State of California

Franchise Tax Board

Procurement Bureau

Non-IT
Business Acquisitions - Goods

Desk Manual

Revised 02/15/2013

NON-IT PROCUREMENT OF GOODS DESK MANUAL

Table of Contents

1. INTRODUCTION
2. GENERAL INFORMATION
3. CONTRACT BASICS
4. PROCUREMENT PROCESS FOR NON-IT GOODS
5. LEVERAGED PROCUREMENT AGREEMENTS (LPA)
6. COMPETITIVE BID PROCEDURES
7. NON-COMPETITIVE BID (NCB)
8. SB/DVBE POLICY AND PROCEDURES
9. CAL-CARD PROCEDURES
10. PRISON INDUSTRY AUTHORITY (CALPIA)
11. REPORTING REQUIREMENTS
12. PRE-APPROVAL REQUIREMENTS
13. DETERMINING FAIR AND REASONABLE PRICING
14. STATE CONTRACT AND PROCURMENT REGISTRATION SYSTEM (SCPRS)
15. PUBLICATIONS AND SUBSCRIPTIONS
16. PURCHASE ORDER PAYMENTS AND PENALTIES
17. SUPPLIER DISCOUNT
18. RECEIVING STOCK/FOLLOW-UP ON OPEN/PARTIAL PURCHASE ORDERS
19. PROCUREMENT CHECKLISTS AND DOCUMENTS
20. TRAINING
21. SIGNATURE AUTHORITY
22. FINANCING
23. MENTORSHIP PROGRAM
24. INTERAGENCY AGREEMENTS

CHAPTER 1

INTRODUCTION – NON-IT PROCUREMENTS OF GOODS

Table of Contents

1. Purpose of Manual 1
2. Authority to Contract 1

CHAPTER 1

INTRODUCTION – NON-IT PROCUREMENTS OF GOODS

1. Purpose of Manual

This manual provides procedures for the procurement activities performed within the FTB Procurement Bureau. The prevailing authority for Non-Information Technology (Non-IT) procurements of goods resides in the Public Contract Code and the State Contracting Manual Volume 2 (SCM Vol. 2). This manual is to be used in addition to these references. Updates to this manual will be accomplished as changes occur to the prevailing authority and additional references. At a minimum, updates will occur every two (2) years.

2. Authority to Contract

Statutory authority for purchasing Non-IT goods 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 Non-IT goods as itemized below.

Department of General Services
Procurement Division
Purchasing Authority Management Section

Purchasing Authority Approval

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

William Christian, Non-IT Purchasing Authority Contact **Yvonne Olson, IT Purchasing Authority Contact**	**Copies to:** Susan Borgman, Procurement and Contracting Officer Shari Thomas, Audits, State Controllers Office

Purchasing Authority No.
9G-0313-FTB-HQ1

Non-IT Goods and LPA Goods & Services Purchasing Authority	Maximum Amounts
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 Agrmnt Orders: Non-IT Goods	$500,000.00
Master Agrmnt 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.
9I-0313-FTB-HQ1

IT Goods & Services Purchasing Authority	Maximum Amounts
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	$1,500,000.00
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 DGS prior to award (SCM Vol. 2, Chapter 6, 6.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 their 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/PD/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

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Date

(Rev. 7/8/11)

CHAPTER 2

GENERAL INFORMATION

Table of Contents

1. Conflict of Interest....1
2. Prompt Payment Act....1
3. Environmentally Preferable Purchasing....2
4. Recycle....2
5. Maintaining Bidder Lists....3

CHAPTER 2

GENERAL INFORMATION

1. Conflict of Interest

FTB's adopted Conflict of Interest Code was approved by the Fair Political Practices Commission and 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 invoice upon initial receipt by FTB.
- Maintaining, in the purchase file, documentation of when goods and services are received.
- Paying properly submitted undisputed invoices in accordance with the purchase document.
- Submitting invoices to the 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 the invoice on the basis that it is incorrect or unsubstantiated (e.g., when a Purchase Order or contract is not in place) by informing the vendor. FTB's Fiscal Accounting Section will research/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. 2, Chapter 12, Reporting Requirements.)
- Prompt payment penalties are applicable even when the budget is not yet signed during the fiscal year (with the exception of non-profit corporations).

For more information regarding prompt payment penalties, see Chapter 16 of this Manual.

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's Buy Green webpage www.dgs.ca.gov/buyinggreen.

4. Recycled Products

FTB is committed to meet the goals for 11 Reportable Product Categories set forth by the State Agency Buy Recycled Campaign (SABRC), CalRecycle, and DGS.

The following requirements apply to all non-IT goods purchases:

- FTB will require all suppliers to certify the recycled content of the products being purchased;
- FTB will purchase products that contain recycled materials whenever feasible; and
- FTB will comply with recycled-content product (RCP) procurement mandates;

SCM Vol. 2, 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 in Outlook.

  To add this contact list:
  a) Go to your "Contacts" folder in Outlook.
  b) Click on "Open Shared Contacts..."
  c) Type "VendorContacts" in the dialogue box and click OK.
  d) 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.

- BidSync Supplier Search
- 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

CHAPTER 3

PURCHASING BASICS

Table of Contents

1. Purchase Requests (FTB 6278) 1
2. Purchase Request (6278) Analysis 1
3. Determine the Procurement Method 1
3.1 Sub-Purchase Orders 2
3.2 One-time Delegation Request for Formal Competitive or Request for DGS to Conduct Procurement 3
4. Select Supplier and Draft Language 3
5. Purchase Order and Solicitation Numbers 3
6. Completing the Purchase Order 3
6.1 Confidentiality Statement and Rules of Conduct for Contractors and Subcontractors 4
6.2 Payee Data Record (STD. 204) 4
6.3 Tax Compliance 4
6.4 Reseller's Permit 5
6.5 Purchase Orders 5
6.6 Unique Numbering 5
6.7 State Contract and Procurement Registration System (SCPRS) Tracking 5
6.8 Distributing the Purchase Order 6
6.9 Encumbrance Document 7
6.10 Contract Award Report (STD. 16) 8
7. Procurement File 8
7.1 Purchase Orders with a Term 9
7.2 Purchase Orders without a Term 9
8. Tracking 10
9. Prison Industry Authority (PIA) 10
9.1 Payment by CAL-Card 11
10. Community Rehabilitation Programs 11
11. DVBE Substitution and Reporting 11
12. Emergency Purchases 13
12.1 Definition 13
12.2 Types of Emergencies 13
12.3 Required Documentation 13
12.4 Emergency Purchases in Response to a Natural Disaster 13
12.5 Emergency Purchases Not in Response to a Natural Disaster 14

CHAPTER 3

PURCHASING BASICS

1. Purchase Requests (FTB 6278)

Procurement Bureau staff initiates procurement activities upon receipt of an approved Purchase Request (FTB 6278). This form is for requesting a purchase of goods, services, renewals of contracts, and amendments to current contracts and is completed by the requesting business area. The requester's Bureau Director and the Budget Allotment Coordinator must approve the request. Whenever confidential data (such as taxpayer information) is involved, the Departmental Exchange Agreement Review Team (DEART) must also approve the request.

2. Purchase Request (6278) Analysis

Upon receipt, the Procurement Bureau (PB) analyst reviews the 6278 to verify that it includes the following:

- FTB Contact Name
- Term/Effective Dates
- Description or Scope of Service
- Justification
- Signatures (Bureau Director, Budget Office, and Allotment Coordinator)
- Appropriate CalSTARS and Budget Allotment Codes
- A Recommended Supplier (optional)
- Additional Terms and Conditions (if needed)
- Backup Material (e.g., acceptance testing, financing, etc.) (if needed)

3. Determine the Procurement Method

SCM Vol. 2, Chapter 2, section B2.3, 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 non-IT goods, based on the estimated cost of the purchase. Consistent with SCM Vol. 2, 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.

Table 3.1
Procurement Methods

Procurement Method	Non-IT Goods: Dollar Thresholds	Desk Manual Reference Chapter
Sub-Purchase Orders (purchase not subject to DGS oversight and documentation requirements per Public Contract Code (PCC) section 10308)	$100.00	Chapter 3

Table 3.1
Procurement Methods

Procurement Method	Non-IT Goods: Dollar Thresholds	Desk Manual Reference Chapter
Fair and Reasonable (F&R)	Less than $5,000.00	Chapter 13
Informal Competitive	$100,000.00	Chapter 6
Formal Competitive	$100,000.00 to $750,000.00	Chapter 6
One-time Delegation Request for Formal Competitive or Request for DGS to Conduct Procurement	Over $750,000.00	Chapter 3
NCB Contract Approval by FTB and Agency	$25,000.00	Chapter 7
NCB Contract Approval by FTB, Agency and DGS	Over $25,000.00	Chapter 7
SB/DVBE Option per Government Code (GC) section 14838.5(a)	$5,000.01 to $249,999.99	Chapter 8
LPA Orders: CMAS	$100,000.00	Chapter 5
LPA Orders: Master Agreements, including WSCA, NASPO, etc. (unless otherwise noted in user instructions)	$500,000.00	Chapter 5
LPA Orders: Statewide Contracts	Unlimited	Chapter 5
LPA Orders: State Price Schedules	$100,000.00	Chapter 5
Prison Industry Authority (PIA)	Unlimited	Chapter 10
Community Rehabilitation Program Orders	Unlimited	Chapter 3

Once you have analyzed the request and determined the procurement method, contact the requester to discuss the contract process and timeframes. Conduct the solicitation in accordance with the instructions in the Desk Manual Chapter listed above.

3.1 Sub-Purchase Orders

Pursuant to PCC section 10308, FTB has authority to purchase Non-IT goods valued at $100.00 or less (also known as sub-purchase orders) without DGS PD oversight and documentation requirements. The procurement analyst shall issue sub-purchase orders following the procedures outlined in this manual with the exception that required documentation is limited to the 6278, STD. 65, STD. 204 and the Tax Compliance verification from the Taxpayer Advocate.

3.2 One-time Delegation Request for Formal Competitive or Request for DGS to Conduct Procurement

If the purchase exceeds FTB's delegation authority of $750,000 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 Non-IT Goods and submit it to DGS for approval.

If the purchase exceeds our 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 and an electronic copy in the Y:\557 Unit\1) Executed Agreements (PUBLIC)\Agreements\FY directory.

4. Select Supplier and Draft Language

Goods up to $4,999.99 may be purchased without competition and advertising and without obtaining approval of a non-competitive bid request.

For purchases ranging from $5,000 to $250,000, the SB/DVBE solicitation option is the preferred method.

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

The procurement analyst must work with the requester and the supplier to ensure the contract language contains the appropriate provisions. Route the contract package containing the General Provisions, Terms and Conditions, Riders, etc., for the necessary approvals. See the chapter associated with the selected procurement method for more detail and Chapter 6, section 8, General Provisions for information on the required language.

5. Purchase Order and Solicitation Numbers

Every purchase order 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. Solicitations are 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 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 documents. 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, if applicable. Send the FTB 7904 and FTB 7462 to the supplier. The supplier must complete the FTB 7904, have all personnel who will gain access to any FTB location or documents sign the back page, and return the signed FTB 7904 to the procurement analyst. The supplier retains the FTB 7462 for their information.

