requirement are:
  - ✓ Where there are no SB and/or DVBE vendors available;
  - ✓ Mandatory statewide contracts (e.g., Statewide Commodity Contracts, Master Services Agreements, Western States and Contracting Alliance) where there is no SB/DVBE Off-Ramp; or
  - ✓ Mandatory statewide contracts that have been awarded to a certified SB or DVBE.

Note: The [State Contracts Index](#) Listing can be found on the DGS website.

A waiver is required for every purchase under \$250,000 that will not be awarded to an SB or DVBE. The Procurement Analyst must complete the [First Policy Under 250K Waiver](#) form on the Y drive, summarizing the steps taken to include SB or DVBE participation and the justification for not awarding to an SB or a DVBE. FTB's SB/DVBE Advocate must approve and sign off on all waivers. If they are unavailable, a Supervisor, Manager or the PCO may review/approve the waiver. The approved waiver is retained in the procurement file.

#### 2. SB/DVBE Option

[Government Code \(GC\) Section 14835](#) et seq. directs that a percentage of the State's purchases and contracts be placed with SBs (including MBs) and DVBEs, without complying with specified competitive bidding requirements. To utilize the SB/DVBE Option, a Request for Quote (RFQ) is used including the [Commercially Useful Function \(CUF\) questions](#). The GC states that a State agency may award a contract for the acquisition of goods, services, or information technology that has an estimated value of greater than \$5,000 but less than \$250,000 to a

## CHAPTER 8

### SB/DVBE POLICY AND PROCEDURES

certified SB or DVBE, as long as the agency obtains price quotations from two or more certified SBs or from two or more DVBEs.

<b>Table 8.1 Competitive – SB/DVBE Option – Acquisition Reference Guide</b>					
Classification	SB/DVBE Dollar Levels	Select Applicable Method	If oral, the common document used is:	If written, the common document used is:	PO/Contract Approvals
<b>Goods</b>	\$5,000.01 - \$249,999.99	Oral, Fax, or Written No Advertising	Script & <a href="#">Bid Quote Worksheet</a>	<a href="#">RFQ</a>	1. Mentor/Supervisor
<b>Services</b>	\$5,000.01 - \$249,999.99	Written No Advertising	N/A	<a href="#">RFQ</a>	1. Mentor/Supervisor
<b>Internal SB/DVBE First Policy Waiver</b> – For any procurement method other than the above SB/DVBE Option that will result in a contract award under \$250,000 to a non-SB/DVBE, the Procurement Analyst must obtain a <a href="#">First Policy Under \$250K Waiver</a> from the SB/DVBE Advocate.					

### 3. List of Certified SBs/DVBEs

The Office of Small Business and DVBE Services ([OSDS](#)) at DGS maintains the list of certified SBs and DVBEs. Access [DGS' eProcurement](#) system ([BidSync](#)) to validate and print certification information. Search by using a Supplier ID or Business Name. For a more extensive search, search by business type, key words and location.

For purchases awarded to a certified SB and/or DVBE, document the SB/DVBE certification number and retain the certification information printed from the [eProcurement](#) system in the procurement file.

Additional program information can be found on [OSDS'](#) webpage.

### 4. Using SB and/or DVBE in Competitive Bids

FTB ensures a reasonable number of SB and/or DVBE firms are included in all competitive procurement mailing lists.

Certified SBs, or non-SBs that commit to subcontract at least 25% of their bid amount with certified SBs (other than for Leveraged Procurement Agreements orders), receive a 5% Preference in computing prices for award to the lowest bidder when the selection is based upon cost alone.

## CHAPTER 8

### SB/DVBE POLICY AND PROCEDURES

#### 5. Small Business Preference

The SB Preference is only used for evaluation purposes to determine the winning bidder, and the contract is awarded at the actual bid amount. The effect of the Preference is to help SBs be more competitive in the bid process.

Prior to the review of Preferences, the Procurement Analyst will determine whether SB bidders are: responsive to the solicitation requirements; are responsible bidders; and are otherwise eligible to be awarded the contract under all applicable laws and regulations.

The following general rules relate to the application of the SB Preference:

- DGS PD's preference programs for TACPA, EZA, LAMBRA, or the non-SB subcontracting preference cannot displace a direct award to a certified SB.
- In no event shall the SB Preference or non-SB subcontracting preference exceed \$50,000 in any single bid.
- In no event shall the combined cost of available preferences exceed \$100,000.
- In the event of a tie between a SB and a firm that is both SB and DVBE, the award shall be made to the firm that is both SB and DVBE.

#### 6. DVBE Participation and Incentive Requirements

[PCC section 10115](#) et seq., [Military and Veterans Code section 999](#) et seq., and [California Code of Regulations](#), Title 2, section 1896.60 et seq., established the DVBE program to acknowledge disabled veterans for their service and to further DVBE participation in state contracting, promote competition and encourage greater economic opportunity.

DVBE participation is a requirement that applies to all competitive solicitations regardless of the solicitation format (e.g., RFQ, IFB, RFP) or dollar value. It is the Procurement Analyst's responsibility to evaluate potential DVBE participation on a case-by-case basis, as each procurement is unique. In some situations, the Analyst could require more or less than the 3% participation that is part of the DVBE participation requirements. The DVBE incentive is also a requirement.

The statewide DVBE participation goal of 3% applies to the total contract dollars expended each year by FTB. FTB has established a method for attaining this goal and via our delegated purchasing authority has the discretion to include the program goal within individual contracts. The incentive applies to all competitive solicitations for public works, services and goods. The DVBE incentive is required in solicitations that include DVBE program requirements and may be offered in other competitive solicitations.

## CHAPTER 8

### SB/DVBE POLICY AND PROCEDURES

#### 6.1 Incentive Application

- Incentive is required in solicitations that include the DVBE program requirement and may be offered in other competitive solicitations.
- As indicated on DGS's [DVBE Incentive Exemption List](#), FTB may elect to exempt a solicitation from the DVBE incentive. However, this exemption may be used when both of the following requirements are met on the release date of the solicitation:
  - FTB has met or exceeded the DVBE 3% goal for two out of the three previous years as documented in the three most current published DGS annual reports, and
  - FTB's Executive Officer or his/her designee elects to exempt the solicitation.
- Incentive is applied during the evaluation process and is only applied for responsive bids from responsible bidders proposing the percentage(s) of DVBE participation for the incentive(s) specified in the solicitation. For evaluation purposes only:
  - Incentive is applied by reducing the bid price by the amount of incentive as computed from the lowest responsive and responsible bid price.
  - Application of the DVBE incentive cannot displace an award to an SB with a non-SB.
  - Incentive points are included in the sum of non-cost points.
  - Incentive points cannot be used to achieve any applicable minimum point requirements.

#### 6.2 Incentive Amount

Solicitations may provide for an incentive scale under which bidders obtaining higher levels of participation qualify for greater incentives.

- **Award Based on Low Price**: Minimum incentive is 1% with or without a cap. Use of a higher incentive percentage not to exceed 5% is allowed for a solicitation based upon the need to meet participation goals. For each solicitation, FTB's Executive Officer or his/her designee may place a cap of not less than \$100,000 on the incentive and/or a cap of not less than \$100,000 for all combined incentives and preferences.
- **Award Based on High Score**: Incentive(s) shall not exceed 5%, nor be less than 1% of total possible available points, not including points for socioeconomic incentives or preferences.

#### 6.3 DVBE Program Requirements and/or Incentive Waiver

With delegated authority from FTB's Executive Officer, FTB's PCO has the discretion to waive the inclusion of DVBE participation and/or incentive requirements from individual solicitations on the DVBE Program Requirements and DVBE Incentive Waiver Form ([GSPD-07-04](#)).

## CHAPTER 8

### SB/DVBE POLICY AND PROCEDURES

The [DVBE Waiver Justification](#) template on the Y drive must also be completed and approved by the SB/DVBE Advocate. The purpose of this justification is to summarize the steps taken to determine the need to waive DVBE participation and/or DVBE incentive.

The Procurement Analyst must submit both the waiver form and the justification to the SB/DVBE Advocate for approval, and if approved, the Advocate will submit the package to the PCO for approval. If the Advocate is unavailable, a Supervisor or Manager may review/approve the waiver for the Advocate. The approved waiver form and justification is retained in the procurement file.

#### **7. Exemption from Waiver**

The following are exempt from the [First Policy Under \\$250K Waiver](#) and are not reported on the STD. 810 Contracting Activity Report:

- Federal Government/State Government
- Prison Industry Authority
- Interagency Agreements
- Joint Powers Agreements
- California State University
- University of California (and respective campuses)
- Concession Contracts
- Revenue/Reimbursement Contracts
- City and County Contracts
- School or Special District (local agencies)
- Loans
- Local Assistance/Subvention Agreements
- Court-Ordered Settlements or Cost
- Public Transit
- Expert Witnesses that have already been predetermined by Legal (Procurement will work with Legal for Expert Witnesses that are considered Small Businesses)
- Bank Charges
- Career/Outreach Fairs that need to be paid directly to the representing company or school/university.
- Mandatory State Contracts that do not have the SB/DVBE Off-Ramp option
- Proprietary goods and/or services

#### **8. Reporting**

FTB is required to compile several annual reports regarding SB/DVBE participation. (See [Chapter 11](#) of this manual.)

## **CHAPTER 8**

### **SB/DVBE POLICY AND PROCEDURES**

FTB must report annually to DGS our total SB and DVBE contracting participation. If the 25% goal for SB or the 3% goal for DVBE participation is not met, FTB will provide the reasons for not meeting the goal and an implementation plan for future improvements on our SB and/or DVBE participation.

#### **9. SB/DVBE Advocate Responsibilities**

The responsibilities of FTB's SB/DVBE Advocate include, but are not limited to:

- Serve as FTB's subject matter expert of the SB/DVBE Program
- Review and approve SB/DVBE Waiver requests
- Review and implement any new laws or policies that pertain to the SB/DVBE Program
- Serve as FTB's point of contact for SB/DVBE vendors needing assistance on prompt payments or questions on procurement opportunities and issues
- Schedule meet-and-greets inviting SB and/or DVBE vendors to FTB, introducing their companies and products, and also educating these businesses on the State's purchase requirements
- Attend and network at expos, summits and conferences offered by DGS or other agencies
- Attend DGS Customer Forums and SB/DVBE Quarterly Advocate meetings
- Attend project meetings and Bidder's Conference when needed to inform FTB staff and vendors on the mandated goals of 25% for SB and 3% for DVBE
- Network with SB/DVBE vendors and inform them on how to become certified SB/DVBEs and to become eligible to do business with the State
- In collaboration with the Procurement Bureau's Report Coordinator, assist in preparing monthly, quarterly, and annual reports by compiling information and communicating with control agencies
- Maintain internal database of certified SB and DVBE suppliers for reference
- Post SB/DVBE information on the Procurement Bureau's website for easy access
- Provide presentations to executive staff, project teams, and departmental employees that are responsible for requesting purchases of products or services.

## CHAPTER 9

### CAL-CARD PROCEDURES

#### CAL-CARD PROCEDURES MANUAL

FTB has been granted purchasing authority allowing us to participate in the State's [CAL-Card Purchase Card Program](#). The CAL-Card Program Administrator within the Procurement Bureau is appointed and is the responsible party for questions related to FTB's purchasing program.

The Procurement Bureau administers FTB's CAL-Card Purchase Card Program for small purchases.

The State of California entered into a Master Services Agreement (MSA) for purchase card services with U.S. Bank. FTB participates in the CAL-Card Program through the MSA contract that is available to government and tax-funded agencies and can be used to acquire goods and services.

Detailed procedures are maintained in FTB's [CAL-Card Procedures Manual](#) available on the FTBNet.

Note: CAL-Card usage does not exempt FTB from following all applicable acquisition laws, regulations, executive orders, policies, procedures, and best practices. CAL-Card is a payment mechanism, not a procurement method.

**CHAPTER 10**

**WIRELESS COMMUNICATION DEVICES**

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## CHAPTER 10

### WIRELESS COMMUNICATION DEVICES

#### 1. Wireless Communication Devices

Employees who qualify for a Wireless Communication Device (i.e., cell phone, blackberry, smart phone, or air card) under current [FTB Policies](#) must submit the [IT OE&E Request](#) through their PC coordinator to IT Asset Management. IT Asset Management will obtain the proper signatures and approvals and submit forms FTB 6278 and [7519](#) to the Procurement Bureau for processing.

#### 2. Types of Wireless Communication Devices

FTB obtains wireless communication devices through a number of available DGS MSA or WSCA contracts with Cook Telecom, Sprint/Nextel, Verizon Wireless and AT&T.

#### 3. Ordering and Receiving

<b>Table 10.1 Wireless Communication Devices Ordering Procedures</b>		
<b>Steps</b>	<b>Activity</b>	<b>Responsibility/Contact</b>
1	To order a wireless communication device, the requestor must submit the <a href="#">IT OE&amp;E Request</a> through their PC Coordinator to IT Acquisitions. IT Acquisitions will obtain the proper signatures and approvals and submit forms FTB 6278 (for the equipment and license) and <a href="#">7519</a> (for the service) to the Procurement Bureau.	Requestor
2	The request is routed for internal approvals in accordance with current FTB <a href="#">policies</a> .	IT Asset Management
3	When ordering new wireless communication devices, request from the Contractor a current price listing for any promotions or specials currently available.	Procurement Analyst
4	Prepare a Purchasing Authority Purchase Order ( <a href="#">STD. 65</a> ). A completed <a href="#">STD. 20</a> must be completed for the services and maintained in the procurement file. The Contractor is not required to receive the <a href="#">STD. 20</a> .	Procurement Analyst
5	Fax the <a href="#">STD. 65</a> to the supplier, forward to Support Staff for distribution. Retain a copy for the procurement file.	Procurement Analyst

## CHAPTER 10

### WIRELESS COMMUNICATION DEVICES

Table 10.1 Wireless Communication Devices Ordering Procedures		
Steps	Activity	Responsibility/Contact
6	IT Acquisitions is responsible for receiving, deploying, and tracking the equipment.	IT Acquisitions

#### 4. Exemptions for Wireless Requests Not Available on the Statewide Contract

If a wireless good or service is being requested that is not on the statewide contract, the Procurement Analyst must conduct a thorough analysis to determine that the goods and services available on the statewide contract cannot meet the needs of what is being requested. A written confirmation must be received from the Contractors of the statewide contract stating they cannot provide the good or service being requested. Upon receipt of the written confirmation, a [Wireless Contract Exemption Request](#) is completed. Refer to the User Instructions of the Statewide Wireless Contract for the procedures to follow for the exemption process.

#### 5. Lost or Stolen Wireless Communication Devices

If a wireless communication device is reported as lost or stolen, Security must be notified, the Procurement Analyst must deactivate the number and initiate the process for a replacement must be initiated, as follows:

- Instruct the user to immediately contact the Security Command Center during business hours (845-5555), or during non-business hours (845-4626), and have a report written, which is retained in the procurement file. Security will send an email to Tech Admin with the lost/stolen device information, and Tech Admin will send the “kill” command to BES server.
- If not already done, contact the IT Service desk by phone to report the lost or stolen device.
- Call the Contractor and have the service suspended, which will protect FTB from incurring any further charges.
- Request confirmation from the Contractor for the procurement file.
- If a spare wireless communication device is available, service can be transferred to the spare.
- If there are no spares available, the employee must submit a new [IT OE&E Request](#) for an FTB 6278 and [FTB 7519](#) to purchase a new wireless communication device.
- Notify IT Asset Management so they can update their IT Asset Management Tracking Database.

## CHAPTER 10

### WIRELESS COMMUNICATION DEVICES

#### 6. Troubleshooting

<b>Table 10.2 Troubleshooting Procedures</b>		
<b>Steps</b>	<b>Activity</b>	<b>Responsibility/Contacts</b>
1	The Service Desk will troubleshoot any issues and problems customers have with their device.	Service Desk 845-2255
2	If they cannot resolve the issue and the equipment is still covered by the manufacturer's consumer one-year warranty period, the Contractor will provide credit and/or replacement for the defective items within 48 hours after notification by the Procurement Analyst at no charge.	IT Acquisitions/Contractor
3	Tech Admin will troubleshoot with the Contractor to try and resolve the issue. If unable, Tech Admin can request an exchange from the Contractor.	IT Acquisitions

## CHAPTER 11

### REPORTING REQUIREMENTS

The Procurement Bureau, in coordination with other areas of the department, is required to complete and submit the reports outlined in [SCM Vol. 3, Chapter 12](#).