6.2 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 CMAS and MSA contracts. If necessary, send a copy of the STD. 204 to the supplier and have them complete it and return it to you. Make a copy for the procurement file, an electronic copy on the Y: drive and route the original to Fiscal Accounting. Mark on the appropriate checklist(s) that the STD. 204 is in file.

6.3 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 Liaison Unit's Procurement Entity Request form (also available on the PB Launcher) to obtain this verification for Corporations, and the hard copy form for Sole Proprietors.

For a corporation, provide the California Corporation's seven (7) digit ID number assigned by the Secretary of State. If the company is a Limited Liability Company, the twelve (12) digit ID should be provided. These numbers are requested during the solicitation process and can also be obtained from the Secretary of State web site.

After submitting the online form, including the supplier's Corporation number, FEIN, SEIN, and company address, the Procurement Analysts will receive an email confirmation from the Executive Liaison Unit. The Procurement Analyst will shall place a copy in the procurement file and in the Y: Drive Taxpayer Advocate (Current Month) folder. The tax status provided by the Executive Liaison Unit 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 attaché the signed authorization document from the

Sole Proprietor. The authorization document allows the 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.**

If the Executive Liaison cannot verify the supplier's tax status timely, you may verify the supplier's tax compliance status by entering the applicable information on the Secretary of State web site (http://kepler.sos.ca.gov/). The supplier's status must be "Active". If the supplier is not active or in good standing, business cannot be conducted with that supplier and another supplier must be used.

6.4 Reseller's Permit

The supplier must have a valid resale certificate before any purchases can be made. To validate resale certificates, complete the request form on the State Board of Equalization's website at: https://efile.boe.ca.gov/boewebservices/verification.jsp?action=SALES. Document the procurement file with a copy of the information received from the Board of Equalization showing the supplier is valid.

6.5 Purchase Orders

Enter the information into the PMS program to produce the STD. 65.

6.6 Unique Numbering

To facilitate tracking of individual purchases, avoid duplicate billings by DGS/PD, and coordinate supplier invoicing, FTB's contract number must be 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 purchase orders is:

- First character - P = purchase order; C = contract; L = library or subscription purchase; S = service agreement. Example: **P**1300016 is a purchase order
- Second and third characters - These characters represent the fiscal year in which the purchase was awarded. Example: P**13**00016 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: P13**00016** was the 16th purchase order awarded in FY 12/13.

6.7 State Contract and Procurement Registration System (SCPRS) Tracking

All FTB purchases are entered in the DGS' eProcurement system, which assigns a SCPRS number. Record the SCPRS number in the "Contract Registration Number" box at the top of the STD 65 in PMS. Refer to Chapter 14 of this manual for SCPRS requirements.

6.8 Distributing the Purchase Order

Prepare the completed package and submit for review to your supervisor or mentor for approval. After the STD. 65 is approved, complete distribution as shown in the following table:

Table 3.2
Distributing the Purchase Order

STEPS	RESPONSIBLE PARTY	TASKS
1.	Analyst	Send the order with all attachments to the vendor to begin the order process using one of the following methods: • Scan to pdf and email to vendor (preferred method); cc: Support Staff to minimize duplicative scanning; or • Fax Order with Fax Cover Page; or • Mail the original to the vendor. For any purchase order with a term date, update PMS to reflect the term date on the line item and create a file folder Retain a signed copy for the procurement file.
2.	Analyst	If faxed, retain a copy of the fax cover sheet; If emailed, print and retain a copy of the email in the procurement file If mailed, note "mailed" with the date on the STD 65.
3.	Analyst	Give STD. 65 and attachments (if applicable) to Support
4.	Support	Mail Voluntary Statistical Data Sheet Form to vendor
5.	Support	If the analyst faxed or mailed the STD. 65 to the vendor, scan and save the STD. 65 and attachments using the following steps: • Go to Y: • 557_Unit • Click on "Executed Agreements" • Click on "Agreements" folder • Click on applicable FY • Type Contract / Purchase Order #, Vendor Name, Object Code • (example: P1200005 Sybase 435 04.pdf) • Click Save If the analyst emailed the STD. 65, save the scanned copy the analyst emailed you to the Y: drive as shown above.

Table 3.2
Distributing the Purchase Order

STEPS	RESPONSIBLE PARTY	TASKS
6.	Support	From the Y: drive Scanned PO's folder, email the STD. 65 and attachments to the following mailboxes: • Fiscal Accounting – ACCTPAY • Departmental Resource Oversight (DRO) – Departmental Allotment Coordinators • Service and Supply – Augustin Calderon (or his replacement) • Requestor and any other staff listed on the Purchase Request • Eric Helm-Tillman / Marisa Lai
7.	Support	For purchase orders $100 and over, make one copy of the STD. 65 and place in the blue folder for DGS (located near SA3A-B16-10). This copy is used to send to DGS for an end of the month delegation report. If the amount is less than $100, no copy is necessary.
8.	Support	Stamp file copy of STD. 65 with a "File Copy" stamp; staple file together and file in Non-IT "OPEN" folders in PO number order.

6.9 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 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) A Non-IT purchase order 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 2012/2013 and 2013/2014. 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 in the first fiscal year.

CalSTARS	FY 2012/2013	FY 2013/2014	Total
9000-97900-473.99	$250,000.00	$250,000.00	$500,000.00

b) A Non-IT purchase order spans more than one CalSTARS allotment.

1. Example: The request is for equipment[1] and the related maintenance[2]. Each has a separate object code in CalSTARS and must be broken out in an encumbrance document.

CalSTARS	FY 2012/2013
9000-97900-473.99[1]	$500,000.00
9000-97900-227.99[2]	$100,000.00
TOTAL	**$600,000.00**

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

CalSTARS	FY 2012/2013
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
TOTAL	**$600,000.00**

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

CalSTARS	FY 2012/2013	FY 2013/2014	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
TOTAL	**$300,000**	**$300,000**	**$600,000.00**

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

CalSTARS	FY 2012/2013	FY 2013/2014	Total
ORIGINAL			
5557-97557-227.99	$50,000.00	$50,000.00	$100,000.00
TOTAL	$50,000.00	$50,000.00	$100,000.00
EMCUMBRANCE #1			
5557-97557-227.99	$50,000.00	$50,000.00	$100,000.00
2011/2012 RESERVE	($2,000.00)	$2,000.00	0
TOTAL	**$48,000.00**	**$52,000.00**	**$100,000.00**

6.10 Contract Award Report (STD. 16)

For any purchase over $5,000.00 (including amendments), PMS automatically generates a STD. 16. Print the STD. 16, manually complete the "term" and "type of contract" fields, sign the form, put a copy in the procurement file, and give the original to the Support staff. Support staff will electronically send completed form to:

complianceprograms@dfeh.ca.gov

The STD. 16 must be filed electronically 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

Purchase Orders with Term Dates

Procurement files for purchase orders with a term will be placed in green folders, with four sections as shown in Figure 3.1. You may ask support staff for assistance organizing the final file. The general organization of the file should be:

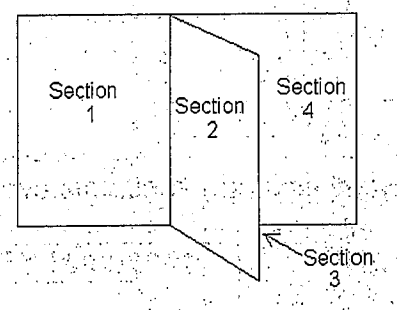


Figure 3.1

- **Section 1** - Action Record, File Documentation Checklist and Procurement Summary, with the Action Record on top. When filing an amendment, place the new Action Record and File Documentation Checklist on top of the originals.
- **Section 2** – File copy of Purchase Order and attachments, encumbrance document, any amendments or cancellations, and the Services Received document, with the most recent document on top.
- **Section 3** – FTB 6278, STD. 16, STD. 204, Reseller's Permit, FTB 7904, Tax Status verification, 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 (CSCR) Advertisement, Bidders' List, etc.)
    - Solicitation Documentation
    - General Correspondence
    - Bid responses for Successful and Unsuccessful Suppliers, including Small Business and DVBE Documentation
    - Evaluation Documentation (Summary and Score Sheets)
    - Amendment documentation (place the new documents in chronological order on top of the originals)

Give the completed file to Support staff. Support staff will label and shelve the file.

7.1 Purchase Orders without a Term

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

- Services Received document
- File copy of Purchase Order and attachments, encumbrance document, and any amendments or cancellations, with the most recent document on top.
- FTB 6278
- SCPRS confirmation
- File Documentation Checklist
- File the remaining documents in chronological order, with the most recent on top:
  - Action Record
  - Evaluation Documentation (Summary and Score Sheets)
  - STD. 16, STD. 204, Reseller's Permit, FTB 7904,Tax Status verification
  - 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, CSCR Advertisement, Bidders' List, etc.)
  - Ineligible Entity Checklist (FTB/BOE Top 500)

8. Tracking

For purchase orders with a term date, staff should enter the term expiration date in the "Expiration" field for the line item that applies. All contracts and purchase orders with a term date are tracked for renewal purposes. Once a contract term has expired, the file will be moved from the open files to the closed files.

The procurement analyst must enter summary information regarding all purchases or contracts over $5,000 in State Contract and Procurement Registration System (SCPRS) FTB Procurement enters all purchases or contracts into the SCPRS system.

Pursuant to Management Memo 03-09, SCPRS entries are to be completed timely to ensure that the information is placed on the Governor's Transparency website, in accordance with the Governor's Executive Order. It is FTB's policy that all purchases are entered in SCPRS.

9. Prison Industry Authority (PIA)

Pursuant to Penal Code section 2807, FTB must consider if PIA can fulfill our order prior to purchasing an item from commercial suppliers. PIA offerings include the following:

Table 3.3 PIA Product Offerings	
PIA Product Categories	**Product Examples**
Institutional products	Bedding, cleaning products, flags, signs, etc.
Office furniture and miscellaneous products	Binders, computer furniture, chairs, tables, office systems furniture, etc.
Residential life	Dressers, wardrobe, desks, etc.
Printing, metal signs and decals	Forms, brochures, license plates, stickers, etc.
Food products	Milk, meat products, coffee, etc.

For more information about the PIA procurement process, how to obtain waivers, and special instructions regarding the purchase of chairs and chair repair, see Chapter 10 of this manual.

9.1 Payment by CAL-Card

For PIA purchases less than $5,000.00 where we use the CAL-Card as the payment method, follow the requirements as identified in SCM Vol. 2, Chapter 9, Topic 6.

All PIA purchases valued at $5,000.00 and over that are paid using the CAL-Card payment process must be executed on the STD. 65.

10. 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. Additional information can be located in SCM Vol. 2, Chapter 2.

11. SB and DVBE Reporting and DVBE Substitution

State law requires that vendors must:

- Report actual SB/DVBE utilization at the end of the contract. Per Section 55 of the General Provisions, within 60 days of receiving final payment, or as otherwise specified in the contract, the contractor must certify in a report to the awarding department:

  (1) the total amount the prime Contractor received under the Contract;
  (2) the name and address of the SB/DVBE(s) that participated in the performance of the Contract;
  (3) the amount each SB/DVBE received from the prime Contractor;
  (4) that all payments under the Contract have been made to the SB/DVBE;

and
(5) the actual percentage of SB/DVBE participation that was achieved.