[SCM Vol. 3, Chapter 12](#), Section 12.B6.0 provides a calendar of when the required reports are due. The reports and their due dates that we must complete and submit are as follows.

<b>Table 11.1 Calendar of Reports</b>			
<b>Report Title</b>	<b>Report Due Date</b>	<b>Report Submitted To</b>	<b>Report Purpose</b>
Contract Award Report <a href="#">STD. 16</a>	Within 10 days of contract award	Office of Compliance Department of Fair Employment and Housing <a href="mailto:complianceprograms@dfeh.ca.gov">complianceprograms@dfeh.ca.gov</a>	Statistical reporting on contract activity
Report of Independent Contractors <a href="#">DE 542</a>	Within 20 days of either making payment totaling \$600 or more OR Entering into a contract for \$600 or more with an independent contractor in any calendar year, whichever is earlier.	Employment Development Department P.O. Box 997350 MIC 99 Sacramento, CA 95899-7350	Information provided allows for EDD to increase child support collection by assisting in locating parents who are delinquent in child support obligations
Purchasing Authority Transaction Reporting	10 <sup>th</sup> day of the month following the reporting period	Department of General Services Procurement Division Data Entry Unit - Second Floor North P.O. Box 989052 West Sacramento, CA 95798-9052	For collection of DGS administrative fee and purchasing authority compliance

## CHAPTER 11

### REPORTING REQUIREMENTS

<b>Table 11.1 Calendar of Reports</b>			
<b>Report Title</b>	<b>Report Due Date</b>	<b>Report Submitted To</b>	<b>Report Purpose</b>
<p>Contracting Activity Report (<a href="#">STD. 810</a>) and Improvement Plan(s)</p> <p><a href="#">STD 810A</a> Infrastructure Bond Activity</p> <p><a href="#">STD 810C</a> Consulting Services Contract Report</p> <p><a href="#">STD 810S</a> SB/DVBE Option and DVBE Incentive Report</p> <p><a href="#">STD 810E</a> Ethnicity, Race, Gender, and Sexual Orientation (ERGSO) Report</p>	<p>August 1<sup>st</sup> for prior fiscal year</p>	<p>DGS/Procurement Division Office of SB/DVBE Services, First Floor, Room 400 Attn: Reports Coordinator P.O. Box 989052 West Sacramento, CA 95798-9052</p>	<p>Statistical report on: SB, MB &amp; DVBE business participation; ethnicity, race and gender and minority, women and DVBE business owners awarded contracts. Voluntary participation by business owners to complete the ethnicity, race and gender statistical data sheet to compile the annual report; identification of consulting services contracted for previous fiscal year.</p>
<p>Late Payment Penalties Paid During Prior Fiscal Year Report</p>	<p>September 30<sup>th</sup> for prior fiscal year</p>	<p>DGS/Procurement Division Prompt Payment Program, Second Floor South P.O. Box 989052 West Sacramento, CA 95798-9052</p>	<p>Reporting on late payment penalties paid in previous fiscal year</p>

## CHAPTER 11

### REPORTING REQUIREMENTS

<b>Table 11.1 Calendar of Reports</b>			
<b>Report Title</b>	<b>Report Due Date</b>	<b>Report Submitted To</b>	<b>Report Purpose</b>
State Agency Buy Recycled Campaign (SABRC) Procurement Report	October 31 <sup>st</sup> for prior fiscal year	Complete electronically using CalRecycle's SABRC Annual Reporting (SAR) system. To access, click on <a href="#">SAR</a> (system requires a secure Webpass account).  [New SABRC Coordinators should contact CalRecycle's SABRC team at: <a href="mailto:SABRC@CalRecycle.ca.gov">SABRC@CalRecycle.ca.gov</a> v]	Reporting on purchasing activities and dollars spent in 11 reportable categories for recycled content products

## CHAPTER 12

### PRE-PROCUREMENT REVIEWS AND APPROVALS

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## CHAPTER 12

### PRE-PROCUREMENT REVIEWS AND APPROVALS

#### 1. Pre-Procurement Review and Approval Categories

There are certain categories of purchases that require review and approval before FTB can proceed with a purchasing activity. [SCM Vol.3, Chapter 2](#) describes those requirements and processes.

At this point, the Procurement Analyst has determined the class and category of a purchase request before initiating a procurement activity. Next, the Procurement Analyst needs to analyze the request to validate any pre-approval requirements, as listed in this chapter.

#### 2. Surplus Property Program

The following rules for transfer and disposal of IT equipment (SAM sections [5901](#), [5902](#) and [5903](#)) must be followed:

- Salvage value of State-owned IT equipment ([SAM section 5901](#)) and purchase option credits for leased IT equipment are a source of value to the State. FTB must ensure that such value is received to the extent that doing so is in the best interest of the State.
- The disposition of surplus IT equipment must be in accordance with the most economical and practical manner for the State as a whole.
- [GC sections 14674-14675](#) authorizes the Director of DGS to approve the competitive sale, exchange, or interagency transfer of personal property owned by the State if such action is in the best interest of the State. FTB must receive approval from the DGS Property Reutilization Unit, prior to disposing of surplus IT equipment.
- FTB is responsible for ensuring that any residual value in surplus IT equipment is realized. FTB must explore the reutilization of surplus IT equipment prior to requesting approval for disposal or attempting to use the equipment as a credit toward the purchase or lease of new equipment.
- FTB's Business Services Section must submit a completed Property Survey Report ([STD. Form 152](#)) to the DGS Property Reutilization Unit at least 30 days prior to the disposal of surplus IT equipment. At the same time, FTB must send an informational copy of the completed Property Survey Report to the California Technology Agency.

FTB must comply with the State property accounting requirements described in [SAM sections 8633 and 8640-8642](#) when disposing of surplus IT equipment.

#### 3. Community-based Rehabilitation Programs (CRP)

DGS/PD encourages departments with purchasing authority to consider purchasing products and services from rehabilitative or sheltered workshops

## CHAPTER 12

### PRE-PROCUREMENT REVIEWS AND APPROVALS

pursuant to [Welfare and Institutions Code \(WIC\) section 19403](#). In accordance with [WIC section 19404](#), purchases using these programs are exempt from advertising requirements, conducting a competitive bid and dollar threshold limits. These transactions are also exempt from NCB contract requirements.

The procurement file must be documented to support that the price offered by a community rehabilitation program is fair and reasonable.

#### 4. California Technology Agency Approval of IT Activities

[GC section 11545](#) established the California Technology Agency (Technology Agency) and gives them general authority over the strategic management and direction of the State's information technology resources. [SAM sections 4800-5180](#) constitutes these powers and defines the procedures for obtaining Technology Agency approval of proposed information technology expenditures.

FTB must obtain the required approvals from the Technology Agency BEFORE initiating any IT procurement activity or encumbering any funds.

See [SCM Vol.3, Chapter 2](#), Topic 2.C3.0 for the mechanisms to obtain approval for IT projects from the Technology Agency.

#### 5. Feasibility Study Report/Information Technology Procurement Plan (FSR/ITPP)

The FSR/ITPP is a stand-alone document that provides information to assess a project's readiness for procurement. The FSR/ITPP Sections 1-5 describes the overall strategy necessary to accomplish and manage an IT acquisition by formally documenting the proposed approach and how the acquisition satisfies State requirements.

See [SCM Vol.3, Chapter 2](#), Topic 2.C4.2 for clarification on when an ITPP is needed and the process to be followed.

#### 6. Authority over Negotiations

[PCC section 6611\(a\)](#) authorizes DGS to use a negotiation process under certain circumstances when procuring or contracting for goods, services, information technology, and telecommunications. DGS recommends that during the acquisition planning phase, departments plan accordingly and consider whether a negotiation process is appropriate for a given procurement. If so, FTB should contact DGS for assistance prior to issuing a solicitation to add language to our solicitation document indicating our intent to utilize PCC section 6611(a) during the solicitation process. See [SCM Vol.3, Chapter 2](#), Topic 2.C5.1 for the procedure to follow.

## CHAPTER 12

### PRE-PROCUREMENT REVIEWS AND APPROVALS

#### 7. Certification of Compliance with State IT Policies

A [certification](#) signed by FTB's Executive Officer, or designee, of compliance with State IT policies is required for all IT procurements valued at \$100,000 or more and are in support of a development effort. [SAM section 4819.2](#) defines development as activities or costs associated with the analysis, design, programming, staff training, data conversion, acquisition, and implementation of new information technology applications. Procurement of hardware, software, and services, including Interagency Agreements are included in this requirement.

The signed [certification](#) must be retained within the procurement file. If the procurement is being submitted to DGS/PD for processing, a [certification](#) must be part of the submitted procurement package.

See [SCM Vol.3, Chapter 2](#), Topic 2.C6 for the process to follow.

#### 8. Personal Service Contracts

Every personal services contract must be documented to support the need to contract out work. [GC section 19130](#) establishes acceptable exemptions from the Civil Service provision of the California Constitution for the use of personal services contracts.

In conformance with [GC section 19131](#), if we propose to execute a personal services contract pursuant to GC section 19130(b), the following steps must be taken:

After the solicitation is approved by DGS, when applicable, the Procurement Analyst must provide a copy (email or hard copy) of solicitations for personal services (RFP or IFB, and [STD. 215](#)) to FTB's Labor Relations Office, along with a copy of the completed [Justification for Personal Services Contracts](#) located on the Y: Drive. Labor Relations will review the solicitation and justification and where they deem necessary, they will notify the affected employee organizations (e.g., unions for Units 1, 4, and 18).

The Procurement Analyst may proceed with the procurement and advertise, when applicable. However, if Labor Relations notifies the Procurement Analyst that an employee organization requests SPB review, the solicitation must be delayed pending the outcome of SPB's review. If this occurs, the Procurement Analyst must bring the matter to the attention of his/her supervisor or manager. If SPB determines that the proposed contract is in compliance with [GC section 19130](#), the procurement can proceed. If not in compliance, the procurement must be cancelled.

## CHAPTER 12

### PRE-PROCUREMENT REVIEWS AND APPROVALS

#### 9. Records Management Requirements

Prior to the purchase or rental of any file, microfilm, optical disk and/or records destruction equipment, departments will review and coordinate the purchase activity through the department's records manager or analyst in accordance with the DGS California Records and Information Management ([CalRIM](#)) manual.

## CHAPTER 13

### DETERMINING FAIR AND REASONABLE PRICING

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## CHAPTER 13

### DETERMINING FAIR AND REASONABLE PRICING

#### 1. Fair and Reasonable (F&R) Pricing

Competition is always the preferred method of acquisition. However, FTB may acquire IT goods and services valued less than \$5,000 if F&R pricing can be established without receiving alternate quotes.

Examples of F&R pricing methods include:

- Price comparison
- Verifying established catalog/market pricing
- Prices set by law or regulation
- Historical comparison
- Cost/benefit analysis

If FTB elects to accept only one offer under this dollar threshold, we must include documentation in the procurement file that supports F&R pricing.

F&R evaluations must be conducted and documented in the procurement file for all transactions under \$5,000 whenever a Procurement Analyst does not obtain two price quotes from responsible suppliers regardless of:

- Purchasing authority type,
- Procurement approach, or
- Method of payment (direct charge, Cal-Card, revolving fund, etc.)

In accordance with [GC section 14838.5\(c\)](#) if the estimated value of a transaction is under \$5,000, the Procurement Analyst shall obtain at least two price quotations from responsible suppliers whenever there is reason to believe a response from a single source is not a F&R price.

#### 2. Request for Pricing

A Request for Pricing is used to obtain pricing for purchases up to \$4,999.99 and to obtain the supplier's written acceptance of the required clauses for such transactions.

Although not required, DGS/PD recommends and FTB uses the State's General Provisions on transactions valued less than \$5,000.

Below are five techniques that the Procurement Analyst may use to determine whether or not a supplier's price can be determined to be F&R.

<b>Technique</b>	<b>Description</b>
Price comparison	The Procurement Analyst has obtained and documented quotes or offers within the last 12 to 18 month period from other responsible suppliers which provides evidence that a price obtained is deemed F&R.

## CHAPTER 13

### DETERMINING FAIR AND REASONABLE PRICING

<b>Table 13.1 Determining F&amp;R Pricing</b>	
<b>Technique</b>	<b>Description</b>
Catalog or market pricing	The price offered is supported by an established and verifiable catalog or market pricing media issued by a responsible supplier and/or through an established reputable forum. In addition, the pricing structure provided is one that a prudent Procurement Analyst would accept as a reasonable representation of existing market value.
Controlled pricing	The price offered is set by law or regulation, competitively bid master or statewide contracts, etc.
Historical pricing	The Procurement Analyst is able to demonstrate that other transactions occurring in the past (within the last 12 to 18 month period) exist demonstrating that historical prices for similar acquisitions have yielded no material change in cost.  Note: The definition of “material” for this technique is deemed to be greater than a 15% increase difference between current and historical pricing.
Cost/benefit analysis	The Procurement Analyst can demonstrate that his/her level of experience in the procurement field provides a sufficient knowledge base which clearly indicates that the acquisition cost is so low that the cost to the State of verifying the pricing fairness would most likely be more than any potential benefit that could be reasonably gained from searching out the marketplace for lower price comparable acquisitions.

#### 3. Compare Identical Situations

When evaluating F&R pricing using price comparisons, catalog/market price and/or historical pricing, the Procurement Analyst must base the comparisons on identical situations or those with little variance which do not impact the price.

Comparable situations include the quantity of items, complexity of the procurement, timing of the acquisition, and the marketplace (price inflation and/or reduction).

The procurement file must contain sufficient documentation to support the F&R technique used to determine the pricing received is F&R.

#### 4. Completing the Purchase Order

The Purchase Order ([STD. 65](#)) should be completed as follows when using the F&R method.

- *Contract Registration Number.* After the purchase order is complete enter the SCPRS number in this box

## CHAPTER 13

### DETERMINING FAIR AND REASONABLE PRICING

- *Supplier:* Supplier name as shown on the [STD. 204](#)
- *Ship Address:* California Warehouse, or as specified in the request.
- *Date (order date):* Enter the date [STD. 65](#) is completed
- *Required Delivery Date:* 30-days from date of issue or date requested
- *Shipping Instructions:* As appropriate
- *Agency or Buyer Information:* Automatically entered by PMS
- *Payment Terms:* Net 45
- Complete item number, quantity, unit, part number, item description, unit price and extended amount
- *Purchasing Authority Number:* 9I-0313-FTB-HQ1 (referred to as Delegation Number in PMS)
- *Terms and Conditions:* Check the Form GSPD-401IT, and add the current revision date (6-8-2010)
- *Procurement Method:* Check the box Competitive and write “F&R” on the Solicitation Number line.
- *Comments:* IT Asset Management Contact name, mailstop, phone number, and any additional information such as “Renews POXXXXX:
- *Sales Tax:* As appropriate
- *Shipping/Freight:* Include any shipping/freight charges as a separate line item using the object code on the FTB 6278A or 6278C.

After the purchase order is completed:

- Print purchase order.
- Sign your name at the bottom of STD. 65 under “authorizing signature”.
- Complete the [Checklist for Transactions Valued Less Than \\$5,000](#), which can be found on the shared Y: Drive.

## CHAPTER 14

### STATE CONTRACT AND PROCUREMENT REGISTRATION SYSTEM

The State Contract and Procurement Registration System (SCPRS), an internet-based application incorporated into DGS' [eProcurement](#) system (BidSync), was developed as a contract tracking system to provide a centralized database for state contracting and purchasing transactions. (See sample SCPRS screen on the following page.)

- In accordance with Management Memo 03-09, FTB must register all purchase documents valued more than \$5,000 in SCPRS. DGS Broadcast dated September 3, 2009 encourages recording all transactions no matter what the dollar value. FTB has elected to enter all purchase documents in SCPRS *regardless of the dollar value.*
- All amendments must be registered in SCPRS.
- All Payable Interagency Agreements must be registered in SCPRS. See [Chapter 27](#) of this manual.
- First time Procurement Analysts must request a password from the eProcurement Administrator. Once received, they may log on to the [eProcurement](#) site, go to the quick navigator, select SCPRS entry site, and enter the applicable information into SCPRS. The system will indicate missing information or any errors.
- For additional information, access DGS' [eProcurement Resources](#) link.
- When registering a purchase, submit the form through [eProcurement](#), and a confirmation and a SCPRS number will be provided.
- Print and file a copy of the SCPRS confirmation in the procurement file.
- Enter the registration number assigned by SCPRS on the purchase document ([STD. 65](#), or [STD. 213 IT](#)) prior to releasing the purchase document to the supplier.

# CHAPTER 14

## STATE CONTRACT AND PROCUREMENT REGISTRATION SYSTEM

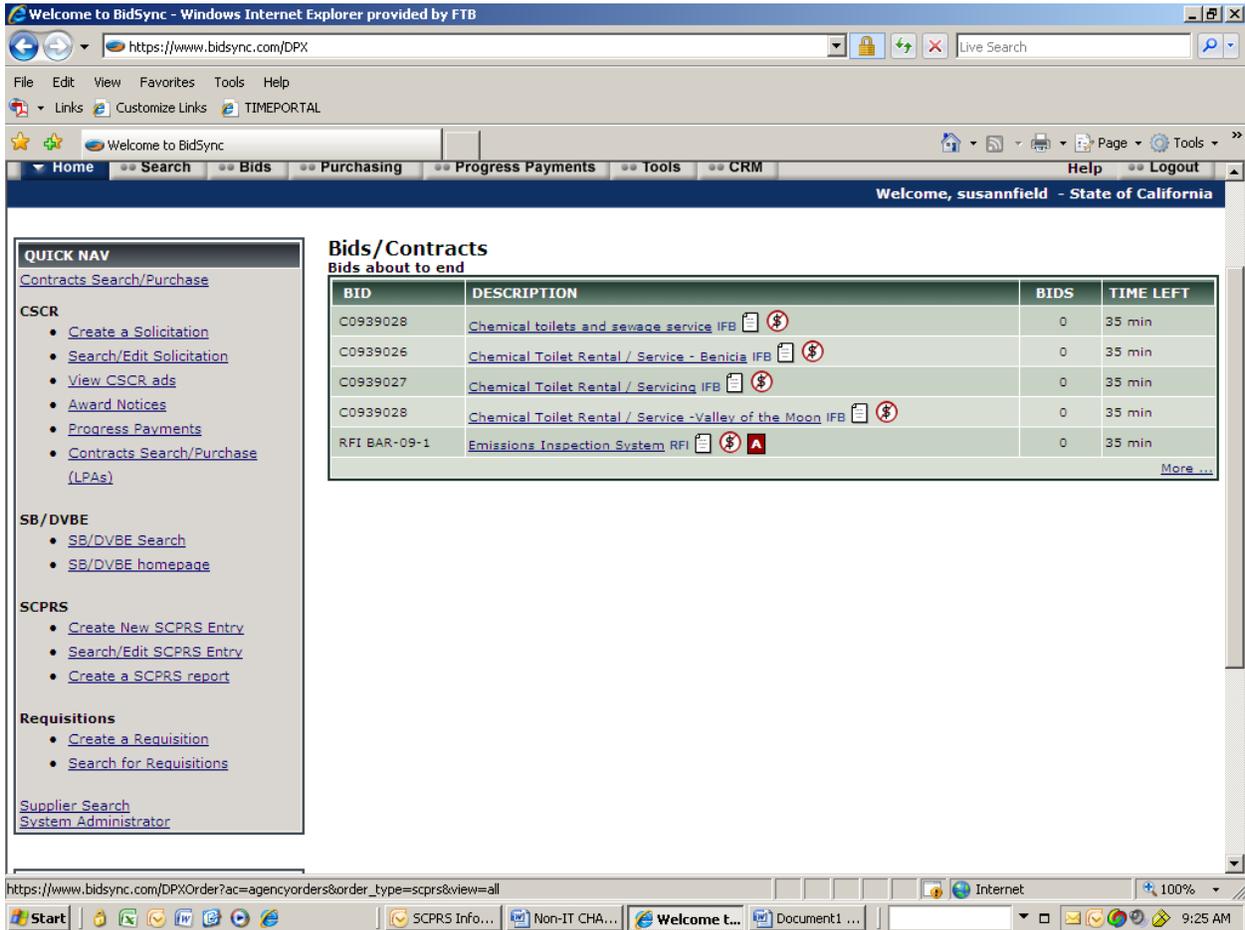


Figure 14.1 Sample SCPRS (eProcurement) Screen

**CHAPTER 15**

**AWARD, PROTEST, AND AMENDMENTS**

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## CHAPTER 15

### AWARD, PROTEST, AND AMENDMENTS

#### 1. Award

<b>Table 15.1 Intent to Award Procedures</b>		
<b>Step</b>	<b>Activity</b>	<b>Responsibility</b>
1	FTB posts all Notices of Intent to Award in a glass-cased display cabinet in FTB's Town Center cafeteria, which is an area accessible to the public.	Procurement Analyst
2	A competitively bid and advertized solicitation cannot be awarded for a period of five working days (starting the day after posting) during which FTB must allow all requesting participating bidders access to all the bid information including all responses and score sheets used in the evaluation. If the procurement was conducted under the Alternative Protest Process, the protest period may be reduced to a minimum of one day.	Procurement Analyst

Inspection of bids is permitted as follows:

- The contents of all proposals, draft bids, correspondence, agenda, memoranda, working papers, or any other medium which discloses any aspect of a bidder's proposal are available for inspection by all requesting participating bidders upon notice of intent to award.
- After contract award procurement documents are available for public inspection through a Public Records Acts (PRA) request, which are handled by FTB's Disclosure Office. The interested party should submit a request through FTB's Disclosure Office by following the [process](#) found on FTB's external website.

#### 2. Protest

##### 2.1. Initial Protests

An initial protest (also known as a protest of requirements) is a bidder's challenge or objection to any administrative, technical or cost specification/requirement(s) contained in a formal IT competitive solicitation.

Any bidder may file an initial protest of IT requirements for solicitations conducted under [PCC section 12102\(h\)](#) or solicitations conducted under [PCC section 12125](#) et seq. that contain provisions for protests of requirements. Protests of requirements must be received in writing by the date and time established in the solicitation document. When a Procurement Analyst receives an initial protest or a bidder has notified the Procurement Analyst of their intent to lodge an initial protest, the Procurement Analyst notifies their Supervisor and works with DGS/PD following the process outlined in [SCM Vol. 3, Chapter 7](#), Section 7.2.2.

## CHAPTER 15

### AWARD, PROTEST, AND AMENDMENTS

#### **2.2. Traditional Protest of Proposed Award**

A protest of proposed award is a challenge conducted under PCC 12102(h) by a participating bidder against the proposed contract award for solicitations. Any supplier that submits a final bid (called a participating bidder) may protest the proposed award of a contract.

For procurements conducted under PCC 12102, the protestant may protest on the grounds that their bid is responsive to the requirements of the solicitation and that their bid should have been selected for award in accordance with the selection criteria in the solicitation document. Protests of proposed award under 12102(h) shall be filed during the five (5) day period (must exclude Saturday, Sunday, and legal holidays) specified in the public posting of the "Intent to Award" notice.

When a Procurement Analyst receives a protest of proposed award, the Procurement Analyst notifies their Supervisor and works with DGS/PD following the process outlined in [SCM Vol. 3, Chapter 7](#), Section 7.3.3.

#### **2.3. Alternative Protest Process (APP)**

A protest of proposed award is a challenge conducted under [PCC 12125](#) et seq. or by a participating bidder against the proposed contract award for solicitations. Any supplier that submits a final bid (called a participating bidder) may protest the proposed award of a contract.

For Major Information Technology Acquisition procurements conducted under [PCC 12125](#), the protestant may protest on the grounds that there was a violation of the solicitation procedures and their bid should have been selected. For all other acquisitions conducted under PCC 12125 et seq., the protestant may protest on the grounds their bid or proposal was responsive to the requirements and should have been selected in accordance with the selection criteria in the solicitation. Protests of proposed award under [PCC 12125](#) et seq. shall be filed during the timeframe specified in the solicitation document which will be no less than one and no more than five working days after the posting of the Notice of Intent to Award.

The APP was implemented in 1998 in accordance with [PCC section 12125](#) et seq., to speed the resolution time of IT protests and to decrease the number of frivolous protests occurring in IT procurements.

Pursuant to [PCC section 12125](#) et seq., an IT goods and services competitive solicitation may include the APP.

An APP Application must be completed and submitted for approval in order to be conducted under the APP. If pursuing the APP, the Procurement Analyst shall contact the DGS/PD Dispute Resolution Manager, who acts as the DGS/PD APP Protest Coordinator.

## CHAPTER 15

### AWARD, PROTEST, AND AMENDMENTS

For additional information refer to [OAH Arbitration Regulations - CCR, Title 1 Division 2, Chapter 5 section 1400 et seq.](#)

When a Procurement Analyst receives an APP of proposed award, the Procurement Analyst notifies their Supervisor and works with the DGS/PD APP Protest Coordinator.

#### **3. Amendments**

An amendment is a formal modification to a contract. It should contain the same degree of specificity for changes that the original agreement contained for the same item. The amendment must be entered into before the expiration of the original contract. Any options or extensions that were evaluated during the original solicitation are exercised through an amendment. If the original contract was subject to DGS approval, the amendment will also be subject to DGS approval. If the original was not subject to DGS approval but the amendment makes it subject to DGS approval, a copy of the original contract and any other amendments with a completed [STD. 215](#) will be submitted to DGS explaining the reason for the amendment. An example of this would be when an amendment exceeds FTB's delegated procurement authority.

**CHAPTER 16**

**PURCHASE ORDER PAYMENTS AND PENALTIES**

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## CHAPTER 16

### PURCHASE ORDER PAYMENTS AND PENALTIES

#### 1. Basic Requirements

[SCM Vol. 3, Chapter 9](#), Topic 1, provides that the State shall not process or release payments to any supplier for any IT goods and/or services without having in its possession all of the following:

- A properly authorized purchase document,
- Documentation verifying the IT goods/services were satisfactorily received and/or performed, and
- An accurate and correct supplier invoice.

Service and Supply receives the goods and sends them to the requestor. If the order is complete, Service and Supply sends a “Services Received” document to Fiscal Accounting and to the Procurement Bureau’s [ProcServicesReceived](#) Outlook mailbox. (See [Chapter 18](#) of this manual.)

For incomplete orders or damaged/defective goods, Service and Supply will follow the process set forth in [Chapter 18](#) of this manual.

For orders originated by FTB’s district offices, the goods are delivered directly to the requesting office, and the above tasks usually performed by Service and Supply for Central Office orders are performed by the requestor in the district office.

#### 2. Prepayment

Procurement Analysts may use the CAL-Card to prepay some purchase orders. The cardholder is responsible for ensuring the CAL-Card is used appropriately and all purchases must adhere to the guidelines and procedures in the FTB [CAL-Card Procedures Manual](#).

The CAL-Card is most often used for publications and subscriptions, but may be used for internet (online) purchases or for any goods/services that are not restricted or prohibited under the CAL-Card program.

For CAL-Card purchases this manual’s procedures to complete a PO using the applicable procurement method are followed, with the following two exceptions:

- The payment term should be “Visa”.
- Upon receipt of the Visa statement, the statement is sent with a copy of the PO stamped and dated “Services Received” to Fiscal Accounting for payment.

#### 3. Prompt Payment Penalty (aka Late Payment Penalty)

The payment of most POs is made in accordance with [GSPD-401IT General Provisions](#), Section 30, which states that payment will be made in accordance with the provisions of the California Prompt Payment Act, [GC section 927 et seq.](#) Unless expressly exempted by the law, the Act requires FTB to pay properly submitted, undisputed invoices not more than 45 days after the date of acceptance of goods or performance of services, or

## CHAPTER 16

### PURCHASE ORDER PAYMENTS AND PENALTIES

receipt of an undisputed invoice, whichever is later. Click here to access DGS' [Prompt Payment Program](#).

Fiscal Accounting has the responsibility to pay suppliers promptly within 45 days, whenever feasible.

On October 19, 2010, legislation was enacted ([Chapter 719, Stats. 2010, SB 856](#)) that amended [GC section 927 et seq](#), which reduced the penalty rates for small business significantly and for other business slightly. [Budget Letter 11-15](#), effective July 20, 2011, updated the rates for penalty payments as follows:

Description	Interest Penalty Threshold	Penalties Incurred FY 2010-11 (7/1/10-10/18/10) Rate	Penalties Incurred FY 2010-11 (10/19/10-6/30/11) Rate	Penalties Incurred FY 2011-12 Rate	
<b>A)</b> -Small Businesses -Nonprofit Organizations -Nonprofit Public Benefit Corporations <sup>1</sup>	Greater than \$10	91.25%	13.25%	13.25%	Annual rate
		0.0025	0.000363	0.000363	Daily rate
<b>B)</b> -Other Businesses	Greater than \$100	1.65%	1.528%	1.37%	Annual rate
		0.0000452	0.0000419	0.0000375	Daily rate
<b>C)</b> -Refunds <sup>1</sup> -Other payments due to Individuals <sup>1</sup>	Not applicable	Not applicable	Not applicable	Not applicable	Annual rate
		for FY 2010-11	for FY 2010-11	for FY 2011-12	Daily rate

<sup>1</sup> During a budget impasse, no penalty shall accrue for nonprofit public benefit corporations.

The penalty payment is related to the fiscal year the penalty is incurred, not the fiscal year the invoice is payable from.

In the event there is no State budget when purchase orders are being prepared, the Procurement Analyst shall attempt to avoid releasing most purchases due to the hardship that late payments impose on vendors, and the potential cost of late payment

## CHAPTER 16

### PURCHASE ORDER PAYMENTS AND PENALTIES

penalties. If an order must be issued prior to the next FY's budget approval (such as in June for a July term start date) or during a budget impasse, the Procurement Analyst shall use the following guidelines:

1. The Procurement Analyst must include the following language in the purchase order:  
*It is understood that no funds sufficient for the purposes of this Agreement have been appropriated until the budget for the 20##/## fiscal year has been adopted by the Legislature and signed by the Governor.*
2. Verify with the requestor when the goods or services are needed. Hold the order as long as possible and still meet the requestor's needed date, or until the budget is passed, whichever comes first.
3. If the requestor needs the goods immediately, or if there is a license or maintenance agreement that is expiring:
  - a. Estimate the potential late payment penalty if the order is released during the budget impasse. See "Estimating the Penalty" below.
  - b. Obtain an estimate of the impact of delaying the order (reinstatement fees for licenses or maintenance agreements; lost revenue; health and safety issues).
  - c. If the late payment penalty estimate is less than the impact of delaying the order, the Procurement Analyst shall obtain Supervisor approval to place the order. The Procurement Analyst should also add the following notes to the Late Payment Penalty Estimate worksheet (see below), and print a copy for the procurement file:
    - 1) Indicate the rationale for proceeding with the order. For example:
      - Reinstatement fees of \$16,000 exceed estimated late payment penalties of \$165;
      - Potential revenue loss of \$1 million exceeds estimated late payment penalties of \$150; or
      - Health and safety concerns outweigh estimated late payment penalties of \$35.
    - 2) Indicate how the impact of delaying the order was obtained, for example:
      - Reinstatement fees provided by the vendor; or
      - Revenue impact provided by requestor.
  - d. If the late payment penalty is more than the impact of delaying, the Procurement Analyst shall bring the matter to their Supervisor or Manager for assistance in determining how to proceed with the order.
4. Once the budget is passed, the Procurement Analyst must contact the requestors to verify that any held orders are still needed, and release all orders that are still needed. If the requestor no longer needs the order, ask for a cancellation request.

#### 4. Minimum Threshold

The 2010 statutory changes also established a minimum threshold of \$10 for penalty payments to small businesses, and changed the threshold for other businesses from \$75 to \$100. Penalties are not paid if they are under the threshold amounts.

## CHAPTER 16

### PURCHASE ORDER PAYMENTS AND PENALTIES

#### 5. Penalties during a Budget Impasse

The 2010 statutory changes only eliminated penalties for payments to nonprofit public benefit corporations. Penalties will still accrue for late payments to our vendors that are due during a budget impasse.

#### 6. Estimating the Penalty

The [Late Payment Penalties](#) folder on the Y: Drive includes [Budget Letter 11-15](#), which specifies the most recent late payment penalty rates effective in FY 2012/13. It also includes an [Excel worksheet](#) to be used to estimate the late payment penalties. The late payment penalty rates are different for small businesses and other businesses. For small businesses, the penalty rate was reduced to 13.25% (.000363 per day), and for other businesses, the penalty rate was reduced to 1.37% (.0000375 per day).