The law provides for penalties for any person or entity that knowingly provides false information.

- Request DGS Office of Small Business and DVBE Services (OSDS) approval prior to replacing a DVBE subcontractor using the form and instructions at the following link: http://www.documents.dgs.ca.gov/pd/dvbe/DVBE%20Substitution%20Form%20and%20Instructions.xls

Additionally, SCM Vol. 2, Chapter 3, sections 3.4.4 through 3.4.7, requires the following language be included in **all** solicitations and purchase documents with the exception of acquisitions made using F&R pricing[1]. 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.

[1] The General Provisions and SCM Vol. 2 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.

12. Emergency Purchases

12.1 Definition

An emergency as defined by PCC section 1102 is "a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services."

12.2 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.

12.3 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.

12.4 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:

Table 3.4
Emergency Purchases in Response to a Natural Disaster

If the purchase activity	Then the procurement analyst will proceed with the purchase
Is within FTB's $25,000 purchasing authority for Non-Competitively Bid (NCB) contracts	• Document the circumstance of the emergency purchase. • Issue the purchase document, identifying the Purchase Authority (PA) number in the PA number box on the purchase document. • Record the transaction in DGS' eProcurement System • Report the transaction on the NCB contract quarterly report.
Exceeds FTB's $25,000 purchasing authority for NCB contracts	• Document the circumstance of the emergency purchase. • Issue the purchase document, leaving the PA number box on the purchase document blank.

12.5 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.

Table 3.5
Emergency Purchases Not in Response to a Natural Disaster

If the purchase activity	Then the procurement analyst will proceed with the purchase
Is within FTB's $25,000 purchasing authority for Non-Competitively Bid (NCB) contracts	• Document the circumstance of the emergency purchase. • Issue the purchase document, identifying the PA number in the PA number box identified on purchase document. • Record the transaction in DGS' eProcurement System • Report the transaction on the FTB's NCB contract quarterly report.
Exceeds FTB's $25,000 purchasing authority for NCB contracts	• Contact DGS/PD immediately or within the next business day to provide the circumstance of the emergency: • Non-IT goods contact: Acquisitions and Contract Section (ACS) (916) 375-4471 • DGS/PD contact reviews the circumstance and if approved, assigns the transaction an Authorization to Exceed Monetary Limits (Form 42) number. • Document the circumstance of the purchase. • Record the Form 42 number in the PA number box on the purchase document prior to issuing the purchase document.

CHAPTER 4

PROCUREMENT PROCESS FOR NON-IT GOODS

Table of Contents

1. Procurement Request (FTB 6278) 1
2. Purchasing Authority Purchase Order (STD. 65) 1
3. Purchase Estimate (STD. 66) 1
4. Contract Award Report (STD. 16) 1
5. PO Distribution 2
6. Checklists 2
7. Signature Authority 2
8. Official Procurement File 2
9. Amendment 3
10. Location and Access to Files 3

CHAPTER 4

PROCUREMENT PROCESS FOR NON-IT GOODS

1. Procurement Request (FTB 6278)

All requests for purchases of non-IT goods must be submitted on FTB Form 6278. The requestor completes the form and obtains the following approvals prior to submission to Procurement Bureau:

- Requesting area's supervisor,
- Section Manager,
- Bureau Director (verifying that purchase is "vital and mission critical"), and
- the Department Allotment Coordinator (Department Oversight and Financial Performance Section – DRO)

When the Procurement Bureau-Business Acquisitions Unit receives a request for purchase of goods, the supervisor assigns the request to a procurement analyst, and procurement support staff enters the request in the Purchasing Management System (PMS). PMS generates a sequential Document Locator Number (DLN). The assigned analyst records the assignment in the Analyst Workload Database. Support staff emails a confirmation notice to the requestor and the Department Allotment Coordinator, informing them that the request has been assigned to a procurement analyst. The confirmation also includes the date received and a general description of the items on the request. See the non-IT goods Flowchart.

2. Purchasing Authority Purchase Order (STD. 65)

The Purchasing Authority Purchase Order (PO) is used for the majority of non-IT goods. This form may also be used when services are incidental to the purchase of goods, such as installation. However, the goods must be the larger part of the procurement. If services make up the majority of the purchase, then the Standard Agreement (STD. 213) is used, following the process outlined in Chapter 25-Non-IT Services.

3. Purchase Estimate (STD. 66)

The Purchase Estimate form, STD. 66, is used to request that DGS conduct purchases that exceed FTB's delegated purchasing authority. Submit the STD. 66 form directly to the One-Time Acquisitions Unit following the Electronic Purchase Estimate Submittal Process provided on DGS' One-Time Acquisitions webpage. In addition to the STD. 66 a Mission Critical Statement must be sent to DGS.

4. Contract Award Report (STD. 16)

Once the PO or Std. 213 agreement is issued, the analyst completes the Contract Award Report for any purchase in excess of $5,000. For Std. 65 Purchase agreements, a Std. 16 Contract Award Report is system generated. The Analyst signs the document, makes a copy for the procurement file and gives the original to the procurement support staff. The support staff will send the report to the Department of Fair Employment and Housing, electronically to complianceprograms@dfeh.ca.gov within 10 days of contract award.

5. PO Distribution

See Chapter 3, Section 6.8, of this manual for distribution instructions.

6. Checklists

Checklists are provided for each procurement method (see Chapter 19 of this manual) as a tool for procurement analysts to use as a guide during the procurement process and to perform a final quality check of their documents before submitting them for review.

7. 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).

8. Official Procurement File

Procurement files should be consistently organized. Follow the procedures outlined in Chapter 3, Section 7 for file organization. Non-IT Goods file documentation must include the following:

- Services Received Document (added after goods are received)
- Purchase Order (STD. 65)
- FTB 6278
- SCPRS Confirmation
- Checklist for Applicable Procurement Method
- Action Record
- Evaluation Documentation (Summary and Score Sheets)
- Contract Award Report (STD. 16) for transactions over $5,000
- Payee Data Record (STD. 204) – black out the SSN if vendor is sole proprietor
- Advocate's Office verification of tax compliance
- Seller's Permit or validation from BOE web site
- Bid responses for Successful and Unsuccessful Suppliers, including the following, if applicable:
  - Small Business and DVBE Documentation (Bidder Declaration, Commercially Useful Function (CUF))
  - SB / DVBE Suspended and/or Debarred List
  - Post Consumer-Content Certification (CIWMB 74)
  - FTB Top 500 Delinquent Taxpayer List
  - BOE Top 500 Sales and Use Tax Delinquent List
  - Iran Contracting Act
  - Darfur Contracting Act

- Target Area Contract Preference Act (TACPA) - STD. 830
- Enterprise Zone Act (EZA) - STD. 831
- Local Agency Military Base Recovery Preference Request (LAMBRA) -STD. 832
- California Regulatory Notice Register

- 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 CSCR Advertisement, Bidders' List, etc.)
- Ineligible Entities Checklist

9. Amendment

A purchase order may be modified by an amendment. It should contain the same degree of specificity for changes that the original agreement contained for the same item. (SCM Vol. 2, Chapter 8, Topic 6.)

Add amendment details to the procurement summary already in the original procurement file, and add the amended Std. 65 on top of the original purchase document.

10. Location and Access to Files

Non-IT goods procurement files are located on shelves between **SA3A-B06-B14**. For official auditing purposes a hard copy of the purchase documentation is located in these files. An electronic copy of the selected documents is also stored in the unit's shared Y: Drive.

CHAPTER 5

LEVERAGED PROCUREMENT AGREEMENTS (LPAs)

Table of Contents

1. California Multiple Award Schedule (CMAS) 1
2. Statewide Contracts (SC) 3
3. State Price Schedule (SPS) 5
4. Master Agreement (MA) 6
5. Western States Contracting Alliance (WSCA) 8

CHAPTER 5

LEVERAGED PROCUREMENT AGREEMENTS (LPAs)

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 stored in the procurement file, or placed in a labeled binder and filed alphabetically in the designated and documented area (SA3A-B12-10 drawer) in Procurements file area.

1. 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 $100,000 for non-IT Goods, and $250,000 for Non-IT 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 policy, if the purchase is expected to be under the $250,000 threshold for the SB/DVBE Option and there are SBs or DVBEs available, then the SB or DVBE option must be used (see Chapter 8 of this manual). If not, then the procurement analyst must obtain a waiver from the SB/DVBE advocate prior to placing a purchase order under CMAS (GC section 14846(b)). The analyst will process the CMAS order following the procedures below.

Table 5.1
CMAS Agreement Procedures

Steps	Activity	Responsibility/Contact
1.	Complete a Procurement Request (FTB 6278) and obtain appropriate management approval/signature.	Requestor
2.	Determine what product(s) are needed.	Requestor
3.	Obtain internal approvals through the Bureau Director level, and submit the 6278 to the Department Allotment Coordinator (DRO) for funding approval.	Requestor
4.	Deliver the completed 6278 form to the Procurement Bureau	DRO

Table 5.1
CMAS Agreement Procedures

Steps	Activity	Responsibility/Contact
5.	Prepare a Request for Offer (RFO) using FTB's RFO Template. An RFO is the solicitation document used when conducting a CMAS procurement. The RFO needs to be sent to a minimum of three suppliers for procurements between the amounts of $5,000 to $250,000, including at least one small business and/or DVBE (if available). For transactions up to $4,999.99, multiple offers are not necessary if fair and reasonable pricing has been established and documented.	Procurement Analyst
6.	Review and approve the RFO before it is released to the bidders.	• $100,000 (goods) or $250,000 Services Mentor and Manager • Over $250,000 - PCO
7.	Issue RFO, receive and review responses, select the apparent winning bidder. 1. 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. 2. Only RFO responses received by the due date and time specified are accepted and considered. 3. 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 are received, cancel the solicitation and start over.	Procurement Analyst
8.	Request a complete copy of the CMAS Contract from the apparent winning bidder. Verify that the bidder 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. DGS strongly encourages department to negotiate prices lower than the CMAS rates (SCM Vol. 2, 6.B1.1).	Procurement Analyst

Table 5.1
CMAS Agreement Procedures

Steps	Activity	Responsibility/Contact
9.	Evaluate the RFO.	Procurement Analyst and technical contact (if applicable)
10.	Select the winning bidder based upon the evaluation criteria identified in the RFO solicitation and process and sign the STD. 65 Purchase Order, and complete all required file documentation. Complete the LPA file documentation checklist. The file documentation must include the location where the entire CMAS contract for this procurement is located (designated and documented area (SA3A-B12-10 drawer) Copies of the CMAS contract's cover page and all applicable pricing pages with the ordered items/services must be stored in the procurement file.	Procurement Analyst
11.	Provide purchase order, along with all your documentation, to your lead/mentor to review.	Procurement Analyst
12.	Review and approve the purchase order before it is released to the supplier.	Lead or Mentor
13.	Complete the distribution and filing of the procurement documentation consistent with Table 3.5 in Chapter 3 of this manual.	Procurement Analyst and Support Staff

2. 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 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.