To use the [Excel worksheet](#) to calculate the estimated penalties, enter the following information in the yellow cells in Section A for small businesses or Section B for other businesses:

- **Invoice amount** (Penalties do not apply to sales tax amounts, so reduce the invoice amount to exclude the sales tax.)
- **Invoice receipt date** (Assume we will receive the invoice the day after the goods are due to be received.)
- **Projected payment date** (Assume the budget will not be passed until late October, and payments will not be made until November 1st.)

The [Excel worksheet](#) will calculate the number of days late and the estimated late payment penalty. Add the notes listed in 2.c. above, and print a copy of the worksheet for the procurement file.

## CHAPTER 17

### SUPPLIER DISCOUNT

In cases where a supplier offers a discount, the discount is reflected in the final price. Some suppliers will give a percentage of the discount on the entire order. If this is the case, do not evaluate the percentage of the discount in determining which supplier to award.

However, if awarded to a supplier who offered a discount, the discount percentage must be reflected on the purchase document ([STD. 65](#) or [STD. 213 I](#)). Enter the percentage and the amount of the discount as a line item, excluding sales tax or shipping costs. For example:

Goods	\$100.00
Discount 50%	<u>-50.00</u>
Taxable Subtotal	\$ 50.00

This discount should not be confused with a discount offered on an invoice. For example, "5% Net 30" means that if the payment is received within 30 days, the total on the invoice can be reduced by 5%. If FTB fails to pay the invoice on time, the discount is not valid.

**CHAPTER 18**  
**RECEIVING STOCK**

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## CHAPTER 18

### RECEIVING STOCK

#### 1. Receiving Stock

The DGS/PD [GSPD-401IT General Provisions](#), Section 12 provides instructions to suppliers regarding the packaging and shipping of goods to a State facility. Any special packaging, shipping requirements or instructions in addition to the standard provisions must be documented in detail in the purchase document.

#### 2. Taking Possession of Goods Purchased

It is FTB's responsibility to determine whether or not the goods received are acceptable and conform to all of the terms and conditions of the purchase document.

#### 3. Receiving Goods

FTB's Product Check-in staff are responsible for the IT product check-in process. See [Chapter 24](#), Section 4 of this manual for a description of this process.

#### 4. Completed Orders

If all goods per the purchase document are received and are not damaged, Service and Supply will mark the order as "complete" and will:

- Sign, date, and stamp a copy of the purchase document they received previously with "Services Received" and check the "Completed" box.
- Deliver the goods to the requestor with a copy of the "Services Received" document.
- Send the original purchase document with the "Services Received" information to Fiscal Accounting for payment.
- Send a copy of the "Services Received" document to the Procurement Bureau's [ProcServicesReceived](#) Outlook folder for the procurement file. Support Staff will print the completed "Services Received" document and pull the corresponding procurement file and provide both to the assigned Procurement Analyst. At this time, the Procurement Analyst will close out the purchase in PMS and close the procurement file.

#### 5. Partial Deliveries

The purchase is not complete until the order is completely filled. When partial deliveries are received, Service and Supply will follow the same steps as outlined above for a Completed Order, with the exceptions of checking the "Partial" box on the "Services Received" stamp and writing the dates received next to the items received.

Service and Supply will follow this process for each partial shipment received until all goods on the purchase document are received.

## CHAPTER 18

### RECEIVING STOCK

#### 6. Damaged Deliveries

The purchase is not complete until all goods are received in satisfactory order. When damaged goods are received, Service and Supply will follow the above process for partial deliveries, with the following additional steps:

- Complete the damaged column on [FTB 6678](#)
- Send the damaged goods back to the supplier with [FTB 6678](#)
- Send a copy of [FTB 6678](#) to the Procurement Analyst

When the requester receives damaged goods (district offices and for central office, items that Service and Supply did not identify as damaged), the requester will contact the Procurement Analyst who will:

- Contact the vendor and make arrangements for replacement
- Complete the damaged column on [FTB 6678](#)
- Send the damaged goods to Service and Supply with [FTB 6678](#)

When the replaced item arrives, Service and Supply will exchange the damaged item, if not already done so, and follow the steps above to complete the delivery.

For deliveries to district offices directly, district office personnel will follow the same procedure as above.

#### 7. Purchase Document and Receipt of Goods

Table 18.1 Purchase Document and Receipt of Goods Process		
Steps	Activity	Responsibility/Contact
1	Email copy of the completed purchase document to Product Check-In and Service and Supply staff.	Procurement Support Staff
2	Inventory all products received against the purchase document.	Service and Supply
3	Annotate the purchase document with date and time and the condition of the product(s) received.	Service and Supply
4	If all the products on the purchase document are received and are not damaged, designate it as "Complete" and send the original to Fiscal Accounting for payment and a copy to the Procurement Bureau's <a href="#">ProcServicesReceived</a> Outlook mailbox.	Service and Supply
5	If all of the products on the purchase document are not received or there are damaged goods, annotate it as "Partial" and complete <a href="#">FTB 6678</a> . Distribute the <a href="#">FTB 6678</a> as instructed on the form.	Service and Supply

## CHAPTER 18

### RECEIVING STOCK

Table 18.1 Purchase Document and Receipt of Goods Process		
Steps	Activity	Responsibility/Contact
6	For partial or damaged deliveries, when the last item is received for the purchase document and it is in satisfactory condition, annotate it as "Complete" and distribute to Fiscal Accounting and the Procurement Bureau's <a href="#">ProcServicesReceived</a> Outlook mailbox.	Service and Supply
7	When the "Services Received" stamped purchase document is received, Support Staff will pull the procurement file and distribute the package to the assigned Procurement Analyst.	Procurement Support Staff
8	Once the order is complete, change the status in <a href="#">PMS</a> to "Closed" and close the procurement file.	Procurement Analyst
9	Complete the <a href="#">Supplier Performance Report</a> and the <a href="#">File Doc Post Award</a> checklists located on the Y: Drive. Put these checklists in the procurement file and give to Support Staff to file.	Procurement Analyst
10	File the entire package in the appropriate file.	Procurement Support Staff

#### 8. Follow-up on Open Orders

The Procurement Analyst will periodically print out a Workload by Agent report from [PMS](#), and follow up on outstanding orders and partially filled orders.

## CHAPTER 19

### PROCUREMENT CHECKLISTS AND DOCUMENTS

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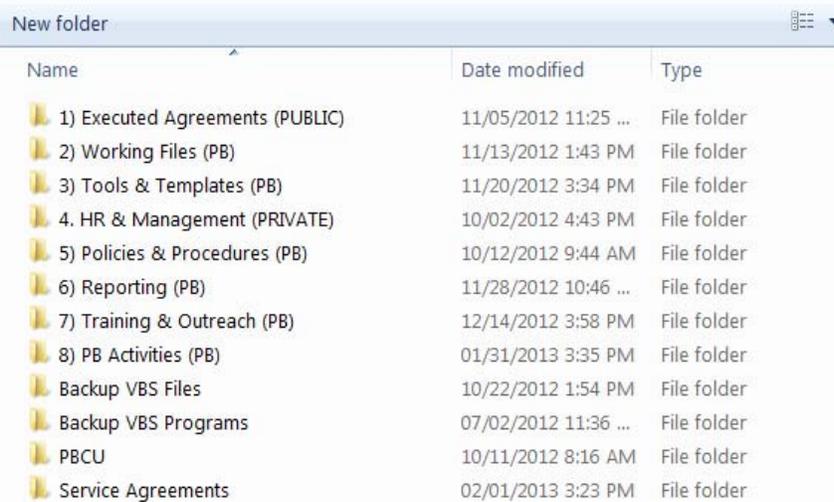
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## CHAPTER 19

### PROCUREMENT CHECKLISTS AND DOCUMENTS

#### 1. Shared Y: Drive

The Procurement Bureau's shared [Y: Drive](#) is organized in the following manner to facilitate storage and retrieval of the necessary documentation:



Name	Date modified	Type
1) Executed Agreements (PUBLIC)	11/05/2012 11:25 ...	File folder
2) Working Files (PB)	11/13/2012 1:43 PM	File folder
3) Tools & Templates (PB)	11/20/2012 3:34 PM	File folder
4. HR & Management (PRIVATE)	10/02/2012 4:43 PM	File folder
5) Policies & Procedures (PB)	10/12/2012 9:44 AM	File folder
6) Reporting (PB)	11/28/2012 10:46 ...	File folder
7) Training & Outreach (PB)	12/14/2012 3:58 PM	File folder
8) PB Activities (PB)	01/31/2013 3:35 PM	File folder
Backup VBS Files	10/22/2012 1:54 PM	File folder
Backup VBS Programs	07/02/2012 11:36 ...	File folder
PBCU	10/11/2012 8:16 AM	File folder
Service Agreements	02/01/2013 3:23 PM	File folder

#### 1) Executed Agreements

##### a. Owner – Support Staff

- Scanned copies of FTB 6278 A and FTB 6278C requests are placed in this folder by Support Staff at the time of distribution.

##### b. Contents

- Fully executed agreements (POs, Contracts, IAs)
- Contains both IT and Business agreements

##### c. Naming Convention

- PFYXXXX, CFYXXXX

##### d. Accessible to all FTB business areas

#### 2) Working Files

##### a. Owner – Support Staff

- File is created by Support Staff at time of assignment
- Procurement Analysts manage contents of their assigned folders
- Contains IT and Business sub-folders

##### b. IT Folder Contents:

- All assigned workload, including project work and other pre-procurement requests.
- Procurement Analyst may add sub-folders such as Drafts, Archives, etc., as needed.

##### c. Naming Convention

- Log number-DLN-Description-Analyst Last Name

## CHAPTER 19

### PROCUREMENT CHECKLISTS AND DOCUMENTS

- d. Project work files are created by Procurement Analysts
  - Naming convention  
FY, Description, Analyst Last Name
- 3) Tools & Templates
  - a. Owner – Support Staff
    - Updates are only completed by Support Staff, with Management approval
    - IT, Business, and other shared sub-folders
  - b. Contents:
    - Checklists
    - Form Templates (i.e., STD. 65, STD. 213 IT, STD. 215)
    - Solicitation Templates
    - Documentation Forms
  - c. Only latest version are shown, with prior versions in an archive sub-folder
- 4) HR & Management
  - a. Owner – Management
  - b. Contents:
    - HR and Personnel sample documents
    - Archive folder of previous Y: Drive contents
- 5) Policies and Procedures
  - a. Owner – Management
    - Updated by assigned staff, with Management approval
  - b. Contents:
    - Desk Manuals
    - Designee Memos
    - Delegation Requests and Approvals
    - Meeting Minutes
    - Mentorship Program
- 6) Reporting
  - a. Owner – Reports Coordinator
    - Updated by assigned staff, with Management approval
  - b. Contents:
    - Monthly Bureau Report
    - DGS Reports
- 7) Training & Outreach
  - a. Owner – SB/DVBE Advocate
  - b. Contents:
    - Procurement 101 Training
    - SB/DVBE Training Materials

## CHAPTER 19

### PROCUREMENT CHECKLISTS AND DOCUMENTS

#### 2. Checklist, Worksheets, Templates and Documents

Listed below are the checklists, worksheets, templates and documents, which can be found in the Procurement Bureau's shared Y: Drive in the [Tools & Templates](#) folder. They are categorized by type of acquisition method. Some of the file documents are required by statute, regulation, policy and/or procedure determined by the SCM and SAM. Other documents are specific documentation requirements for different purchasing categories. These documents are provided as an example, are subject to change, and may need to be customized at the time of the procurement.

##### 2.1. [Fair & Reasonable \(F&R\)](#)

- Bidder Declaration
- Calculate Rate Increase
- Commercially Useful Function (CUF), if applicable, refer to [Chapter 6](#) of this manual
- File Doc Post Award
- File Doc Under \$5,000
- File Doc Sole Provider
- Payee Data Record (STD. 204)
- Procurement Summary
- Ineligible Entities Checklist
- Recycle Content Certification, if applicable
- SB and DVBE Certification Status, if applicable, refer to [Chapter 8](#) of this manual
- SB/DVBE First Policy Waiver, if applicable
- Seller's Permit – Board of Equalization, refer to [Chapter 3](#) of this manual
- Supplier Performance Report
- Taxpayer Advocate – Secretary of State

##### 2.2. [Request for Quote \(RFQ\)](#)

- Bidder Declaration
- Bid Quote Worksheet
- DVBE Evaluation Checklist
- DVBE Program and Incentive Waiver, if applicable
- Participation Worksheet
- File Doc IT Services
- File Doc IT Goods
- File Doc Under \$5,000
- Commercially Useful Function (CUF)
- Contract Award Report (STD. 16), if applicable
- Notice of Contract Award
- Procurement Summary
- Ineligible Entities Checklist

## CHAPTER 19

### PROCUREMENT CHECKLISTS AND DOCUMENTS

- RFQ Template Goods
- RFQ Template Services
- Recycle Content Certification (if applicable)
- Commercially Useful Function (CUF)
- Payee Data Record (STD. 204)
- SB/DVBE First Policy Waiver, if applicable
- Seller's Permit – Board of Equalization
- Tax Payer Advocate – Secretary of State
- SB and DVBE Certification, if applicable
- File Doc Post Award
- Supplier Performance Report

#### 2.3. Leveraged Procurement Agreement (LPA)

- Bidder Declaration
- DVBE Evaluation Checklist
- Best Value Worksheet
- File Doc LPA
- Procurement Summary
- Ineligible Entities Checklist
- RFO Shell
- Recycle Content Certification, if applicable
- Payee Data Record (STD. 204)
- Seller's Permit – Board of Equalization
- Tax Payer Advocate – Secretary of State
- SB and DVBE Certification Status, if applicable
- SB/DVBE First Policy Waiver, if applicable
- Commercially Useful Function (CUF)
- File Doc Post Award
- Supplier Performance Report

#### 2.4. Invitation for Bid (IFB)

- Bidder Declaration
- Bid Quote Worksheet
- Contract Advertising Exemption
- DVBE Program and Incentive Waiver, if applicable
- File Doc IT Goods
- File Doc IT Services
- Notice of Contract Award
- Participation Worksheet
- Procurement Summary
- Ineligible Entities Checklist
- Recycle Content Certification, if applicable
- Payee Data Record (STD. 204)

## CHAPTER 19

### PROCUREMENT CHECKLISTS AND DOCUMENTS

- Seller's Permit – Board of Equalization
- Taxpayer Advocate – Secretary of State
- SB and DVBE Certification Status, if applicable
- Commercially Useful Function (CUF)
- File Doc Post Award
- Supplier Performance Report

#### 2.5. Non-Competitively Bid (NCB)

- File Doc IT Goods Sole Provider
- File Doc NCB
- NCB Justification
- Special NCB
- Procurement Summary
- Ineligible Entities Checklist
- Recycle Content Certification, if applicable
- Seller's Permit – Board of Equalization
- Tax Payer Advocate – Secretary of State
- SB and DVBE Certification Status, if applicable
- SB/DVBE First Policy Waiver, if applicable
- Commercially Useful Function (CUF)
- File Doc Post Award
- Supplier Performance Report

#### 2.6. Request for Proposal (RFP)

- Bidder Declaration
- Bid Quote Worksheet
- DVBE Program and Incentive Waiver, if applicable
- Participation Worksheet
- File Doc IT Goods
- File Doc IT Services
- Procurement Summary
- Ineligible Entities Checklist
- Notice of Contract Award
- Sole Proprietor
- Recycle Content Certification, if applicable
- Seller's Permit – Board of Equalization
- Tax Payer Advocate – Secretary of State
- SB and DVBE Certification Status, if applicable
- Commercially Useful Function (CUF)
- File Doc Post Award
- Supplier Performance Report

**CHAPTER 20**

**TRAINING**

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## CHAPTER 20

### TRAINING

#### 1. California Procurement and Contracting Academy (Cal-PCA)

DGS' Cal-PCA provides free development courses and seminars to the State's procurement staff to improve their state contracting knowledge.

The Cal-PCA offers the following:

- [Basic Acquisition Certificate Program](#) *[Required for all Procurement Analysts]*
- [Intermediate Acquisition Certificate Program](#) for IT RFPs
- [Basic Acquisition Workshops](#)

All Procurement Analysts and procurement management staff are required to attend the Basic Acquisition Certification Program. Procurement Analysts are encouraged to take other workshops and courses provided by DGS when such courses are relevant to their workload.

##### 1.1. Enrollment

To enroll in a course offered by DGS, the Procurement Analyst obtains Supervisor approval then accesses the applicable website, provided above, and completes the online Registration Form. Once enrollment is confirmed (including Webinars), Support Staff is notified and submits a training nomination on behalf of the Procurement Analyst for internal FTB documentation of the training.