Table 5.2
Statewide Contracts (SC) Procedures

Steps	Activity	Responsibility/Contact
1.	Complete a Procurement Request, (FTB 6278) and obtain appropriate management approval/signature.	Requestor
2.	Determine what product(s) are needed.	Requestor
3.	Obtain internal approvals through the Bureau Director level, and submit the 6278 to the Department Allotment Coordinator (DRO) for funding approval.	Requestor
4.	Deliver the completed 6278 form to the Procurement Bureau	DRO
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 State Contracts Index Listing. 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 DGS SC coordinator. 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,	Procurement Analyst
8.	Process and sign the STD. 65 Purchase Order, and complete all required file documentation. Complete the LPA file documentation checklist. The file documentation must include the location where the entire CMAS contract for this procurement is located (designated and documented area (SA3A-B12-10 drawer) Copies of the CMAS contract's cover page and all applicable pricing pages with the ordered items/services must be stored in the procurement file	Procurement Analyst

Table 5.2 Statewide Contracts (SC) Procedures		
Steps	**Activity**	**Responsibility/Contact**
9.	Provide purchase order along with all your documentation to your lead or mentor to review.	Procurement Analyst
10.	Review and approve the purchase order before it is released to the supplier.	Lead or Mentor
11.	Complete the distribution and filing of the procurement documentation consistent with Table 3.5 in Chapter 3 of this manual.	Procurement Analyst and Support Staff

3. State Price Schedule (SPS)

State Price Schedules are non-competitively bid agreements for 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 contracts are not mandatory.

FTB is authorized to purchase is $25,000 on SPS orders 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 this SPS, you must apply all the required approval and documentation requirements as applicable to an IT acquisition. The SPS requires that you solicit and obtain 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, departments 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 you must follow. For more information, see State Contracts Index Listing.

Table 5.3 State Price Schedule (SPS) Procedures		
Step	**Activity**	**Responsibility/ Contact**
1.	Complete a Procurement Request, (FTB 6278) and obtain appropriate management approval/signature.	Requestor
2.	Determine what product(s) are needed.	Requestor
3.	Obtain internal approvals through the Bureau Director level, and submit the 6278 to DRO for funding approval.	Requestor
4.	Deliver the completed 6278 form to the	DRO

Table 5.3
State Price Schedule (SPS) Procedures

Step	Activity	Responsibility/ Contact
	Procurement Bureau	
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 State Contracts Index Listing. Verify that the contract is valid by checking the expiration date and confirming that the products, services, and prices are included.	Procurement Analyst
7.	Process and sign the STD. 65 Purchase Order, and complete all required file documentation. Complete the LPA file documentation worksheet. The file documentation must include the location where the entire CMAS contract for this procurement is located (designated and documented area (SA3A-B12-10 drawer) Copies of the CMAS contract's cover page and all applicable pricing pages with the ordered items/services must be stored in the procurement file.	Procurement Analyst
8.	Provide purchase order along with all your documentation to your lead or mentor to review.	Procurement Analyst
9.	Review and approve the purchase order before it is released to the supplier.	Mentor
10.	Complete the distribution and filing of the procurement documentation consistent with Table 3.5 in Chapter 3 of this manual.	Procurement Analyst and Support Staff

4. 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 $500,000 for non-IT goods and services on MA orders per FTB's purchasing authority approval (see Chapter 1 of this manual). MA contracts are not mandatory.

You 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 you to canvas 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.

Table 5.4
Master Agreements (MA) Procedures

Steps	Activity	Responsibility/ Contact
1.	Complete a Procurement Request, (FTB 6278) and obtain appropriate management approval/signature.	Requestor
2.	Determine what product(s) are needed.	Requestor
3.	Obtain internal approvals through the Bureau Director level, and submit the 6278 to DRO for funding approval.	Requestor
4.	Deliver the completed 6278 form to the Procurement Bureau	DRO
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 State Contracts Index Listing. Verify that the contract is valid by checking the expiration date and confirming that the products, services, and prices are included.	Procurement Analyst
7.	Prepare an RFO using FTB's RFO Template, 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.	Verify that the costs provide are no more than those listed on the MA contract which are the maximum charges allowed, and negotiate lower	Procurement Analyst

Table 5.4 Master Agreements (MA) Procedures		
Steps	**Activity**	**Responsibility/ Contact**
	prices if possible.	
14.	Process and sign the STD. 65 Purchase Order, and complete all required file documentation. Complete the LPA file documentation worksheet. The file documentation must include the location where the entire CMAS contract for this procurement is located (designated and documented area (SA3A-B12-10 drawer) Copies of the CMAS contract's cover page and all applicable pricing pages with the ordered items/services must be stored in the procurement file.	Procurement Analyst
15.	Provide contract, along with all your documentation to your lead or mentor to review.	Procurement Analyst
16.	Review and approve the purchase order before it is released to the supplier.	Lead or Mentor
17.	Review and approve the purchase order before it is released to the supplier.	Lead or Mentor
18.	Complete the distribution and filing of the procurement documentation consistent with Table 3.5 in Chapter 3 of this manual.	Procurement Analyst and Support Staff

5. 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. WSCA contracts are not mandatory.

When executing orders using the WSCA program, you are not required to obtain three offers or document best value, but are encouraged to conduct price comparisons among WSCA suppliers if available.

Table 5.5 Western States Contracting Alliance (WSCA) Procedures		
Steps	**Activity**	**Responsibility/ Contact**
1.	Complete a Procurement Request, (FTB 6278) and obtain appropriate management approval/signature.	Requestor

Table 5.5
Western States Contracting Alliance (WSCA) Procedures

Steps	Activity	Responsibility/ Contact
2.	Determine what product(s) are needed.	Requestor
3.	Obtain internal approvals through the Bureau Director level, and submit the 6278 to DRO for funding approval.	Requestor
4.	Deliver the completed 6278 form to the Procurement Bureau	DRO
5.	Determine what WSCA contract will be used (if any).	Procurement Analyst
6.	If the WSCA will be used, obtain a complete copy of the WSCA from the State Contracts Index Listing. Verify that the contract is valid by checking the expiration date and confirming that the products, services, and prices are included. For large orders, DGS encourages departments to negotiate discounts (SCM 2, 6.F3.2).	Procurement Analyst
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 maximum charges allowed. Negotiate prices lower the WSCA rates if possible.	Procurement Analyst
8.	Process and sign the STD. 65 Purchase Order, and complete all required file documentation. Complete the LPA file documentation checklist.	Procurement Analyst
9.	Provide contract, along with all your documentation to your lead or mentor to review.	Procurement Analyst
10.	Review and approve the purchase order before it is released to the supplier.	Lead or Mentor
11.	Complete the distribution and filing of the procurement documentation consistent with Table 3.5 in Chapter 3 of this manual.	Procurement Analyst and Support Staff

CHAPTER 6

COMPETITIVE BID PROCEDURES

Table of Contents

1. Introduction 1
2. Delegated Procurement Authority Thresholds 1
3. Confidentiality 1
4. Establishing and Maintaining Bidder Lists 2
4.1 Know the Supplier Pool 2
4.2 Considering SB/DVBE 2
4.3 Request for Interest (RFI) 2
4.4 Limit to Brand or Trade Name (LTB) (Form GSPD-08-001) 3
5. Advertising 3
5.1 How to Place a BidSync Advertisement 4
6. Solicitation Formats 5
6.1 Informal Solicitations 5
6.1.1 Phone Quotes 5
6.1.1.1 Documenting the Results 5
6.1.1.2 Contract Award 5
6.1.2 Request for Quotation (RFQ) 5
6.1.2.1 Required Language 6
6.1.2.2 Distribution Method 6
6.1.2.3 Supplier Signatures 6
6.1.2.4 Documenting the Results 6
6.1.2.5 Intent to Award 7
6.1.2.6 Contract Award 7
6.1.2.7 Competitive – Informal – Acquisition Reference Guide 8
6.2 Formal Solicitations 8
6.2.1 Invitation for Bid (IFB) 8
6.2.1.1 Required Language 8
6.2.1.2 Distribution Method 9
6.2.1.3 Supplier Signatures 9
6.2.1.4 Documenting the Results 9
6.2.1.5 Contract Award 9
6.2.1.6 Competitive – Formal – Acquisition Reference Guide 10
7. Bidder Instructions 10
8. General Provisions 10
9. Small Business and Disabled Veteran Business Enterprises Programs 10
10. Notice to Bidders, Evaluation Documentation and Disclosure 11
11. Competitive Bid - Evaluators and Approvers 12
12. Notice to Bidders, Selection Documentation and Disclosure 12
13. Protest 13

CHAPTER 6

COMPETITIVE BID PROCEDURES

1. Introduction

This chapter describes the requirements to conduct competitive solicitations under FTB's approved purchasing authority for Non-IT goods. This chapter only addresses those solicitation methods for competitive bids for goods and does not include achieving best value through the use of LPA purchasing authority or Non-IT service competitive solicitations.

2. Delegated Procurement Authority Thresholds

Competitive procurements conducted under purchasing authority for Non-IT goods 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. For formal solicitations, once bids are opened and evaluated and an intent to award is released, all documentation (unless deemed proprietary) becomes public record available to anyone that requests a review of the procurement file. Refer to the Public Records Act, GC section 6250 et seq., for exceptions from disclosure. For informal solicitations, the bidders are notified informally (email, phone call) of the bid results, and there is no other information to provide.

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. FTB's Disclosure Office is responsible for the administration of Public Record Act requests, and bidders should be referred to the following FTB website which provides the details about how to make such a request: http://www.ftb.ca.gov/aboutFTB/Public_Records_Act/index.shtml

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 confidentiality and conflict of interest certifications.

For State staff the procurement analyst will prepare the Conflict of Interest/Confidentiality certification by identifying the potential firms involved in the procurement and listing them on the Conflict of Interest form located on the Y:\557 drive. Once the form is prepared, the analyst will have all participants sign and return the form for retention in the procurement file.

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 available to bidder lists.

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 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 establishes the bidder list for procurement analysts to use when distributing a solicitation. Procurement analysts must keep track of the suppliers who respond and when ready, mail the solicitation to them. 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, and DO NOT ask for any cost information because 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 section 10301, 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 our needs.

- If the competitive solicitation is valued at $25,000 or less, FTB may conduct the solicitation without DGS' approval and must use the LTB Statement (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 notify FTB whether it approves or denies the LTB Statement. 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 2, Chapter 4, Section C, Topic 3 for more information. Retain DGS's response in the procurement file.

5. Advertising

A solicitation requiring advertisement must be published in BidSync (eProcurement). BidSync was established to maximize competition through advertising State purchasing and contracting opportunities. FTB must advertise solicitations in 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 at less than $250,000, provided we have obtained responsive bids from at least two responsible bidders.

Advertising Requirements		
If the purchase is classified as	**And the dollar threshold is valued at**	**Then advertising is**
Non-IT goods	Under $5,000 (not considered competitive; see Chapter 13)	Not Required
Non-IT goods	$5,000 - $50,000	Not Required, but recommended
Non-IT goods	In excess of $50,000	Required
Non-IT goods – SB/DVBE Option	$5,000.01 - $249,999.99	Not Required

CHAPTER 6

COMPETITIVE BID PROCEDURES

FTB shall not release solicitations prior to publication in DGS' eProcurement. FTB must release solicitations after or simultaneously with the contract advertisement publication. If the procurement analyst attaches the solicitation document to the contract advertisement, then the solicitation is being released simultaneously at the time the contract advertisement is posted.

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), 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", the BidSync URL should appear (https://www.bidsync.com)
- Click on the "Add" button
- Click on the "Close" button
- Click on the "OK" button, and begin creating your solicitation in BidSync

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-1213-001.

CHAPTER 6

COMPETITIVE BID PROCEDURES

6. Solicitation Formats

Solicitations are 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 FTB's Procurement Bureau's shared Y:Drive, Tools and Templates folders. SCM Vol. 2, 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 solicitations for $100,000 or less. Informal solicitations valued at $50,000 or less may be conducted using a Phone Quote or Request for Quotations (RFQ), depending on the degree of specific language needed.

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 procurement analyst can evaluate quotes fairly. The "Phone Quote" sample script is available at: Y Drive / Tools and Templates/Bus Acq/. The script must include referring bidders to the PD 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 requirements.

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 $100,000. The 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:

- Identifying Bidder Instructions and applicable General Provisions for the solicitation.
- Identifying requirements to fax bid responses.
- Including language addressing the socioeconomic and environmental programs as applicable (SB, DVBE, TACPA/EZA/LAMBRA, Recycle, etc.)
- Small Business and Non-Small Business Preference
- Payee Data Record - STD. 204
- Bidder's Declaration – GSPD-05-105
- Darfur Contracting Act
- Commercially Useful Function Documentation
- Postconsumer Recycled-Content Certification – CIWMB 74
- FTB Special Provisions, such as Conflict of Interest, Confidentiality of Data and Background Check, Fingerprinting and Tax Compliance of Contractor Personnel.

See SCM 2, Chapter 4, Section B, Topic 3 and the Elements of a Competitive Solicitation for Non-IT Goods document on the DGS website for more information to determine applicability of these items.

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 and/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 bidder. "Faxed" signatures are acceptable.

6.1.2.4 Documenting the Results

The procurement analyst must document quotes received by using one of the Bid/Quote Bid/Quote Worksheet from the Y: drive. The Worksheet must be retained in the procurement file.

6.1.2.5 Intent to Award

The following process must be followed when issuing Intents to Award for RFQs and IFBs.

Step	Activity	Responsibility
1	After selecting a bidder for possible contract award under an RFQ/IFB, the procurement analyst will post a Notice of Intent to Award on eProcurement, if requested in writing by any of the bidders. (PCC section 10345)	Procurement Analyst
2	If the lowest bidder is not awarded the contract, the bidder must be notified five working days prior to contract award. The notice should also include the reason why the lowest bidder is not being awarded the contract. For solicitations valued more than $50,000, documentation explaining why FTB recommends rejecting the lower bid and forward to DGS/PD for concurrence prior to the award. For solicitations under $50,000, document the file.	Procurement Analyst
3	If FTB is awarding to the lowest responsible bidder, and no requests have been made to publicly post a Notice of Intent to Award, FTB may award the contract without delay.	Procurement Analyst
4	The contract cannot be awarded for five working days (starting the day after posting the Notice of Intent) during which FTB must allow all bidders access to all the bid information including all responses and score sheets used in the evaluation. (PCC section 10345)	Procurement Analyst

6.1.2.6 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 points are applied. If the award is protested, refer to section 13 of this chapter.

6.1.2.7 Competitive – Informal – Acquisition Reference Guide

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**
Goods	$4,999.99 or Less (use fair and reasonable method)	Oral, Fax, or Written	Bid Quote Worksheet & Script	Request for Pricing	1. Mentor 2. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver
Goods	$5,000.00-$100,000.00	Oral, Fax, or Written, Advertising recom-mended for over $50,000	Bid Quote Worksheet & Script	Request for Quote (RFQ)	1. Mentor 2. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver

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 $100,000. A Formal Solicitation is conducted using the Invitation for Bid (IFB) format.

6.2.1 Invitation for Bid (IFB)

The IFB is a written procurement method used to solicit bid responses for Non-IT goods exceeding $100,000.

6.2.1.1 Required Language

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

- Identifying Bidder Instructions and applicable General Provisions for the solicitation.
- Identifying requirements to fax bid responses.
- Including 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
- Darfur Contracting Act

- Commercially Useful Function Documentation
- Postconsumer Recycled-Content Certification – CIWMB 74
- FTB Special Provisions, such as Conflict of Interest, Confidentiality of Data and Background Check, Fingerprinting and Tax Compliance of Contractor Personnel.

See SCM Vol. 2, Chapter 4, section 4.B2, and the Elements of a Competitive Solicitation for non-IT Goods document on the DGS website for more information to determine applicability of these items.

6.2.1.2 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.

6.2.1.3 Supplier Signatures
Supplier quote and/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 bidder. "Faxed" signatures are acceptable.

6.2.1.4 Documenting the Results
The procurement analyst must document responses received by using the Bid/Quote Worksheet from the Y: drive. This worksheet must be retained in the procurement file.

The evaluation and selection may be documented using the Procurement Summary Form from the Y: drive. 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
- Date solicitation released
- Addenda to the IFB
- Questions & Answers
- Pre-bid Info/Conference
- Bid Opening

6.2.1.5 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 points are applied. If the award is protested, refer to section 13 of this chapter.

6.2.1.6 Competitive – Formal – Acquisition Reference Guide

Competitive – Formal – Acquisition Reference Guide				
Classification	**Formal Dollar Levels**	**Select Applicable Method**	**The common document used is:**	**PO/Contract Approvals**
Goods	$100,000.01 or Greater	Written Must Advertise	IFB	1. Manager 2. $500,001 and over must be approved by PCO 3. Purchases $250,000 or less, SB/DVBE Advocate if requesting SB/DVBE First Policy waiver

7. Bidder Instructions

The State's Bidder Instructions (GSPD-451), available on the DGS website, must be included or incorporated by reference in all competitive solicitations (written or verbal) for Non-IT goods. The Bidder Instructions describe to potential bidders how to provide a responsive bid. FTB may supplement the Bidder Instructions with additional provisions tailored to a specific solicitation. No changes may be made to the Bidder Instructions without prior approval of DGS/PD.

8. General Provisions

The State's General Provisions (GSPD-401 Non-IT Commodities), available on the DGS website, must be used or incorporated by referenced in all competitive solicitations (written or verbal) and purchase documents for Non-IT goods. FTB may supplement the General Provisions with additional provisions tailored to a specific solicitation. Unless otherwise specified, no changes may be made to the General Provisions without prior approval of DGS/PD.

9. Small Business and Disabled Veteran Business Enterprises Programs

For more information about these programs, see Chapter 8 of this manual.

10. Notice to Bidders, Evaluation Documentation and Disclosure

Notice to Bidders, Evaluation Documentation and Disclosure of Bids and Procurement Documents		
	$100,000 or less	**Over $100,000**
Notice to Bidders after Bids Have Been Evaluated	Courtesy 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.	Notice of Intent to Award
Evaluation Documentation	Bid Quote Worksheet or Evaluation and Selection Report	Evaluation and Selection Report
Disclosure of Bids and Related Procurement Documents	After the order is issued, the following documents may be provided to bidders upon request: • Bid/Quote Worksheet • Evaluation and Selection Report	After the Notice of Intent to Award is issued, the approved Evaluation and Selection Report may be provided to bidders upon request. After the Notice of Intent to Award is issued, bidders can have access to the proposals; however, access to these documents should only be provided onsite with a procurement staff member present. If the bidder wants a copy of the proposals, etc., they may make their own copies with their own equipment onsite, or submit a request through FTB's Disclosure Office. (See http://www.ftb.ca.gov/aboutFTB/Public_Records_Act/index.shtml.) After contract award, copies of documentation must be requested through the Public Records Act (PRA). PRA requests are handled by FTB's Disclosure Office.

Competitive Bid - Evaluators and Approvers

Competitive Bid - Evaluators and Approvers of Evaluation Documentation			
	$100,000 or less	Over $100,000 to $750,000	Over $750K (with approved one-time delegation)
Evaluators	• Procurement Analyst(s) • Technical Evaluators, if applicable.	• 2 Procurement Analysts • Technical Evaluators, if applicable.	• 2 Procurement Analysts • Technical Evaluators, If applicable
Reviewers	Mentor	Manager	PCO
Approvers	• Mentor • SB/DVBE Advocate if under $250,000 and requesting SB/DVBE First Policy waiver a DVBE participation/ incentive waiver as applicable.	• Manager • Purchases $250,000 or less, SB/DVBE Advocate participation/ incentive waiver as applicable.	• PCO • SB/DVBE Advocate if requesting DVBE participation/ incentive waiver as applicable.

11. Notice to Bidders, Selection Documentation and Disclosure

Notice to Bidders, Selection Documentation and Disclosure	
Notice to Bidders after Offers Have Been Reviewed	Courtesy notice or e-mail notice may be sent to bidders. This notice will list 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.
Selection Documentation	Best Value Determination Worksheet or Comparison of Offers Report
Disclosure of Bids and Related Procurement Documents	After the order is issued, you may provide the following documents to bidders upon request: • Best Value Determination Worksheet • Comparison of Offers Report • Competing Supplier's Offer • PRA requests for copies of the documentation should be handled through FTB's Disclosure Office. (See http://www.ftb.ca.gov/aboutFTB/Public_Records_Act/index.shtml.)

12. Protest

All protests received are handled through DGS PD, Dispute Resolution. The disposition of protests cannot be delegated to departments. The solicitation document must inform all bidders of the protest procedures including the protest deadline (SCM Vol. 2, Chapter 7).

A protest must be filed with FTB and DGS after Notice of Intent to Award the contract, but before the actual award. If a valid protest is filed, DGS will work with the Victims Compensation and Government Claims Board (VCGCB) who will render the decision on the protest.

Any bidder who has submitted a bid may file a protest with the department against the awarding of the contract or purchase order on the grounds that he or she is the lowest responsible bidder meeting specifications. If a valid protest is filed, the contract award must be delayed. If the protest is received by FTB, FTB will send the protest to DGS Dispute Resolution immediately. If the protest is received by DGS, DGS will so notify FTB. The contract may not be awarded unless the protestant has withdrawn the protest or until VCGCB has rendered a decision.

A protest is not valid under the following circumstances:

- The protestant was not a bidder.
- The protestant has not alleged that it was the lowest responsible bidder.
- The protest was not received by the deadline in the solicitation.
- FTB rejects all bids or proposals, based on the interests of the State.

CHAPTER 7

NON-COMPETITIVE BID (NCB)

Table of Contents

1. Introduction 1
2. NCB Procedures 1
   Table 7.1 2

CHAPTER 7

NON-COMPETITIVE BID (NCB)

1. Introduction

The State is committed to a poloicy of competitive procurement and contracting that promotes and provides for open and fair 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 Non-IT NCBs, refer to SCM Vol. 2, 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 goods over $25,000 also require approval by the DGS Director.

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

Follow the procedures in Table 7.1 to process an NCB.