##### 1.2. Cancellation Policy

If the Procurement Analyst does not cancel a scheduled class within three days of the start date or does not show up at the class, FTB will be charged a \$100 no show fee.

#### 2. In-House Courses

FTB offers training classes in various subject areas including: business skills, communication, information technology and personal development that will strengthen and improve employee soft skills.

Enrollment for classes offered by FTB is submitted through [Aspen](#). Aspen includes SkillSoft classes for employee development, for which a prepaid license will be received to take these classes.

Follow the process in Table 20.1 to register for in-house courses.

## CHAPTER 20

### TRAINING

<b>Table 20.1 Registering for In-House Courses</b>	
<b>Step</b>	<b>Activity</b>
1	Access " <a href="#">Aspen</a> " on the FTBNet home page. <a href="#">Aspen</a> provides direct access to all of the FTB training programs and courses. When in Aspen, you can: <ul style="list-style-type: none"><li>• Search the course catalog;</li><li>• Register for classes;</li><li>• View your training transcripts; and</li><li>• View upcoming classes you are enrolled in.</li></ul>
2	Aspen emails the registration request to the employee's supervisor for approval.
3	Supervisor approves or rejects the registration
4	Aspen emails the approved registration request to the employee and supervisor.
5	Aspen emails change notifications (for example class date, time, and location) and class cancellation to the employee.

**CHAPTER 21**

**SIGNATURE AUTHORITY**

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## CHAPTER 21

### SIGNATURE AUTHORITY

#### 1. Signature Authority Guidelines

All Procurement Analysts must follow the signature authority guideline depicted in the following table. This table pertains to procurements of both IT and Non-IT goods and services and reflects the signature authority approvals required when completing each form:

<b>Table 21.1 Signature Authority Guideline</b>		
<b>Form</b>	<b>Purpose</b>	<b>Authorized Signature</b>
FTB 6278 – <i>Procurement Request</i>	Used for all Non-IT purchase requests.	<ul style="list-style-type: none"> <li>• Bureau Director</li> <li>• Section Manager or above</li> <li>• Departmental Allotment Coordinator</li> </ul>
FTB 6278A, FTB 6278C – <i>IT Procurement Request</i>	Used for all IT purchase requests.	<ul style="list-style-type: none"> <li>• Project Oversight &amp; Guidance Controller (if part of project)</li> <li>• IT Acquisition Group</li> <li>• Operations Management Bureau                             <ul style="list-style-type: none"> <li>• IT Asset Management Unit</li> <li>• Workstation Support Unit</li> </ul> </li> <li>• Business Area                             <ul style="list-style-type: none"> <li>• Section Manager</li> <li>• Bureau Director</li> </ul> </li> <li>• Enterprise Architecture and Data Administration</li> <li>• Data Resources and Business Intelligence Section (for data exchange)</li> <li>• Privacy, Security and Disclosure Bureau</li> <li>• Server Management Section (if it includes the use or acquisition of a server)</li> <li>• Desktop and Mobile Computing Coordinator</li> <li>• FTB CIO</li> </ul>
<a href="#">STD. 65</a> – <i>Purchasing Authority Purchase Order</i>	Used to contract with supplier for goods/services.	<ul style="list-style-type: none"> <li>• Procurement Analyst</li> </ul>

CHAPTER 21

SIGNATURE AUTHORITY

Table 21.1 Signature Authority Guideline		
Form	Purpose	Authorized Signature
<a href="#">STD. 66</a> – <i>Purchase Estimate</i>	Used to send to DGS to request that they conduct the procurement.	<ul style="list-style-type: none"> <li>Executive Officer</li> <li>Chief Financial Officer</li> <li>Accounting Officer</li> </ul>
<a href="#">STD. 16</a> – <i>Contract Award Report</i>	Notification of Award of Goods/Services to Department of Fair Employment and Housing for orders over \$5,000	<ul style="list-style-type: none"> <li>Procurement Analyst</li> </ul>
<a href="#">FTB 7519</a> – <i>Service Request</i>	Used to request services for Personal Communication Devices	<ul style="list-style-type: none"> <li>Section Manager or above</li> <li>Department Allotment Coordinator</li> </ul>
<a href="#">STD. 210</a> – <i>Short Form Contract</i>	Used for Non-IT Contracts less than \$9,999	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> </ul>
<a href="#">STD. 213 IT</a> – <i>Standard Agreement</i>	Used for Contracts, Leases and Agreements	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> </ul>
<a href="#">STD. 213 A</a> – <i>Standard Agreement Amendment</i>	Used for Contract Amendments	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> </ul>
<a href="#">STD. 215</a> – <i>Agreement/Summary</i>	Used for Contract Transmittal	<ul style="list-style-type: none"> <li>Accounting Officer</li> <li>Procurement Analyst</li> </ul>
<a href="#">STD. 821</a> – <i>Contract Advertising Exemption</i>	Used for Advertising Exemption	<ul style="list-style-type: none"> <li>PCO</li> </ul>
<a href="#">Certificate of Compliance</a>	Validates we have authority to award IT contracts over \$100,000	<ul style="list-style-type: none"> <li>Executive Officer or Designee (POG Director)</li> </ul>
<i>Testing and Acceptance Letter</i>	Confirms testing has concluded and been accepted and authorizes contractor to submit an invoice	<ul style="list-style-type: none"> <li>PCO</li> </ul>
<a href="#">Non-Competitively Bid Contract Justification</a>	Used to request approval of a contract with the only known supplier	<ul style="list-style-type: none"> <li>Executive Officer</li> <li>Agency Secretary</li> <li>DGS Director</li> </ul>
<a href="#">GSPD-08-001</a> – <i>Limit to Brand or Trade Name (LTB) Bid</i>	Competitive bidding is limited to a specified brand or trade name if the product specified is the only product that will meet our needs	<ul style="list-style-type: none"> <li>Mentor/Supervisor</li> <li>Manager</li> <li>PCO</li> <li>Executive Officer</li> <li>DGS (if over \$25,000)</li> </ul>

CHAPTER 21

SIGNATURE AUTHORITY

Table 21.1 Signature Authority Guideline		
Form	Purpose	Authorized Signature
<i>SB/DVBE Waiver</i>	<p><b>Internal SB/DVBE First Policy Waiver</b> – For any procurement methods that will result in a contract award under \$250,000 to a non-SB/DVBE, the Procurement Analyst must obtain a <a href="#">First Policy Waiver Under \$250K</a> from the SB/DVBE Advocate.</p> <p><b>DVBE Program Requirements and DVBE Incentive Waiver</b> – For any procurement, where applicable, the Procurement Analyst must obtain a <a href="#">DVBE Waiver Justification</a> and DVBE Program Requirements and DVBE Incentive Waiver Form (<a href="#">GSPD-07-04</a>) to waive the DVBE Requirement and/or Incentive.</p>	<ul style="list-style-type: none"> <li>• SB/DVBE Advocate, and</li> <li>• Supervisor, Manager, or PCO</li> </ul>

Refer to [Chapter 8](#), SB/DVBE Policy, for the internal review requirements for these options.

Refer to [Chapter 23](#), Mentorship Program, for the internal review requirements.

**CHAPTER 22**

**FINANCING**

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## CHAPTER 22

### FINANCING

#### 1. Overview

The State Financial Marketplace (SFM) established by DGS provides financing and payment programs that serve California State and local governmental entities. Tax-exempt rates are established with lenders for the purpose of financing both purchases and leases as follows:

- [GS \\$Mart](#) is the program used to finance a purchase. Due to the State's budget crisis, there are only a few lenders posting interest rates for this program. Therefore, it should not be assumed that financing will be arranged through GS \$Mart. Financing will be reviewed on a case-by-case basis by DGS.
- [Lease \\$Mart](#) is the program to use to finance a lease. Due to the State's budget crisis, there are no lessors currently posting lease factors for this program. Leases will be reviewed on a case-by-case basis by DGS.
- [Energy \\$Mart](#) provides financing for energy management transactions where energy improvements are made to facilities, and financed with the energy savings over a period of time. Due to the State's budgetary crisis, there are no lenders currently posting interest rates for these financings and will be reviewed on a case-by-case basis by DGS.

Only approved lenders and lessors participate in the programs. The SFM provides negotiated contractual terms and conditions. The result is financial security regarding such issues as tax-exempt qualifications, financial health of the lender, and the State's credit rating.

If FTB is contemplating financing a transaction, FTB's Procurement Analyst must contact the DGS financial marketplace representative early in the acquisition planning process.

Use of any financing arrangement other than [GS \\$Mart](#), even utilizing baseline budget resources, is prohibited without prior approval from the Department of Finance (DOF). Financial marketplace representatives can:

- Provide program information.
- Guide FTB through the financial marketplace process to create a financed contract.
- Assist with refinancing contracts.
- Assist with assignment (or novation) of financial marketplace contracts.

The Procurement Analyst should access DGS' Procurement Division website for information regarding the [SFM](#) and the use of [GS \\$Mart](#) in SAM [Section 3400](#) and [Budget Letter 06-27](#).

SFM works with DGS' Purchasing Authority Management Section and the Office of Legal Services to ensure all acquisitions have followed the proper guidelines and that the documentation is complete before approving the financing of an acquisition.

## CHAPTER 22

### FINANCING

The Procurement Analyst should identify and include any financing request information in the FSRs/ITPPs and BCPs (if applicable) that are submitted for review and approval of either the DOF or DGS.

SFM [Certification of Compliance](#) form must be submitted with the request.

The Procurement Analyst ensures that the purchase meets all of the current criteria provided on the website and by following the guidelines below:

- As specified in [SAM section 3400](#) and [Budget Letter 06-27](#), financing requests will be approved by DGS as set forth in this chapter. The SFM Manager will request the required approvals based on the type of purchase contemplated, and upon satisfactory review of all of the background documents provided by FTB, such as but not limited to: type of purchase contemplated, FSR/ITPPs, BCPs, Work Group Computing Justification Forms (WCJFs), etc., provided by FTB.
- SFM team members will conduct the bids for all leasing and financing deals.
- It is recommended that leasing and financing deals begin at \$100,000. Under special circumstances, financing may be arranged starting at \$50,000.
- The [Certification of Compliance](#) form and the Request for Rate Quote Form ([RFRQ](#)) must be filled out by FTB's Procurement Analyst and returned to the SFM Manager.
- The [Certification of Compliance](#) form shall be completed by FTB's Procurement Analyst and signed by the FTB and DGS individuals specified on the form. The form must be approved by DGS prior to the SFM Manager starting the financing process. The form may need to be revised if the interest rates have changed.
- Financing from \$50,000 to \$499,999 must be approved by the SFM Manager; between \$500,000 and \$999,999 must be approved by the Deputy Director of DGS's Procurement Division; between \$1,000,000 and \$10,000,000 must be approved by the Director of DGS; anything greater than \$10,000,000 must be approved by the State Treasurer's Office and the Director of DGS.
- DGS GS \$Mart representative obtains an Opinion of Counsel from their legal for all financing transactions.
- As specified in [Budget Letter 06-27](#), use of any financing arrangement other than GS \$Mart is prohibited without prior approval from DOF. FTB must request DOF approval in writing and must provide an analysis to support the basis for selection of financing outside the use of GS \$Mart.

Due to the extensive approval requirements, approval of the financing or leasing process will take considerable time and should be kept in mind when requesting financing/leasing assistance. It is critical that when working on a financing package the Procurement Analyst work with DGS, the requestor and the vendor on the timing of all requisite activities. Financing a procurement does not relieve FTB of meeting mandated procurement requirements, including the objectives of the Prompt Payment Act.

## CHAPTER 22

### FINANCING

#### 2. Procurement Requirements of GS \$Mart

To determine whether the procurement meets the requirements of GS \$Mart, the Procurement Analyst should ask the following questions and ensure that FTB takes the following actions:

- Assets to be financed must be essential to the FTB's mission.
- Assets to be financed cost at least \$100,000 (not including financing costs) on a case-by-case basis; assets costing \$50,000 may be considered.
- Tax-exempt financed assets must qualify under the federal Internal Revenue Service (IRS) regulations.
- Financed assets must be maintained in good working order at all times.
- Funds are available for procurement costs including training, installation, freight and sales tax.
- The financing period will be no longer than the useful life of the financed assets.
- Payment schedules will be produced by lenders in a standard format.
- Financed assets must be kept as personal property and not part of freehold or improvement to buildings (real property).
- Notify a lender and supplier prior to any asset relocation.
- Forward a copy of the purchasing document to the GS \$Mart Manager and awarded lender, in addition to the supplier, State Controller's Office (SCO) and FTB's Fiscal Accounting office.
- With assistance from the lenders, the GS \$Mart Manager will file all required reports with the IRS.
- Complete all documents needed to close the funding and meet the dates specified on the payment schedule before the supplier can be paid.
- Agree not to replace any non-appropriated assets for at least one fiscal year.
- Agree to provide written notice to the lender, if requested by the lender, in event of non-appropriation.
- Commit to making payments to the lender per the payment schedule.
- Make our best efforts to obtain funding for the financed assets.
- Allow the lender or its designee to remove the financed assets in case of non-appropriation.
- Agree that there will be no Termination for Convenience provision related to financing in the purchasing document.
- Take responsibility for risk of loss of assets only after acceptance, unless otherwise agreed to in the purchasing document.

#### 3. Procurement Analyst Role

Once the determination is made that the procurement meets the financing requirements, FTB's Procurement Analyst role is to follow the processes described below.

## CHAPTER 22

### FINANCING

#### 3.1. Internal Process

- Check the Purchase Request (FTB 6278A or FTB 6278C), for the Departmental Oversight and Financial Performance Section's (DRO) budgetary approval and validation of FTB's official "Intent to Finance" the acquisition.
- Include financing request information in the FSR/ITPP, BCP, and/or NCB documents (if applicable) that are submitted to external approvers. (See "External Process" below.)
- Initiate and complete the procurement process through the purchase document ([STD. 65](#) or [STD. 213 IT](#)).
- Include financing notification in the solicitation documents (RFO, RFQ, IFB, or RFP).
- Include financing language in the purchase document.
- Notify Fiscal Accounting and provide:
  - "Intent to Finance" information
  - A copy of the purchase document
  - A copy of amendments to the purchase document

Example of language to be included in the solicitation document and the purchase document:

*The State reserves the right to select the form of payment for all procurements, be it either an outright purchase with payment rendered directly by the State, or a financing/lease-purchase or operating lease via the State Financial Marketplace (GS \$Mart and/or Lease \$Mart). If payment is via the financial marketplace, the supplier will invoice the State-selected lender/lessor for all product(s) listed on the State's procurement document, in turn, the lender/lessor will pay the supplier on behalf of the State.*

#### 3.2. External Process

- Contact DGS GS \$Mart Representative.
- Review the DGS Procurement [GS \\$Mart](#) website for updated information and procedures.
- Complete [Certification of Compliance](#) form and the [RFRQ](#) with all appropriate internal approval signatures.

#### 3.3. During the Process

Provide to DGS GS \$Mart:

- Completed and approved [Certification of Compliance](#) form and the [RFRQ](#)
- Copies of the purchase document ([STD. 65](#) or [STD. 213 IT](#))
- Decision of finance supplier selection
- Copies of invoice(s)
- Copies of amendments to purchase document ([STD. 65](#) or [STD. 213 IT](#))
- Copies of final finance agreements

## CHAPTER 22

### FINANCING

#### 3.4. Final Process

Per the SCO, FTB's payment claim requests should include additional documentation, which includes:

- Copy of FTB's Delegated Purchase Authority
- Copies of purchase document ([STD. 65](#) or [STD. 213 IT](#))
- Copy of invoice(s)
- Evidence of DGS approval; for example DGS Legal Opinion of Counsel document

#### 4. Financing Process Steps

<b>Table 22.1 Financing Process Steps</b>		
<b>Step</b>	<b>Action</b>	<b>Responsibility/Contact</b>
1	Clearly marks FTB 6278A or FTB 6278C to indicate purchase will be financed	DRO
2	Notifies DGS of pending financing before issuing purchasing document	Procurement Analyst
3	Provides FTB guidance and financing language to include in purchasing document	DGS GS \$Mart
4	Adds financing language to purchasing document; issues purchasing document to vendor; sends copy to Fiscal Accounting	Procurement Analyst
5	Contacts DGS to initiate financing request	Procurement Analyst
6	Sends FTB financing document package and instructions*	DGS GS \$Mart
7	Sends completed package to DGS, including certification documents and copies of purchasing document to be financed	Procurement Analyst
8	Issues bid to GS \$Mart; receives responses; provides options to FTB	DGS GS \$Mart
9	Selects finance company from options provided by DGS; notifies DGS of selection	Procurement Analyst/DRO
10	Finalizes financing agreement with finance company; notifies FTB of agreement; sends FTB amortization and payment schedule	DGS GS \$Mart
11	Amends purchasing document to show payment schedule to finance company; sends amended purchasing document to DGS, finance company, original vendors and Fiscal Accounting	Procurement Analyst
12	Sends services received and acceptance documents and invoices to finance company	Procurement Analyst
13	Pays vendor invoices	Finance Company
14	Bills FTB for financing, based on agreement(s) and payment schedule	Finance Company

## CHAPTER 22

### FINANCING

Table 22.1 Financing Process Steps		
Step	Action	Responsibility/Contact
15	Pays finance company	Fiscal Accounting

\* Based on previous experience and guidance from DGS, DGS activities for steps 6 through 10 are normally completed in two to three weeks.