Table 7.1
NCB Procedures For Non-IT Goods

Steps	Activity	Responsibility/Contact
1.	Complete a Procurement Request (FTB 6278) and indicate whether the product(s) can only be obtained from a sole source.	Requestor
2.	Obtain appropriate management approval/signature through the Bureau Director level.	Requestor
3.	Submit the 6278 to the Department Allotment Coordinator (DRO) for funding approval.	Requestor
4.	Deliver the completed 6278 form to the Procurement Bureau	DRO
5.	Review form 6278 and conduct research to verify if no known competition exists and the product(s) can only be obtained through an NCB. Obtain pricing from vendor.	Procurement Analyst
6.	Prepare NCB Contract Justification. 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,	Procurement Analyst

Table 7.1
NCB Procedures For Non-IT Goods

Steps	Activity	Responsibility/Contact
	market research and justification of the cost reasonableness. For Special Category NCB, prepare NCB Special Category NCB Justification	
7.	Prepare a folder to obtain approvals of the NCB exemption, which includes the memo to Agency (step 8) and the NCB Contract Justification (step 6).	Procurement Analyst
8.	Prepare a memo from the PCO to the Agency Secretary of the State and Consumer Services Agency. The memo explains what is requested, in non-technical language, provides justification for using the NCB method, the consequences of not having the good, and the reasonableness of price and/or a cost analysis.	Procurement Analyst
9.	Obtain approval and/or signature for the memorandum to Agency and the NCB Contract Justification, from your supervisor, manager, the PCO, and FTB's Executive Officer.	Procurement Analyst
10.	Send the signed memorandum and the NCB Contract Justification 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 NCB Justification and a signed copy of the Agency memorandum approving the NCB request to DGS, Procurement Division. For NCB Procurement under $25,000, DGS/PD approval is not required.	DGS PD
12.	Once approval is received from DGS for procurements over $25,000 and under $750,000, prepare the STD. 65 purchase order and send it to the supplier.	Procurement Analyst
13.	For purchases over $750,000, FTB's delegated purchasing authority, and after DGS approves the NCB, prepare a Purchase Estimate (STD. 66) with the pertinent contract language and review it with the requestor for accuracy. Complete STD. 66, which contains FTB's procurement analyst's name, the	Procurement Analyst

Table 7.1
NCB Procedures For Non-IT Goods

Steps	Activity	Responsibility/Contact
	supplier's name, address, and FEIN, the products ordered, and allotment and budget codes. Route the STD. 66 to the following for approval and/or signatures: • Supervisor; • Manager in Procurement Bureau; and • Fiscal Accounting. And • Send the approved Purchase Estimate (STD. 66) with contract language to DGS/PD. DGS will prepare the Purchase Order (STD. 65) and send it to the supplier and will provide a copy to FTB.	

CHAPTER 8

SB/DVBE POLICY AND PROCEDURES

Table of Contents

1. SB/DVBE First Policy 1
2. SB/DVBE Option 1
3. SB/DVBE Certified Lists 2
4. Using SB/MB and/or DVBE in Competitive Bids 2
5. Small Business Preference and Waiver 3
5.1. SB Preference 3
6. DVBE Participation and Incentive Requirements 3
6.1. Incentive Application 4
6.2. Incentive Amount 4
6.3. DVBE Waiver 5
6.3.1. DVBE Program Requirements and/or Incentive Waiver 5
7. Exemption from Waiver 5
8. Reporting 6
9. SB/DVBE Advocate Responsibilities 6

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, MB and/or DVBE whenever feasible. If the following requirements are not met, the procurement analyst must obtain a First Policy Under 250K Waiver (see sections 5.2 and 6.3 below for waiver procedures). 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, MBs and DVBEs. The criteria described in SCM Vol. 2, Chapter 4, Section C, Topic 2, must be met in order to establish F&R costing.
- Orders under $100 (sub-purchase orders) – must be awarded to an SB and/or DVBE vendor unless there are no SB and/or DVBE vendors available.
- 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 Service 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 can be found on the DGS website.

A waiver is required for every purchase order 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 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) section14835 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 Quotation (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 certified SB or a DVBE, as long as the agency obtains price quotations from two or more certified SBs or from two or more DVBEs.

Competitive – SB/DVBE Option – Acquisition Reference Guide

Reference Government Code section 14838.5 on this type of solicitation for documentation.

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
Goods	$5,000.01 - $249,999.99	Oral, Fax, or Written No Advertising	Script and Bid Quote Worksheet	RFQ	1. Mentor/ Supervisor 2. SB/DVBE Advocate if requesting waiver

Internal SB/DVBE First Policy Waiver – 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 First Policy Under $250K Waiver from the SB/DVBE Advocate.

3. SB/DVBE Certified Lists

The Office of Small Business and DVBE Services (OSDS) at DGS maintains the certified lists for SBs and DVBEs. Access the Office of Small Business and DVBE Services web page 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 purchase and contract awards executed to a certified SB/DVBE, document the SB/DVBE certification number and retain the certification information printed from the OSDS web page 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-SB that commit to subcontract at least 25% of their bid amount with certified SBs (other than for Leveraged Procurement Agreements such as CMAS, MA or WSCA orders) receive a 5% preference in computing prices for award to the lowest bidder when the selection is based upon cost alone.

5. Small Business Preference and Waiver

5.1. SB 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 for consideration for award of 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/MB and a firm that is both SB/MB and DVBE, the award shall be made to the firm that is both SB/MB 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 analyst's responsibility to evaluate potential DVBE participation on a case-by-case basis, as each procurement is unique. In some situations, analysts 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 authoristy 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.

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 only 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:
  - The 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 a 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 Waiver

6.3.1. 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).

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 Advocates 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 "under $250K" waiver and are not reported on the STD. 810 contracting activity report. This exemption is applicable to SBs and DVBEs.

- Interagency Agreements
- Federal Government/State Government
- Prison Industry Authority
- Joint Powers Agreements
- California State University
- University of California (or respective campuses)
- Concession Contracts
- Revenue/Reimbursement Contracts
- City and County Contracts
- Public Transit
- School or Special District (local agencies)
- Loans
- Local Assistance/Subvention Agreements
- Court-Ordered Settlements or Cost

- 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 Good and Services

8. Reporting

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

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
- 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 education 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 Conferences when needed to inform FTB staff and vendors on the mandated goals of 25% for SB and 3% for DVBE.
- Network with SB/DVBE suppliers and educate 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 databases 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

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 the department's CAL-Card 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 /tax-funded agencies and can be used to acquire goods and services.

Detailed procedures are maintained in FTB's CAL-Card Procedures Manual.

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

CALIFORNIA PRISON INDUSTRY AUTHORITY (CALPIA)

Table of Contents

Overview 1
Surplus Furniture 1
Exemption/Waiver 2
Additional Information 3
Ordering Procedures 3
Chairs 5
1.1 PIA Chairs 5
1.2 PIA Chair Repair Procedures 5
2. Non-PIA Chairs 6
2.1 Non-PIA Chair Repair Procedures 6
Sample Exemption Request 8
Sample Exemption Request Response 9

CHAPTER 10

CALIFORNIA PRISON INDUSTRY AUTHORITY (CALPIA)

The Prison Industry Authority (PIA) was created in 1982 as a semiautonomous State agency to operate California's prison industries in a manner similar to private industry. The California Prison Industry Authority (CALPIA) is an inmate work program that provides productive job opportunities for inmates in California correctional institutions.

CALPIA produces a variety of goods and services including flags, coffee, shoes, printing services, signs, binders, eye wear, gloves, office furniture, license plates, clothing, cell equipment, and much more.

Pursuant to Penal Code (PC) section 2807, FTB must first consider if PIA can fulfill our need prior to purchasing an item from commercial suppliers. If not, a waiver must be obtained (see below).

The procurement analyst should refer to subdivisions (a) and (b) of PC section 2807 when procuring commodities and/or services from PIA. In part, subdivision (a) provides that, "The authority is hereby authorized and empowered to operate industrial, agricultural, and service enterprises which will provide products and services needed by the state" and subdivision (b) provides "All things authorized to be produced under subdivision (a) shall be purchased by the state."

PIA offerings include the following:

PIA Product Categories	Product Examples
Institutional products	Bedding, cleaning products, flags, signs, etc.
Office furniture and miscellaneous products	Binders, computer furniture, chairs, tables, office systems furniture, etc.
Residential life	Dressers, wardrobe, desks, etc.
Printing, metal signs and decals	Forms, brochures, license plates, stickers, etc.
Food products	Milk, meat products, coffee, etc.

FTB currently has DGS/PD approved delegated purchasing authority to purchase from PIA.

Surplus Furniture

Prior to issuing a purchase order to PIA, FTB shall utilize surplus furnishings whenever feasible and shall contact the DGS Surplus Property Program to determine if surplus property is available. The Property Reuse Program allows you to search for surplus property.

See below for FTB's policy about purchasing chairs.

CHAPTER 10

CALIFORNIA PRISON INDUSTRY AUTHORITY (CALPIA)

Once the procurement analyst has determined that FTB's needs cannot be met with surplus property, the analyst may proceed with purchasing from PIA. The online Catalog provides pricing for the products provided through CALPIA.

Exemption/Waiver
When FTB's functional needs cannot be met either through surplus property or PIA's offerings, an exemption/waiver may be requested from PIA. FTB must first evaluate PIA products prior to requesting a PIA exemption/waiver based upon a reasonable accommodation or medical waiver. FTB may be granted a PIA exemption/waiver to procure goods from other sources when sufficiently justified.

A purchase made in response to a request for reasonable accommodation does not preclude procurement analysts from adhering to state procurement laws, regulations, executive orders, and policies. However, when conducting a procurement to fulfill a reasonable accommodation request, procurement analysts must be mindful of the need to **expedite** the purchase, regardless of the procurement approach used. If a PIA product is available that will meet the reasonable accommodation need, and can be supplied by the date needed, the item must be purchased through PIA.

Once it has been determined that neither PIA nor surplus property can meet our functional needs, the procurement analyst must prepare and submit a CALPIA Exemption Request. The form may be found at the CALPIA website home page (see the sample form at the end of this chapter).

The steps to obtain an exemption/waiver are as follows:

1. Complete the CALPIA Exemption Request Form
2. Obtain Procurement and Contracting Officer (PCO) signature
3. Submit the completed waiver request to PIA using one of the following methods:
   - **Fax**: (Preferred Method) (916) 322-1184, Attn: Sales Branch
   - **Email**: to SalesInfo@calpia.ca.gov
4. An Exemption Request Approval number will be faxed back to you.
5. Once you receive the exemption approval number, you may proceed with procuring from another vendor/supplier. Retain the exemption approval number and the approved waiver document in the procurement file. Record exemption approval number on the STD. 65.
6. If the exemption request is denied, PIA will issue a denial memo and the procurement analyst must proceed with ordering the product through PIA or provide additional information to obtain approval.

CHAPTER 10

CALIFORNIA PRISON INDUSTRY AUTHORITY (CALPIA)

When ordering from PIA, the following procurement requirements do not apply:

- Price quotes
- SB/DVBE requirements
- Bidder Declaration (GSPD-05-105)
- Payee Data Record (STD. 204)Secretary of State/Taxpayer Advocate Status
- Board of Equalization Seller's Permit
- Darfur/Iran Contracting Act
- Top Five-Hundred (Ineligible Entities Checklist)

Additional Information

Color Requirements: FTB's Facilities Management Bureau has established color requirements for specific items, such as chairs. Before processing the Request for Purchasing, the procurement analyst should check with Facilities staff for approval of the requested color. Facilities staff should also be contacted prior to ordering files, shelving, and furniture for both the central office and the field offices.

Chairs: FTB's surplus supply must first be used to requisition chairs (unless the request is for a reasonable accommodation or there are no surplus chairs that meet the needs of the requester; see below for more information).

File Cabinets: Before ordering any sort of file cabinets, the Request for Purchase must be approved by FTB's Records Management Coordinator. Although PIA does not require this approval, all State agencies must comply with this procedure as stated in SAM section 1600 regarding records management.

Ordering Procedures

FTB must use the Purchasing Authority Purchase Order (STD. 65) to execute PIA purchases.

The Std.65 should be completed as follows:

- **Contract Registration Number**: After P.O. is complete enter the SCPRS number in this box.
- **Supplier:** Prison Industry Authority
- **Ship Address**: As shown on FTB 6278
- **Date (order date):** Enter the date STD. 65 is completed
- **Purchasing Authority Number**: Enter current non-IT delegation number (e.g., 9G-0312-FTB-HQ1 for Non-IT commodities (referred to as Delegation in PMS)
- **Leveraged Procurement Agreement No.:** Enter "PIA"
- **Payment Terms:** Net 45 days

CALIFORNIA PRISON INDUSTRY AUTHORITY (CALPIA)

- **Agency or Buyer Information:** Enter your name and contact information
- **Required Delivery Date**: Call PIA for availability or one month from order date
- **Shipping Instructions**: Enter the appropriate shipping address
- **Terms and Conditions:** Check box B and reference "PIA T&C"
- **Procurement Method:** Exempt
- **P.O. Description**: Office Furniture or Office Supplies
- **Comments:** Enter requestor's name, phone, mailstop, or "See Distribution List" after the line item descriptions.
    - If ordering for multiple requestors, create a distribution list with employee name, FTB coordinates and chair description. Email the FTB California Warehouse Manager a copy of the list.
- **Product Description:**
    - Provide the CALPIA catalog item number, quantity, description, unit price, and extended dollar amount.
    - Any special instructions regarding installation and/or delivery
        - CALPIA unit pricing includes delivery within California, strictly to dockside locations, excluding major projects. Enter after the line item descriptions. If items are being shipped to FTB District Offices, "Set-In-Place Charges" may apply.
- **Sales Tax**: Do not include sales, use or federal excise taxes, as they do not apply

Refer to the CALPIA Terms and Conditions for additional information on the following:

- Warranty policy
- Delivery
- Set-in-place delivery and assembly charges
- Prior notification
- Changes and cancellations
- Shipment damages/shortages
- Return policy

After the purchase order is completed:

- Print purchase order.
- Sign your name at bottom of STD. 65 under authorizing signature.
- Fax the purchase order to PIA or submit **On Line**: www.calpia.ca.gov
- Complete the checklist found in the MiscLauncher in the Checklist subdirectory, or click on PIA Checklist and access "PIA File Doc3.pdf ".

CHAPTER 10

CALIFORNIA PRISON INDUSTRY AUTHORITY (CALPIA)

PIA Contact information:

Prison Industry Authority
560 East Natoma Street
Folsom, CA 95630-2200

Customer Service: (916) 358-2733
Sales Branch: (916) 323-2419
E-mail: info@pia.ca.gov

Chairs

FTB's chairs fall under two categories:

- Prison Industry Authority (PIA) (used for the purchase of all chairs, unless the chair model is not carried by PIA (including reasonable accommodation and out-of-state district offices.)
- Non-PIA (used for the purchase of chairs based on reasonable accommodation)

1. PIA Chairs

Except for the purchase of chair models based on reasonable accommodation and out-of-state district offices, PC section 2807(b) requires state agencies to purchase all chairs from PIA and the standard fabric for Central Office is "Crimson colored Fabric." FTB's Health and Safety Unit has sample PIA chairs available so that employees can try a chair before one is purchased for them.

1.1 PIA Chair Repair Procedures

The chair repair procedures depend on the age of the chair and the item that is broken. The age of the chair can be determined by the purchase date or the PO number found on the underside of the seat. The procedures are as follows:

Age of Chair	Broken Part	User Repair Procedures
0-5 years	All parts under warranty	Provide the purchase date, PO # (if available), and the type of chair for warranty repairs. To help identify the type of chair, refer to PIA's website [Furnishings>Seating>Ergonomic Chairs], or contact Health and Safety (ext 5154)
Older than 5 years	Cylinder (controls the chair height) or any part that creates an immediate hazard	Contact Health and Safety (ext 5154)

Older than 5 years	Armrest	Central Office - FTB 7533 to see if Service and Supply can replace the armrests. If the armrests cannot be replaced, these chairs should be used as side chairs if possible. Field Offices - Utilize these chairs as side chairs
Central Office – Users should complete FTB 7533 to have Service and Supply dispose of any unwanted chairs.		

2. Non-PIA Chairs

It is permissible to purchase a non-PIA chair for employees with medical conditions that require additional accommodations. In addition, we are not required by FTB policy to use surplus chairs in these situations. Employees, in most cases, must provide a medical note from their doctor specifically stating what medical accommodations are needed. The employee may have to go through the formal Equal Employment Opportunity (EEO) process.

2.1 Non-PIA Chair Repair Procedures:

Most of the Non-PIA chairs at **Central Office** are manufactured by Reimers (RFM). The Reimers chairs are identified by the tag on the bottom of the seat pan. See label below for a sample label:

Name of the distributor: Such as, Office Depot, CA Office Furniture, Burkett's, etc.
Phone Number:
Order Number:
PO Number:
PO Date:

Coding will follow, for example:
4894-B 12-17 ARMS 33-SLDR 100MM
25-SEAT 60-LUMB

UPH: CROSS CHECK VERMILLION

Reimers Chair Repair Procedures

Age of Chair	Broken Part	User Repair Procedures
1-15 years	All parts under warranty	Contact Health and Safety (ext 5154) for repairs
Lifetime	Cylinder (controls the chair height)	Contact Health and Safety (ext 5154) for repairs
16 years and older	All parts except the cylinder	FTB 7533 to have Service and Supply dispose of the chair

CHAPTER 10

CALIFORNIA PRISON INDUSTRY AUTHORITY (CALPIA)

SAMPLE EXEMPTION REQUEST

For CALPIA Use only

CALIFORNIA PRISON INDUSTRY AUTHORITY (CALPIA) EXEMPTION REQUEST

Use this request form to request a purchase exemption for CALPIA products and/or services. This form does not apply to California Department of Corrections (CDCR) facilities or Modular Systems Furniture orders.
CALPIA exemption letters must be maintained in the department's purchasing file as proof of exemption approval.

To expedite your request, please provide all information below.

Department:	Approval required by either a Procurement and Contracting Officer (PCO) or Designee:
Franchise Tax Board Procurement Section	Susan Borgman

Department Contact Information

Contact Name:	Street Address:
Jennifer Shaw	9646 Butterfield Way Sacramento, CA 95827 MS A-374
Telephone: (916) 845-5896	
Fax: (916) 843-0178	Mailing Address: PO Box 2086 Rancho Cordova, CA 95741-2086
E-Mail : Jennifer.Shaw@ftb.ca.gov	

Vendor Information

Vendor Name:
TBA

Vendor Address:
TBA

Purchase Order Total	Purchase Order Number	Quantity for Each Line Item Requested	Requested Delivery Date
$2,000.00	TBA	2	30 days

Provide a description of the items requested in this exemption request including all goods and/or services the contractor will provide:
(Attach additional information if necessary (i.e., catalog photocopy)

RFM Carmel Medium Back Chair #8214-08A-B-25-77-100-33

Justification for Exemption Request: (To expedite your request, please provide a detailed explanation of the reason for your request.)

FTB's Health and Safety Unit has determined that the employee is in need of Thoracic Support. Additionally, the H&S unit is requesting to purchase an additional RFM Carmel Medium Back Chair in an effort to accommodate additional employee's needs in the event that a chair breaks, this will prevent work stoppages.

Required Approvals

Procurement and Contracting Officer (PCO) or designee:	California Prison Industry Authority Sales Manager or Designee: ☐ Approved ☐ Denied
Michel R Brown 1/2/2013 MMB Signature/Date	Signature/Date

Remit Completed form to: California Prison Industry Authority
Sales Branch
520 I Street
Sacramento, CA 95814
Fax (916) 322-1184

PRINT

CALIFORNIA PRISON INDUSTRY AUTHORITY (CALPIA)

SAMPLE EXEMPTION REQUEST RESPONSE

State of California
Department of Corrections and Rehabilitation

Date: January 09, 2013

To: Franchise Tax Board
Procurement Section
Attn: Jennifer Shaw
9646 Butterfield Way, MS A-374
Sacramento, CA 95827

From: Prison Industry Authority · 560 East Natoma Street · Folsom, California 95630-2200

Subject: **EXEMPTION REQUEST NUMBER 45341**

Your request to purchase product(s) from a source other than the California Prison Industry Authority (CALPIA) for the following item has been approved:

Purchase Order Number	Commodity	Total Dollar Amount	Reason
Pending	(2) Carmel Series High Back Chair	$2,000.00	NON-PIA

CALPIA is working to improve customer satisfaction and produce quality products to serve our customers better. We would be very interested to know why the alternate product was chosen. Please send your response to Lee.Dorey@calpia.ca.gov.

Thank you for purchasing CALPIA products!

Sincerely,

LEE DOREY
Assistant General Manager

CHAPTER 11

REPORTING REQUIREMENTS

The Procurement Bureau, in coordination with other areas of FTB, is required to complete and submit the reports outlined in SCM Vol. 2, Chapter 12.

SCM Vol. 2, 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.