#### 5. Tangible Assets

Tangible assets that may be financed through GS \$Mart include:

- Information technology equipment and necessary pre-integrated software (including mainframes, personal computers, printers, network equipment, and storage)
- Software licenses
- Software development and integration (on a case-by-case basis with DOF support unit approval)
- Select services included with the procurement of assets (e.g., warranty, installation, training)
- Video conferencing equipment
- Mailing equipment
- Telephone equipment
- Most energy efficiency and sustainability equipment and systems

Assets that may not be financed through GS \$Mart include consulting, maintenance and other services.

**CHAPTER 23**  
**MENTORSHIP PROGRAM**

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## CHAPTER 23

### MENTORSHIP PROGRAM

#### 1. Program Goals

Per the Public Contract Code, as well as the State Contracting Manual, DGS has the authority to delegate purchasing authority to departments that have adequate controls in place to ensure that procurements and contracts are conducted in accordance with applicable statutes and policies. FTB's Procurement Bureau created the Mentorship program as a way to adhere to these standards. The goals for the mentorship program are to:

1. Build trust and facilitate positive change;
2. Create a learning environment and provide tools to the mentees to be successful and broaden their job knowledge;
3. Enrich personal development by performing completed staff work by using project management tools;
4. Ensure the solicitation process and documentation conform to the standards stated in SCM and FTB policy resulting in consistency within the bureau; and
5. Assist the mentees to problem solve, by identifying the situation or problem, analyzing the concerns, conducting research, and determining the appropriate action.

#### 2. Current Mentorships

<b>Table 23.1 Mentorships</b>								
<b>Mentors</b>	<b>Nicole (Pam)</b>	<b>Melissa</b>	<b>Linda (IAs)</b>	<b>Pam (Lead)</b>	<b>Yvonne</b>	<b>Rossana</b>	<b>Tracey</b>	<b>Bill</b>
<b>Mentees</b>	Tracie	Jami	Jami	Nicole	Pam (Lead)	Marlene	Iosif	Rossana
	John	Jaime	John	Melissa	Linda	Liz	Nel	Tracey
		Julia		Bob	Eric		Susann	Marisa
							Jennifer	TaNita
<b>Managers</b>	Michael, Bill and Yvonne							
<b>PCO</b>	Susan							

#### 3. Approval Process

The following approval practice **must** be used when preparing solicitation documents, Evaluation and Selection worksheets/reports, Intent to Award, Acceptance Letters, and contracts including, but not limited to Service Agreements, Standard Agreements, Interagency Agreements, Purchase Orders, and Trial

## CHAPTER 23

### MENTORSHIP PROGRAM

Agreements. This is to ensure quality assurance with the department's procurement process and adherence to SCM and the law.

Below is a list of procurement methods by dollar thresholds and the approval required **before** releasing the named documents outside of our Bureau. Also, if the purchase transaction needs a SB/DVBE waiver, you will need to submit your waiver request to the SB/DVBE Advocate for approval prior to submitting the package for external approval, as applicable. If during their review, the SB/DVBE Advocate finds something that appears to need further review, they will bring this to the attention of the Analyst's assigned Mentor. Since this document only pertains to the internal approval process for our Bureau, you will still need to obtain external approvals, such as the Executive Officer, Agency, and DGS when appropriate. When developing your procurement schedule you should allow sufficient time for these internal reviews (at least two business days) and external reviews (from 10-45 days) into your procurement timeline.

With the exception of the SB/DVBE Advocate, each mentor will determine the level of review of each document for quality assurance with consideration of the complexity of the document. If the document is ready for release, the mentor will initial the first page of the document. You can arrange with the mentor when the file documentation will be submitted for review.

All mentees will be on 100% review. Procurements that require Executive Officer approval, or require external approval from Agency or DGS will **always** require review by a member of the FTB Management Team.

<b>Table 23.2 Procurement Bureau Internal Review</b>			
<b>Procurement Method</b>	<b>Dollar Threshold</b>	<b>Non-IT Acquisitions PAM Approvers</b>	<b>IT Acquisitions PAM Approvers</b>
<b>Non-Competitively Bids, including Special Category</b>	All thresholds	1. Mentor 2. Manager 3. PCO	1. Mentor 2. Manager 3. PCO
<b>Limited to Brand or Trade Name</b>		1. Mentor 2. Manager 3. PCO	1. Mentor 2. Manager 3. PCO
<b>Leveraged Procurements, PIA, IA, Proprietary</b>	Up to \$250,000	1. Mentor 2. SB/DVBE Advocate if requesting waiver	1. Mentor 2. SB/DVBE Advocate if requesting waiver
	\$250,001 and over	1. Mentor 2. Manager 3. PCO	1. Mentor 2. Manager 3. PCO

**CHAPTER 23**

**MENTORSHIP PROGRAM**

<b>Table 23.2 Procurement Bureau Internal Review</b>			
<b>Procurement Method</b>	<b>Dollar Threshold</b>	<b>Non-IT Acquisitions PAM Approvers</b>	<b>IT Acquisitions PAM Approvers</b>
<b>Non-IT Goods valued at \$100 or less (Sub)</b>	Up to \$100	1. Acquisition Analyst 2. SB/DVBE Advocate if requesting waiver	N/A
<b>Competitive Bids (Including SB/DVBE Option)</b>	Up to \$4,999.99	1. Mentor 2. SB/DVBE Advocate if requesting waiver	1. Mentor 2. SB/DVBE Advocate if requesting waiver
	\$5,000 to \$750,000	1. Mentor 2. Manager 3. SB/DVBE Advocate if requesting waiver	1. Mentor 2. SB/DVBE Advocate if requesting waiver
	\$750,001 to \$1M	1. Mentor 2. Manager 3. PCO 4. SB/DVBE Advocate if requesting waiver	1. Mentor 2. SB/DVBE Advocate if requesting waiver
	\$1M to \$3M	1. Mentor 2. Manager 3. PCO 4. SB/DVBE Advocate if requesting waiver	1. Mentor 2. Manager 3. SB/DVBE Advocate if requesting waiver
	Over \$3M	1. Mentor 2. Manager 3. PCO 4. SB/DVBE Advocate if requesting waiver	1. Mentor 2. Manager 3. PCO 4. SB/DVBE Advocate if requesting waiver
<p><b>Internal SB/DVBE First Policy Waiver</b> – For any of the above procurement methods that will result in a contract award under \$250,000 to a non-SB/DVBE, the Procurement Analyst must obtain a <a href="#">First Policy Waiver Under \$250K</a> from the SB/DVBE Advocate.</p> <p><b>DVBE Program Requirements and DVBE Incentive Waiver</b> – For any of the above procurements, where applicable, the Procurement Analyst must obtain a <a href="#">DVBE Waiver Justification</a> and DVBE Program Requirements and DVBE Incentive Waiver Form (<a href="#">GSPD-07-04</a>) to waive the DVBE Requirement and/or Incentive.</p>			

**CHAPTER 24**

**PURCHASE ORDER PROCESS**

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## CHAPTER 24

### PURCHASE ORDER PROCESS

#### 1. Processing Purchases

The Technology Acquisitions Unit in the Procurement Bureau processes purchases for all the IT goods and services needs of FTB. The Purchasing Management System ([PMS](#)) produces the Purchasing Authority Purchase Order ([STD. 65](#)), commonly known as a PO, and the Contract Management System ([CMS](#)) captures the information recorded on a Standard Agreement ([STD. 213 IT](#)), commonly known as a Contract. Both of these documents are referred to in this manual as the purchasing document. The assigned Procurement Analyst enters the required information into PMS/CMS and the system will automatically assign a purchasing document number. This chapter is an overall description for processing the actual purchasing document. For details on a specific type of procurement, refer to the chapter in this manual with the procedures for that particular procurement type.

#### 2. Process for New Purchases (FTB 6278A)

1. FTB's IT Asset Management Section (IT Acquisitions) will bundle Procurement Requests (FTB 6278A) whenever possible so procurement staff can conduct one procurement to obtain volume discount.
2. If the FTB 6278A has different PUC and CalStars codes listed, IT Acquisitions will indicate the quantity for each PUC and CalStars code separately on the FTB 6278A. The [PMS/CMS](#) will automatically calculate the cost for each PUC and CalStars code. IT Acquisitions should provide the source of the estimated cost on the 6278A. The Departmental Oversight and Financial Performance Section (DRO) will validate the PUC and CalStars codes listed on the FTB 6278A. If the FTB 6278A is incorrect, DRO will make corrections to the FTB 6278A.
3. After the FTB 6278A approvals are obtained, IT Acquisitions will provide it to the IT Procurement Supervisor for assignment to the Procurement Analyst.
4. The IT Procurement Supervisor will assign the FTB 6278A and Support Staff will send a confirmation to IT Acquisitions, the requestor, and the assigned Procurement Analyst of the assignment.
5. When the Procurement Analyst receives the FTB 6278A, the Procurement Analyst will review it to ensure the appropriate codes, required approvals, and complete information are provided. If the Procurement Analyst has questions or makes changes to the FTB 6278A, for example incomplete descriptions, part numbers, etc., the Procurement Analyst will contact the requestor or business area directly to resolve any problems or questions, with the exception of cost, before the purchase document is issued. The Procurement Analyst should email IT Acquisitions regarding any product changes or code changes in order to determine if the FTB 6278A should be revised and re-approved. IT Acquisitions will notify the Procurement Analyst of their determination whether or not to revise and re-approve the FTB 6278A.
6. The Procurement Analyst will annotate any Program Cost Account (PCA), object code or cost changes on the FTB 6278A. If the actual cost is increased by \$5,000 or more from the original estimate or the PCA or the object code has changed, the

## CHAPTER 24

### PURCHASE ORDER PROCESS

Procurement Analyst will change the FTB 6278A and route it to DRO for approval before the purchase document is issued (Do not send a copy of the revised FTB 6278A to IT Acquisitions if there is only a cost change. Please refer to Item 5).

7. If the actual cost is greater than \$5,000 over the approved amount on the cost sheet, the Procurement Analyst will also send an email to [Kelly Hagarty](#) in the Enterprise Architecture Section informing her of the amount of the increase.
8. After conducting the solicitation process, the Procurement Analyst prepares the purchase document and the encumbrance document if the terms cover more than one fiscal year and/or for more than one PUC.
9. The Procurement Analyst can also combine FTB 6278A requests with like products or suppliers in order to conduct a single procurement. If FTB 6278As are combined, in the case of a [STD. 65](#), the PO will indicate "multiple" in the Agency Tracking/Requisition Number and the individual log numbers will be listed along with the SW Asset Manager contact information and the Unit PC Coordinator's names, PUCs, and phone numbers in the comment field on the front page of the PO.
10. When the Procurement Analyst is ordering software or software maintenance, the Procurement Analyst will request that the vendor email software registration, confirmation of order, license certificate number, software downloads, serial numbers, key codes or any activation information with the purchase document number to [SwMgmt@ftb.ca.gov](mailto:SwMgmt@ftb.ca.gov) in the body of the PO or in the Statement of Work (SOW) of a Contract. IT Asset Management will be the contact for software questions from vendors.
11. After completing the purchase document, the Procurement Analyst reviews the purchase document and SOW for accuracy. The mentor/Supervisor also reviews these documents. If the purchase document or SOW is complex or has been revised numerous times, the Procurement Analyst may also ask the requestor or IT Acquisitions to review the document for accuracy. In the case of a [STD. 65](#) the Procurement Analyst signs the PO and the [STD. 16](#) if the order is over \$5,000 (this form is not needed if the order is less than \$5,000).
12. When preparing a [STD. 213 IT](#), before submitting for approval the Procurement Analyst reviews the [STD. 213 IT](#) and SOW for accuracy and to ensure, among other things, that hardware maintenance is paid in arrears without tax. Software maintenance can be paid in advance without tax. Tax for new software purchases on media is 8%; however, no tax is applied if electronically downloaded. If software maintenance is required by the supplier with the purchase of new software, it may be taxed at 8% regardless of delivery method. If software maintenance is optional by the supplier and media is requested, the tax is 4%; if electronic download is requested, the tax is 0%; and if both media and electronic download are requested, the tax is 4%. Then the mentor/Supervisor reviews these documents. If the [STD. 213 IT](#) or SOW is complex or has been revised numerous times, the Procurement Analyst may also ask the requestor or IT Acquisitions to review the document for accuracy. The Procurement Analyst uses the [Internal Route Slip](#) to route the [STD. 213 IT](#) for signature and signs the [STD. 16](#) if the order is over \$5,000.

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13. The Procurement Analyst completes and may fax or email the purchase document to the vendor.
14. Support Staff sends a hard copy of the purchase document to the supplier and sends an email notification with a link to the electronic copies of these documents with the encumbrance document to the following business areas. When an amendment is done, the same documentation is also sent to the same business areas.  
The subject line of the email will indicate the vendor's name, PO or Contract number, and if space is available, the object codes.
  - a. Fiscal Accounting at [ACCTPAY](#)
  - b. Business Services Section at [Charlie Brown](#)
  - c. DRO at [FTB Departmental Allotment Coordinators](#)
  - d. [ProductCheckIn](#)
  - e. [ISB Admin](#)
  - f. [IT Warehouse](#)
  - g. [IT Acquisitions](#)
  - h. [Product CheckIn](#)
  - i. [SWMgmt](#)If the purchase document includes term dates, the notification will also include:
  - j. [IT Contracts](#)
  - k. Operations Management Bureau at [Angela Johnson](#)
15. Support Staff prepares a procurement folder with all the supporting documents provided by the Procurement Analyst.
16. IT Asset Management staff will follow the IT Product Check-in process.
17. If there is an acceptance test of the hardware or software or special provisions, the Procurement Analyst will email [ProductCheckIn](#) with the vendor's name and purchasing document number indicating that "Services Received" should not be released until notification from the Procurement Analyst that the acceptance test was approved or the special provisions have been met. The Procurement Analyst must also send an informational copy to Fiscal Accounting.
18. If the Procurement Analyst receives software registration, key codes, license certificate number, acknowledgement letter, confirmation of order, or any activation information from a vendor, the Procurement Analyst will forward the information to [SwMgmt@ftb.ca.gov](mailto:SwMgmt@ftb.ca.gov). The IT Asset Management staff will complete and return any documents to the vendor.
19. When invoices are received, Fiscal Accounting staff will stamp "Approved for Payment" on the vendor's invoice and forward a copy to the IT Asset Management Unit, who will sign the "Approved for Payment" copy and return it to Fiscal Accounting. The requestor's PC Coordinator may copy the signed "Approved for Payment" invoice for their files.
20. Fiscal Accounting staff places a copy of the signed "Approved for Payment" invoice in a basket in Fiscal Accounting for Procurement.
21. Support Staff checks the basket in Fiscal Accounting and distributes the signed "Approved for Payment" copy to the appropriate Procurement Analyst.

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### PURCHASE ORDER PROCESS

#### 3. Process for Renewals (FTB 6278C)

1. IT Contracts staff in the Technology Planning and Decision Support Bureau (IT Contracts) will bundle Procurement Requests for renewals (FTB 6278C) whenever possible so procurement staff can conduct one procurement. IT Contracts staff will prepare the Maintenance Renewal Packages (MRPs) to include the following documents for renewals:
  - a. Maintenance Renewal Memorandum (MRM)
  - b. Copy of current IT OE&E order request form (Schedule 3, if submitted by business area)
  - c. Copy of previous purchase document
  - d. Copy of previous SOW
  - e. FTB 6278C with estimated costs based on line items shown in previous SOW
  - f. Hardware or software serial numbers registered to FTB's account
2. PC Coordinators, supervisors, and/or managers will examine their MRP to determine whether a renewal is warranted. DRO will validate the PUC and CalStars codes listed on the FTB 6278C. If the PUC or Cal Stars codes are incorrect, DRO will make corrections on the FTB 6278C.
3. If components are not needed for an upcoming renewal, notations will be handwritten on the FTB 6278C.
4. After the necessary renewal signatures are obtained, IT Contracts staff will provide all MRPs to the Procurement Supervisor at least 90 days prior to the expiration date of the current contract.
5. The IT Procurement Supervisor will assign the renewal to a Procurement Analyst and Support Staff will send a confirmation to IT Contracts, the Unit PC Coordinator, the requestor, and the assigned Procurement Analyst, notifying them of the assignment.
6. To discontinue or cancel the renewal, IT Contracts staff notifies the Procurement Supervisor at least 90 days prior to the expiration of the current contract. Where needed, the Procurement Analyst will notify the vendor by sending a discontinuance or cancellation notice in accordance with the terms of the current contract, prior to contract expiration date.
7. Support Staff will send a hard copy of the notice to the vendor, and email a link to: (If email, the subject line should indicate the vendor's name, purchasing document number and if space is available, add object codes)
  - a. Fiscal Accounting at [ACCTPAY](#)
  - b. DRO to [FTB Departmental Allotment Coordinators](#)IT [Contracts](#)
8. [SWMgmt](#)When the Procurement Analyst receives the MRP, the Procurement Analyst reviews the FTB 6278C to ensure the appropriate codes, required approvals, and complete information are provided. If the Procurement Analyst has questions or changes to the FTB 6278C, for example, incomplete descriptions, part numbers, or edits to a statement of work, etc., the Procurement Analyst will contact the requestor or business area directly to resolve any problems or questions, with the exception of cost, before the purchase document is issued. IT Contracts staff

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### PURCHASE ORDER PROCESS

will be cc'd via email regarding any product changes or code changes in order to determine if the FTB 6278C should be revised and re-approved. IT Contracts will notify the Procurement Analyst of their determination whether or not to revise and re-approve the FTB 6278C.

9. The Procurement Analyst sends a solicitation in accordance with the procurement vehicle being used. When the responses are received, the Procurement Analyst reviews the following items:
  - a. Federal ID Number
  - b. Quote with Price and Term
  - c. Multi-year agreement (review if payment is annual or one-time payment)
  - d. Hardware maintenance is paid in arrears without tax and software maintenance can be paid in advance without tax. The tax for new software purchases on media is 8%. If the new software purchase is downloaded electronically, no tax is applied. If the software maintenance is required by the supplier with the purchase of new software, it may be taxed 8% regardless if it's media or electronic. If software maintenance is optional by the supplier and provided on media, the tax is 4%; if provided electronically, the tax is 0%; or if provided on both media and electronically, the tax is 4%.
  - e. Proprietary Software letter (if applicable)
10. The Procurement Analyst will annotate any changes on the FTB 6278C. If the actual cost is increased by \$5,000 or more from the original estimate or the PUC or CalStars code has changed, the Procurement Analyst will change the FTB 6278C and email DRO for approval before the purchase document is issued. IT Contracts staff do not need a copy if there is only a cost change.
11. If the actual cost is greater than \$5,000 over the approved amount on the cost sheet, the Procurement Analyst will also send an email to [Kelly Hagarty](#) informing her of the amount of the increase and await her approval before the purchase document is issued.
12. The Procurement Analyst can also combine FTB 6278C requests in order to conduct a single procurement. If FTB 6278Cs are combined, in the case of a [STD. 65](#), the PO will indicate "multiple" in the Agency Tracking/Requisition Number and the individual log numbers will be listed along with the SW Asset Manager contact information and the Unit PC Coordinator's name, PUC, phone number and previous PO number in the comment field on the front page of the PO.
13. The Procurement Analyst completes the purchase document and the encumbrance document if the terms cover more than one fiscal year and/or for more than one PUC. See Chapter 3, section 7.10 of this manual.
14. The Procurement Analyst reviews the purchase document for accuracy. The mentor/Supervisor also reviews these documents. If the purchase document or SOW is complex or has been revised numerous times, the Procurement Analyst may also ask the requestor or IT Contracts staff to review the document for accuracy. In the case of a [STD. 65](#), the Procurement Analyst signs the PO and the [STD. 16](#) if the order is over \$5,000.
15. When preparing a [STD. 213 IT](#), the Procurement Analyst reviews the [STD. 213 IT](#) and SOW for accuracy then the mentor/Supervisor reviews these documents. If the

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### PURCHASE ORDER PROCESS

[STD. 213 IT](#) or SOW is complex or has been revised numerous times, the Procurement Analyst may also ask the requestor or IT Contracts staff to review the document for accuracy. The Procurement Analyst uses the Internal Route Slip to route the [STD. 213 IT](#) for signature and signs the [STD. 16](#) if the order is over \$5,000.

16. The Procurement Analyst will request that the vendor email the software registration, confirmation of order, license certificate number, software download, serial numbers, key codes, and any activation information with the purchase document number to [SwMgmt@ftb.ca.gov](mailto:SwMgmt@ftb.ca.gov) in the body of the PO or in the SOW of a Contract. IT Asset Management will be the contact for software questions from vendors.
17. The Procurement Analyst will complete and may fax or email the purchase document and acknowledgement letter to the vendor.
18. Support Staff will send a hard copy of the purchase document to the vendor and send a link to the electronic copies of these documents with the encumbrance document to the following business areas. An amendment is sent with the same documentation to the same business areas (If email, the subject line should indicate the vendor's name, purchase document number and if space is available, add object codes).
  - a. Fiscal Accounting at [ACCTPAY](#)
  - b. Business Services Section at [Charlie Brown](#)
  - c. DRO at [FTB Departmental Allotment Coordinators](#)
  - d. [ProductCheckIn](#)
  - e. [ISB Admin](#)
  - f. [IT Warehouse](#)
  - g. [IT Acquisitions](#)
  - h. [Product CheckIn](#)
  - i. [SWMgmt](#)

If the purchase document includes term dates, the notification will also include:

  - j. [IT Contracts](#)
  - k. Operations Management Bureau at [Angela Johnson](#)
19. Support Staff prepares a procurement folder with all the supporting documents provided by the Procurement Analyst.
20. IT Asset Management staff will follow the IT Product Check-in process.
21. If there are special provisions, the Procurement Analyst will email IT Contracts with the vendor's name and purchasing document number indicating what the special provisions are and any action needed. The Procurement Analyst may also send an informational copy to Fiscal Accounting if these special provisions affect payment terms.
22. If the Procurement Analyst receives software registration form, key code, license certificate number, acknowledgement letter, confirmation of order, or any activation information from a vendor, the Procurement Analyst will forward the information to [SwMgmt@ftb.ca.gov](mailto:SwMgmt@ftb.ca.gov). The IT Asset Management staff will complete and return any documents to the vendor.

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23. When invoices are received, Fiscal Accounting staff will stamp "Approved for Payment" on the vendor's invoice and forward a copy to the IT Asset Management Unit, who will sign the "Approved for Payment" copy and return it to Fiscal Accounting. The requestor's PC Coordinator may copy the signed "Approved for Payment" invoice for their files.
24. Fiscal Accounting staff places a copy of the signed "Approved for Payment" invoice in a basket in Fiscal Accounting for Procurement.
25. Support Staff checks the basket in Fiscal Accounting and distributes the signed "Approved for Payment" copy to the appropriate Procurement Analyst.

#### 4. Product Check-in Process

The following staff are responsible for IT product check-in process:

- Primary      Troy Clemente x7596
- Secondary   Steve Lerman x6371
- Third        Gerald Nolan x5423, or Patty Black x3934
- Back-Up      Travis Wells x6247

IT product check-in staff are responsible for:

- Coordinating the sign-in for Telecom orders.
- For any Office Automation Refresh (OAR) (desktop, notebook, copier, printer, etc.) arriving at the dock before one week prior to the "Required Delivery Date" on the purchasing document it **MUST NOT** be accepted. The product check-in staff will notify the Procurement Analyst, who will contact the vendor and request that the equipment be stored by the vendor until the shipment deadline occurs (IT Acquisitions will provide the shipment dates).
- Check-in and sign-in all other IT goods.
- Work with ISB staff to jointly check-in orders for non-PC IT goods (servers, hubs, routers, switches, mainframe equipment, etc.). Product Check-in group will be the official person to sign the purchase document as received.
- Coordinate pick-ups from Service and Supply.
- If there is an acceptance test of the hardware or software or special provisions, the Procurement Analyst will email [ProductCheckIn](#) with the vendor's name and purchase document number indicating that the "Services Received" copy should not be released until notification from the Procurement Analyst that the acceptance test was approved or the special provisions have been met. The Procurement Analyst may also send an informational copy to [Fiscal Accounting](#) if these special provisions affect payment terms.
- If a product is received without a purchase document number, [ProductCheckIn](#) will contact the IT Procurement Supervisor to determine the appropriate receiving unit.
- If software is received without a purchase document number, [ProductCheckIn](#) will contact the IT Asset Management staff to determine the appropriate action.
- Send signed "Services Received" copies for all purchases (completed or partial) with a detailed list, confirmation of order or packing slip indicating what was received to:

## CHAPTER 24

### PURCHASE ORDER PROCESS

1. Procurement at [ProcServicesReceived](#)
2. Fiscal Accounting at [ACCTPAY](#)
3. DRO to [Jong Xiong](#)
4. Telecom (if appropriate)
5. IT Acquisitions if
6. IT Warehouse (for equipment delivered to Warehouse)
7. HW Management

If emailing the copies, the subject line should indicate the vendor's name, purchase document number, and if space is available, add object codes.

- Coordinate the delivery of PC hardware to the warehouse.
- Deliver the software to the IT Asset Management staff.

#### 5. Procurement Analyst Role

- Upon receipt of a 6278A or 6278C, enter all appropriate information into the Procurement Bureau's [Analyst Workload Database](#) and [IT Tracking Document](#), and continue to update both when the status of the order changes.
- Review the 6278A or 6278C request information. Verify requestor provided the contact name, term/effective dates, description or scope of service, justification, and obtained all applicable approval signatures.
- Conduct procurement activities following all [SCM Vol. 3](#) guidelines.

After the appropriate solicitation process is conducted, the Procurement Analyst will complete the following tasks:

- Verify a Payee Data Record ([STD. 204](#)) is on file.
- Validate tax compliance through the [Secretary of State](#) and FTB [Executive and Advocate Services Section](#).
- Validate Sellers Permit information through [Board of Equalization](#) (if applicable).
- Enter the required information into [PMS/CMS](#), and manually complete a [STD. 213 IT](#). Once approved, the Procurement Analyst signs the PO, or routes the [STD. 213 IT](#) for signatures.
- Enter purchase document information into DGS' [eProcurement](#) (BidSync) SCPRS system.
- Complete all appropriate checklists, and document all procurement actions taken.
- For purchases over \$100,000, route a [Certification of Compliance](#) to FTB's Executive Officer or designee for signature.
- Once approved, fax or electronically send the purchase document to the supplier. Provide complete package to Support Staff for hard copy distribution to the vendor, and internal distribution and filing.
- For purchases over \$5,000.00, complete a Contract Award Report ([STD. 16](#)) document, which is signed by the Procurement Analyst and emailed by Support Staff to the Department of Fair Employment and Housing Administration.
- Provide staff information for tracking (e.g., new, renewal or maintenance) and verify the warranty and acceptance period.

## CHAPTER 24

### PURCHASE ORDER PROCESS

#### 6. FTB 6278A and 6278C Authorizations

- IT Asset Management Unit- Steve Lerman, Backup- Dott Belcher
- Acquisition Analyst- Patty Black or Jerry Nolan
- Business Area Section Manager - Manager of the Business Area
- Business Area Bureau Director - Bureau Director of the Business Area
- Enterprise Architecture- Sue Manard or Paul Bryant
- Business Intelligence and Data Services- Jeff McTygue or Jody Langeland
- Privacy, Security and Disclosure Bureau- Steve Norten, Chis Rushkin, or Jonathan Victor
- Server Management Section (SMS) - Jim Williamson or Jessie Dykeman
- Desktop and Mobile Computing Coordinator - Robert Paulson or Steve Abeyta
- Physical Signatures - DRO, and Tom Nast or Kelly Hagarty

#### 7. Support Staff Role

Once the Procurement Analyst returns the complete package, Support Staff distributes copies of the purchase document as follows:

- Original to Vendor
- Internal FTB business areas (as described in sections 2 and 3 of this chapter)
- DGS Procurement Division
- State Controller's Office
- Department of Fair Employment and Housing
- Monthly Report file for 9I-0313-FTB-HQ1 Delegation
- Procurement File

Support Staff then prepares the final purchase document folder and places it within the active file shelves, or returns it to the Procurement Analyst, if requested.

#### 8. Monthly Delegation Report

The Report Coordinator must forward copies of individual transactions for reporting delegation purchasing authority transactions to DGS Procurement Division as described in [Chapter 11](#) Reporting Requirements of this manual.

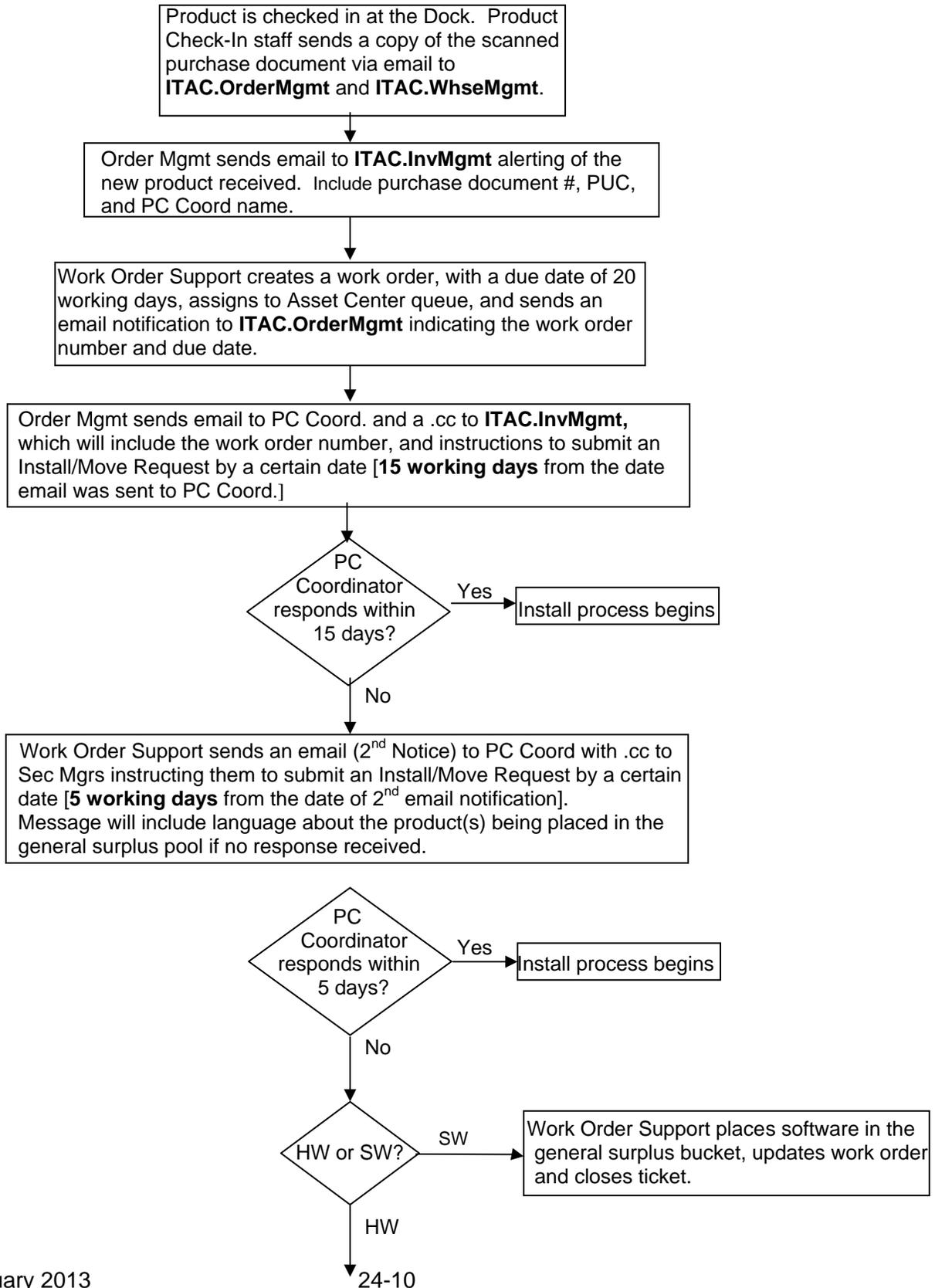
#### 9. Processing Products Received

ITAC is responsible for the check-in process for IT goods. Their process, specific to IT goods, is shown in the flow chart below. When goods are received, ITAC emails the "Services Received" to [ProcServicesReceived](#). Support Staff prints the "Services Received", pulls the associated file and distributes it to the appropriate Procurement Analyst, who will assemble a completed file, process any closeout documentation, close out the purchase in PMS/CMS and return the file to Support Staff for filing.

# CHAPTER 24

## PURCHASE ORDER PROCESS

Figure 24.1, ITAC Product Check-In Process



## CHAPTER 24

### PURCHASE ORDER PROCESS

Work Order Support sends a work order email notification to Warehouse to place the product in the general surplus pool and closes ticket.



Warehouse places the hardware in the general surplus pool.

For products purchased from 799, 797, 798, indicate the contact name for which the product is to be held for or if it is a stock item.

**CHAPTER 25**

**POST CONTRACT TOPICS**

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## CHAPTER 25

### POST CONTRACT TOPICS

#### 1. Procurement File

The final procurement file should be consistently organized. Documentation should be filed using the guidelines in [Chapter 3](#), Contract Basics, section 8 of this manual.

#### 2. Procurement File Retention

FTB's policy is to keep all original copies of the purchase document for three years after final payment has been received, not after the expiration of the contract. In addition, for formal competitive procurements, one copy of the master proposal from the successful supplier and the other bidders shall be kept for three years.

#### 3. Contractor Evaluation

Upon completion of a consultant contract, the Procurement Analyst sends to FTB's Contract Manager a Contractor Evaluation ([STD. 4](#)). The [STD. 4](#) is used to determine if the contractor fulfilled all requirements of the contract including quality standards. When the STD. 4 is returned, the Procurement Analyst should review it and then file it in the procurement file in Section 3. When a negative finding is made, the [STD. 4](#) must be forwarded to DGS/OLS within five days of completion of the evaluation.

<b>Steps</b>	<b>Activity</b>	<b>Responsibility/Contact</b>
1	Send to the Contract Manager a Contractor Evaluation ( <a href="#">STD. 4</a> )	Procurement Analyst
2	Complete the Contractor Evaluation ( <a href="#">STD. 4</a> ) and return it to the Procurement Analyst	Requestor
3	Place the Contractor Evaluation in the procurement file	Procurement Analyst
4	Forward the Contractor Evaluation ( <a href="#">STD 4</a> ) to DGS/OLS <b>if a negative finding is annotated by the requestor</b> . Inform the requestor prior to sending to DGS/OLS.	Procurement Analyst

**CHAPTER 26**  
**TRIAL AGREEMENTS**

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## CHAPTER 26

### TRIAL AGREEMENTS

#### 1. Trial Agreements

When FTB has a need to perform a product evaluation that requires a period of on-site testing, a [Trial Agreement](#) must be in place before FTB employees can accept receipt of the product(s) from any supplier. The [Trial Agreement](#) designates the dates for the trial period and defines the conditions under which FTB accepts the product(s) for testing.

The [Trial Agreement](#) specifies that there is no financial obligation to the FTB and limits our legal liability. At the end of the [Trial Agreement](#), all products and materials must be returned to the supplier, or the proper documentation submitted to extend the [Trial Agreement](#) or initiate a purchase of the product(s).

For a free trial agreement of any IT software products or hardware appliances, the requestor must complete the pre-product trial information on FTB's [EASy](#) SharePoint site.

**Note:** All software downloads and installation **must** be referred to the IT Service Desk at 845-2255.

After approvals have been granted for the product(s) to be brought in to FTB, the [Trial Agreement](#) will be processed and sent to the supplier for approval.

A completed agreement between the FTB and the supplier exists when the [Trial Agreement](#) letter has been signed by the Director of the Procurement Bureau or his/her designee, and the supplier. Copies of the [Trial Agreement](#) will be sent to the Information Security and Oversight Section and the IT Asset Management Unit.

#### 2. Guidelines for Trial Agreements Requests

Table 26.1 Trial Agreement Procedures		
Steps	Activity	Responsibility / Contact
1	Identify product requested for trial	Requestor
2	Contact the vendor representative to see if a trial offer is available for that product.	Requestor
3	Follow <a href="#">FTB Policy File 4801</a>	Requestor
4	Complete the pre-product trial information on FTB's <a href="#">EASy</a> SharePoint site.	Requestor

CHAPTER 26

TRIAL AGREEMENTS

Table 26.1 Trial Agreement Procedures		
Steps	Activity	Responsibility / Contact
5	Evaluate the <a href="#">EASy</a> case on the SharePoint site to determine whether a free trial download is offered through the supplier's website. If such is offered, the requestor can proceed with the free trial download once the <a href="#">EASy</a> case is approved.	Trial Agreement Procurement Analyst
6	If a free trial download is not offered through the supplier's website, then a <a href="#">Trial Agreement</a> is created.	Trial Agreement Procurement Analyst
7	Route <a href="#">Trial Agreement</a> through Legal for review if a supplier has requested significant changes or added requirements to FTB's standard <a href="#">Trial Agreement</a> .	Trial Agreement Procurement Analyst
8	Contact supplier (vendor) to sign the <a href="#">Trial Agreement</a> .	Trial Agreement Procurement Analyst
9	Obtain appropriate mentor review and approval and designee signatures for <a href="#">Trial Agreement</a> .	Trial Agreement Procurement Analyst
10	Copies of the completed <a href="#">Trial Agreement</a> are sent to <a href="#">Chris Rushkin</a> of the Information Security and Oversight Section, <a href="#">Steve Lerman</a> of the IT Asset Management Unit, and Rod Duff of Service and Supply. A copy is also saved in the unit's shared Y: Drive <a href="#">Trial Agreements</a> folder.	Trial Agreement Procurement Analyst
11	Arrange to have trial software or hardware installed.	Requestor's PC Coordinator
12	The effective date of the <a href="#">Trial Agreement</a> timeline begins after installation has been completed. In some cases the effective date is the date the product is received. Check the <a href="#">Trial Agreement</a> .	Requestor
13	If the <a href="#">Trial Agreement</a> needs to be extended, contact the Trial Agreement Procurement Analyst who will contact the supplier to request additional time. A new <a href="#">Trial Agreement</a> with the extend time will be issued.	Requestor
14	Send a reminder to the requestor 2-3 weeks prior to the <a href="#">Trial Agreement</a> expiration.	Trial Agreement Procurement Analyst

CHAPTER 26

TRIAL AGREEMENTS

Table 26.1 Trial Agreement Procedures		
Steps	Activity	Responsibility / Contact
15	When the <a href="#">Trial Agreement</a> timeframe has expired, return the software or hardware to supplier (vendor) or destroy it based on terms <a href="#">Trial Agreement</a> . Notify Trial Agreement Procurement Analyst of action taken.	Requestor
16	If the Trial Agreement Procurement Analyst has not received notification that steps have been taken to end the <a href="#">Trial Agreement</a> by the expiration date in the <a href="#">Trial Agreement</a> , an email will be sent to the requestor and the requestor's supervisor requesting action.	Trial Agreement Procurement Analyst
17	Follow up on the <a href="#">Trial Agreement</a> to determine whether the requestor returned the product to the supplier or has submitted a purchase request.	Trial Agreement Procurement Analyst
18	If interested in acquiring the software or hardware, the requestor must follow the procedure to submit a purchase request, by completing an online <a href="#">IT OE&amp;E Request</a> .	Requestor

**CHAPTER 27**

**INTERAGENCY AGREEMENTS**

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## CHAPTER 27

### INTERAGENCY AGREEMENTS

#### 1. Interagency Agreements (IAs)

There are two types of Interagency Agreements (IAs), payable and reimbursement. The payable IA is used when FTB contracts for a service to be provided by another State agency and FTB pays for it. The reimbursement IA is used when FTB provides the service to another State agency and they pay FTB.

[FTB's intranet](#) provides additional tools describing the IA process, such as:

- [Reimbursable Interagency Job Aids](#)
- [Reimbursable Interagency Agreement](#) Process
- [Reimbursable Interagency Agreement Contract Workflow](#)

#### 2. Payable IA

For any new request, a Procurement Request ([FTB 6278](#)) and an Information Exchange Verification ([IEV](#)) form is completed by the requestor and sent to the Procurement Supervisor for assignment.

Six months prior to the expiration of an existing contract that may need to be renewed, the Procurement Analyst will send a renewal letter with a copy of the prior IA to the original requestor. If the requestor wishes to renew the contract, they will need to provide any updates/changes needed for the renewal, along with a completed [FTB 6278](#) and [IEV](#) form.

The Procurement Analyst will verify the request for correctness and approvals: contact name, term and effective dates, scope of service, justification for service, approvals (supervisor/manager, division, bureau director, budget office, Allotment Coordinator), and CalStars/budget allotment codes. The Procurement Analyst then processes the requested changes utilizing the [STD. 213 IT](#) and assigning a contract number. For more details, refer to [Chapter 3](#), Contract Basics of this manual.

Once the updates are completed, the Procurement Analyst sends the contract to his/her Mentor or Supervisor for review, then to the lead of the Data Exchange Agreement Review Team (DEART) for review. The Procurement Analyst will also need to copy, revise, and sign an Agreement/Summary ([STD. 215](#)). The Procurement Analyst routes one complete contract, which includes the [STD. 213 IT](#), the [STD. 215](#), and the 6278, in a folder with a sign off cover sheet for internal procurement approvals.

Once the reviewed contract is finalized and all reviewers have approved it, and the [STD. 215](#) is signed by Fiscal Accounting, the Procurement Analyst checks the "Exempt per" box in the lower right hand corner of the [STD. 213 IT](#) and types in the current IT Delegation number and date. Using the [cover memo](#) shell

## CHAPTER 27

### INTERAGENCY AGREEMENTS

located on the Y: Drive in the [Interagency Agreement Workload](#) folder and revising it accordingly, the Procurement Analyst sends the [cover memo](#) and four copies of the [STD. 213 IT](#) to the other State agency for approval and signatures on all four copies. A copy of the [cover memo](#), [STD. 213 IT](#), route slip, etc., is placed in the procurement file.

The Procurement Analyst will receive the four signed original copies of the [STD. 213 IT](#) back from the other State agency, verify the signatures, and review for any changes. If changes have been made to the [STD 213 IT](#) or to the language of the contract, the Procurement Analyst will need to have those approved by Procurement and the DEART. The Procurement Analyst will follow up with the other State agency if it does not sign and return the [STD. 213 IT](#) within 30 days to determine if escalation is necessary.

Then, the four signed copies of the [STD. 213 IT](#), contract language, and the rest of the procurement file are delivered to FTB's Chief Financial Officer, who will sign the copies for FTB. When all four copies of the signed contracts are returned, the Procurement Analyst registers it into DGS' [eProcurement](#) system (SCPRS), and then distributes as follows:

#### **2.1. Distribution of Original Signature Payable IA Contracts with Cover Memos**

- 1 - Signed original, with a copy of the [STD. 215](#) in the procurement file
- 1 - Signed original contract mailed to other State agency
- 1 - Signed original, with a copy of the [STD. 215](#) mailed to DGS  
Department of General Services  
Data Entry Unit  
707 Third Street, Second Floor North  
West Sacramento, CA 95608
- 1 - Signed original, a copy of the [STD. 215](#) mailed to SCO  
State Controller's Office  
3301 C Street Room 407  
Sacramento, CA 95816

#### **2.2. Distribution of Contract Copies**

- 1 - Email a PDF contract copy to [FTB EDRW Update](#)
- 1 - Contract copy, with copy of [STD. 215](#) to Fiscal Accounting
- 1 - Contract copy, with copy of [STD. 215](#) to Budget
- 1 - Contract copy to original requestor

An IA that is over FTB's delegation amount of \$3 million requires DGS approval. The Procurement Analyst will need to send the four signed originals with the original [STD. 215](#) to DGS for approval with a cover memo and await DGS approval. DGS will send back three original copies (keeping one for their records) of the [STD. 213 IT](#), with an approval stamp and date. DGS will also

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### INTERAGENCY AGREEMENTS

keep the original [STD. 215](#) so a file copy should be kept before it is mailed to DGS. Upon receiving the contract back from DGS, the Procurement Analyst will follow the disbursement procedures noted above, with the exception of mailing a copy to DGS since DGS keeps a upon approval.

#### 3. Reimbursement IA

For any new request, a Procurement Request ([FTB 6278](#)), [IEV](#) is completed by the requestor and sent to the Procurement Supervisor for assignment.

Six months prior to the expiration of an existing contract that may need to be renewed, the Procurement Analyst will send a renewal letter with a copy of the prior IA to the contact of the FTB program area providing the service for the IA.

If the contract is going to be renewed, the program area will need to provide any updates/changes needed for the renewal, along with a completed [FTB 6278](#) and [IEV](#) form. The Procurement Analyst will verify the request for correctness and approvals: contact name, term and effective dates, scope of service, justification for service, approvals (supervisor/manager, division, bureau director, budget office, Allotment Coordinator), and CalStars/budget allotment codes.

Upon receiving the approval for the renewal, the Procurement Analyst will need to send an email with a copy of the prior IA, any requested changes for the renewal, and the new costing schedule to the other State agency. The other agency will prepare the contract and [STD. 213 IT](#). They will send the four contract copies to FTB for signature. Once the Procurement Analyst receives the new contract, the Procurement Analyst will need to send it to their Mentor or Supervisor for review, then to the lead of the DEART for review. If there is a need for any changes or additions to data exchange or security language, the DEART will work through the Procurement Analyst to relay the changes to the other State agency.

Once approval is received from DEART, the Procurement Analyst assigns an FTB contract number. For more details, refer to [Chapter 3](#), Contract Basics of this manual. The Procurement Analyst will also need to copy, revise, and sign a [STD. 215](#). The Procurement Analyst will use the [Internal Route Slip](#) to route the four [STD. 213 ITs](#) with the whole contract, [STD. 215](#), and the [FTB 6278](#), in a folder with a sign off cover sheet for internal procurement approvals. Include an extra copy of the new contract, stamped "FISCAL" for Fiscal Accounting and "BUDGETS" for Budgets.

The Procurement Analyst will then need to complete the [cover memo](#) shell located on the Y: Drive in the [Interagency Agreement Workload](#) folder and revise it accordingly. The cover memo and the four FTB signed copies of the [STD. 213 IT](#) with the rest of the contract are sent back to the other State agency for

## CHAPTER 27

### INTERAGENCY AGREEMENTS

signatures (a copy is kept in file). The Procurement Analyst will receive one completely signed original copy of the [STD. 213 IT](#) back from the other State agency. This original will be placed in the file and copies of the contract distributed as follows:

#### 3.1. Disbursement of Contract Copies

- 1– E-mail a PDF contract copy to [FTB EDRW Update](#)
- 1- Contract copy, with copy of [STD. 215](#) to Fiscal Accounting
- 1- Contract copy, with copy of [STD. 215](#) to Budget
- 1- Contract copy to the providing program area contact

#### 4. Zero-Dollar IA

For a zero-dollar IA, follow the same process as a payable or reimbursable IA, except for the following items:

- No [STD. 215](#) needed
- No review by Fiscal Accounting or Budget
- Only need two copies, one for FTB and one for the other State agency
- No copies are sent to DGS or SCO

The agency initiating the zero-dollar IA will sign first.

#### 5. Acknowledgment Letters

Under limited circumstances an Acknowledgement Letter may be used in lieu of an IA. The following criteria must be met in order to use an Acknowledgement Letter:

- The data exchange is one-way INTO FTB.
- The providing State agency refuses to enter into a formal IA with FTB.
- The providing State agency is not charging FTB for providing information.
- FTB is not providing any information to the external State agency.

Acknowledgement Letters are processed by the Data Resources and Services (DRS) unit and signed by FTB's Finance and Executive Services Division Chief.