Report Title	Report Due Date	Report Submitted To	Report Purpose
Contract Award Report STD. 16	Within 10 days of contract award	Office of Compliance Department of Fair Employment and Housing (electronically) complianceprograms@dfeh.ca.gov	Statistical reporting on contract activity
Report of Independent Contractors DE 542	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 www.edd.ca.gov
Purchasing Authority Transaction Reporting	10th day of the month following the reporting period	Department of General Services Procurement Division Data Capture Unit - Second Floor North P.O. Box 989052 West Sacramento, CA 95798-9052	For collection of DGS administrative fee and purchasing authority compliance http://dgs.ca.gov/ofs/Resources/Pricebook.aspx
Non-Competitively Bid Contract Quarterly Report	1st Qtr. - October 10th 2nd Qtr. – January 10th 3rd Qtr. – April 10th 4th Qtr. – July 10th	DGS/Procurement Division Purchasing Authority Management Section, Second Floor South Attn: NCB Contract Quarterly Reporting P.O. Box 989052 West Sacramento, CA 95798-9052	Review, tracking, and compliance of NCB transactions

CHAPTER 11

REPORTING REQUIREMENTS

Report Title	Report Due Date	Report Submitted To	Report Purpose
Contracting Activity Report (STD. 810) for SB/MB/DVBE reporting STD 810A Infrastructure Bond Activity STD 810C Consulting Services Contract Report STD 810S SB/DVBE Option and DVBE Incentive Report	August 1st for prior fiscal year period.	DGS/Procurement Division Small Business and DVBE Services Branch, First Floor, Room 400 Attn: STD. 810 Report Coordinator P.O. Box 989052 West Sacramento, CA 95798-9052	Mid-year statistical report on SB, MB & DVBE business participation
Ethnicity/Race/ Gender and Minority/ Women/DVBE Reporting (810E)	August 1st for prior fiscal year period.	DGS/Procurement Division Small Business and DVBE Services Branch, First Floor, Room 400 Attn: STD. 810 Report Coordinator P.O. Box 989052 West Sacramento, CA 95798-9052	Statistical report on 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
Consulting Services Contract Report	August 1st. for prior fiscal year period.	DGS/Procurement Division Small Business and DVBE Services Branch, First Floor, Room 400 Attn: Report Coordinator P.O. Box 989052 West Sacramento, CA 95798-9052	Identification of consulting services contracted for previous fiscal year

CHAPTER 11

REPORTING REQUIREMENTS

Report Title	Report Due Date	Report Submitted To	Report Purpose
Late Payment Penalties Paid During Prior Fiscal Year	September 30th for prior fiscal year period.	DGS/Procurement Division Prompt Payment Program, Second Floor South P.O. Box 989052 West Sacramento, CA 95798-9052	Reporting on late payment penalties paid in preceding fiscal year
State Agency Recycled Campaign Procurement Report	October 31st for prior fiscal year period.	Complete electronically using CalRecycle's SABRC Annual Reporting (SAR) system. To access, click on SAR (system requires a secure Webpass account). [New SABRC Coordinators should contact CalRecycle's SABRC team at: SABRC@CalRecycle.ca.gov]	Reporting on purchasing activities and dollars spent, in 11-reportable categories for post-consumer recycled content products www.CalRecycle.ca.gov/BuyRecycled/StateAgency/Manual/Tools/ProductTable.pdf

CHAPTER 12

PRE-PROCUREMENT REVIEWS AND APPROVALS

Table of Contents

DGS Office of Fleet and Asset Management (OFAM) 1
Moblie Equipment Purchases and Repairs 2
Where to Submit Vehicle Acquisition Packages 3
Surplus Property Program 3
Electronic Surplus Property System 3
Prison Industry Authority (PIA) 3
Office of State Publishing (OSP) 3
Community-Based Rehabilitation Programs (CRP) 4
California Alliance of habilitation Industries (CARI) 4
Real Estate Services Division (RESD) 4
Department of Conservation (DOC) 4

CHAPTER 12

PRE-PROCUREMENT REVIEWS AND APPROVALS

There are certain categories of purchases that require review and approval before FTB can proceed with a purchasing activity. This chapter 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 follows.

DGS Office of Fleet and Asset Management (OFAM)

In accordance with GC section 13332.09, FTB may not procure mobile equipment without first securing approval from OFAM. OFAM approvals must be documented in the procurement file. Prior to conducting any procurement activities related to mobile equipment, you must consult with FTB's Fleet Coordinator to ensure all adequate approvals are in place.

Mobile equipment is defined in the OFAM State Fleet Handbook as:

> Used for passenger and equipment transportation, construction or maintenance work, and is self powered or easily moved (trailer or skid mounted). This includes sedans, station wagons, suburbans, carryalls, light utility pick-ups, vans under ¾ ton, jeeps, trucks, boats, and trailers.

The following motor vehicles and general use mobile equipment are subject to OFAM approval:

Mobile Equipment Type	Description	Pre-Approval Requirements
Motor vehicle	A vehicle that is self-propelled and registered by the Department of Motor Vehicles (DMV) for street use.	Approval required by OFAM
General use mobile equipment	• Self-propelled mobile equipment • Self-propelled mobile equipment registered by the DMV for off-road use • Vessels registered by DMV for use on water • Vessels documented by the U.S. Coast Guard	Approval required by OFAM

Surplus mobile equipment	Motor vehicles or general use mobile equipment that was previously owned or operated by any entity.	Approval required by OFAM

FTB is not required to obtain OFAM's approval on the following fleet-type assets regardless of being registered by the DMV or not:

Description	Pre-Approval Requirements
Golf cart, mower, generator, mobile home and/or office, forklift, pallet jack, personnel hoist, trailer	Approval not required by OFAM
Agriculture or construction equipment pulled by a vehicle.	Approval not required by OFAM
Other fleet-related equipment as determined by OFA.	Approval not required by OFAM

Mobile Equipment Purchases and Repairs

When purchasing mobile equipment, FTB must submit the following to OFAM for approval prior to contract execution:

Description	Pre-Approval Requirements
State Fleet Annual Acquisition Plan	Approval required by OFAM
Purchasing Authority Request (STD. 65) or Purchase Estimate (STD. 66)	Approval required by OFAM
An approved Property Survey Report (STD. 152)	Approval required by OFAM
Passenger Vehicle Usage Report (STD. 276A)	Approval required by OFAM
Mobile equipment repairs/modified	Approval required by OFAM

NOTE: Tires and batteries for mobile equipment must be purchased using the State's leveraged procurement agreements whenever possible.

CHAPTER 12

PRE-PROCUREMENT REVIEWS AND APPROVALS

Where to Submit Vehicle Acquisition Packages

Office of Fleet Administration
Attention: Statewide Equipment Coordinator
1700 National Drive
Sacramento, CA 95834

Surplus Property Program

FTB shall use surplus furnishings whenever feasible and shall contact the DGS Surplus Property Program to determine if surplus property is available.

DGS Surplus Property Program
1700 National Drive
Sacramento, CA 94834
Phone: (916) 928-4630
Fax: (916) 928-0304

Electronic Surplus Property System

DGS has an automated business management system to allow online web-based submission and approval of the following documentation:

- Property Survey Reports (STD. 152)
- Transfer of Location of Equipment Reports (STD. 158) and
- A real time listing of current property that is available at the National Drive warehouse.

Prison Industry Authority (PIA)

Pursuant to PC section 2807, FTB must first consider if PIA can fulfill our needs prior to purchasing an item from commercial suppliers. For information about PIA products, how to procure, and request an exemption, refer to Chapter 10 of this manual. If a waiver was obtained from PIA, enter the PIA Exemption Approval number in the comment section on the STD. 65.

Office of State Publishing (OSP)

Contracts awarded by State agencies for printing work are personal services within the meaning of GC §19130. State agencies must comply with GC §19130 in contracting out for printing services. Prior to contracting out for printing services, departments must contact the DGS Office of State Publishing (DGS/OSP) to determine if DGS/OSP can perform the work. Any contract for printing services must b supported by a written exemption from DGS/OSP. For additional information, see Management Memo 07-06 including Attachments (referencing a court ruling finding GC section 14612.5 to be unconstitutional).

DGS/PD strongly encourages departments to utilize OSP to the greatest extent possible.

Community-based Rehabilitation Programs (CRP)
DGS/PD encourages departments with purchasing authority to consider purchasing products and services from rehabilitative or sheltered workshops 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.

California Alliance of Rehabilitation Industries (CARI)
CARI is available to assist departments and provides a statewide network of Community Rehabilitation Programs to assist state department in meeting their needs. Contact CARI at (916) 441-5844 for additional information.

Real Estate Services Division (RESD)
The DGS/RESD (see the RESD webpage) has the statutory authority for the acquisition of real property. Prior to acquiring space, property and/or facility design services, FTB must contact RESD.

Department of Conservation (DOC)
PCC section 10295.5 prohibits FTB from purchasing sand, gravel, aggregates or other minerals produced from a surface mining operation subject to the Surface Mining and Reclamation Act of 1975, unless the Department of Conservation (DOC) has determined that the surface mining operation is eligible to sell materials to the State.

If FTB does not purchase sand, gravel, aggregates or other minerals from DOC's listing of approved mining operations, then we must obtain both a retailer's certification of the supplier's identification and the DOC's listing of approved mines in effect at the time of the award.

Document the procurement file that the items acquired came from an acceptable source.

CHAPTER 13

DETERMINING FAIR AND REASONABLE PRICING

Table of Contents

Determing Fair and Reasonable Pricing 1
1.1 Request For Pricing. 1
1.2 Compare Indentical Situations 2
1.3 Completing Std. 65 3

CHAPTER 13

DETERMINING FAIR AND REASONABLE PRICING

Competition is always the preferred method of acquisition. However, departments may acquire non-IT goods valued less than $5,000.00 if Fair and Reasonable (F&R) pricing can be established without receiving alternate quotes. Examples of Fair and Reasonable 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, procurement analysts shall obtain at least two price quotations from responsible suppliers whenever there is reason to believe a response from a single source is not an F&R price.

1.1 Request for Pricing

FTB's Request for Pricing document is used to obtain pricing for purchases $100.01 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 that FTB uses the State's General Provisions on transactions valued less than $5,000.00. If FTB elects not to include and/or reference the General Provisions in the solicitation, then we are required to obtain written confirmation, prior to award, that the supplier will abide by the following required contract provisions:

- American with Disabilities Act (ADA)
- Non-discrimination and Statement of Compliance
- Drug-Free Workplace Certification
- Forced, Convict & Indentured Labor
- National Labor Relations Board Certification
- Darfur Certification
- Sweat Free Workshop
- Expatriate Corporations - PCC section 10286

CHAPTER 13

DETERMINING FAIR AND REASONABLE PRICING

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.

Technique	Description
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.
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% increased 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.

1.2 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.

1.3 Completing STD. 65

The 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
- **Supplier:**
- **Ship Address:** As shown on FTB 6278 (California Warehouse, or as specified in the request)
- **Date (order date):** Enter the date STD. 65 is completed
- **Required Delivery Date**: 2 weeks from date of issue or date requested
- **Shipping Instructions**:
- **Agency or Buyer Information:** Select your name and contact information
- **Payment Terms:** Net 45
- **Complete item/part number, quantity, unit, item description, unit price and extended amount**
- **Purchasing Authority Number**: Non-IT commodities currently 9G-0313-FTB-HQ1 (referred to as Delegation Number in PMS)
- **Terms and Conditions:** Check the Form GSPD-401Non-IT Commodities, and add the current revision date (06-08-2010)
- **Procurement Method**: Check the box Competitive and 'hard write' "F&R" on the Solicitation Number line.
- **Comments:** Requestor name, mailstop, phone number, any additional information; enter after the line item descriptions
- **Sales Tax:** Include applicable sales tax.
- **Shipping/Freight:** Include any shipping/freight charges as a separate line item using the object code on the FTB 6278.

After the purchase order is completed:

- Print purchase order.
- Sign your name at the bottom of STD. 65 under "authorizing signature."
- Complete the File Documentation Valued Under $5,000 checklist for Non-IT commodities.

CHAPTER 14

STATE CONTRACT AND PROCUREMENT REGISTRATION SYSTEM (SCPRS)

SCPRS, an internet-based application incorporated into the new e-Procurement System (BidSync), was developed as a contract tracking system to provide a centralized database for state contracting and purchasing transactions.

- 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. However, FTB 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 SCRPS.

- First time procurement analysts must request a password from the e-Procurement Administrator. Once received, they may log on to the e-Procurement 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. To logon:

  https://www.bidsync.com

  Each procurement analyst can utilize the MiscLauncher shortcut function option (eProcurement) to obtain the SCPRS log one screen.

  For additional information, access DGS' eProcurement website at: http://www.dgs.ca.gov/pd/Programs/eprocure.aspx

- Submit the form through e-Procurement, and a confirmation and a SCPRS number will be provided.

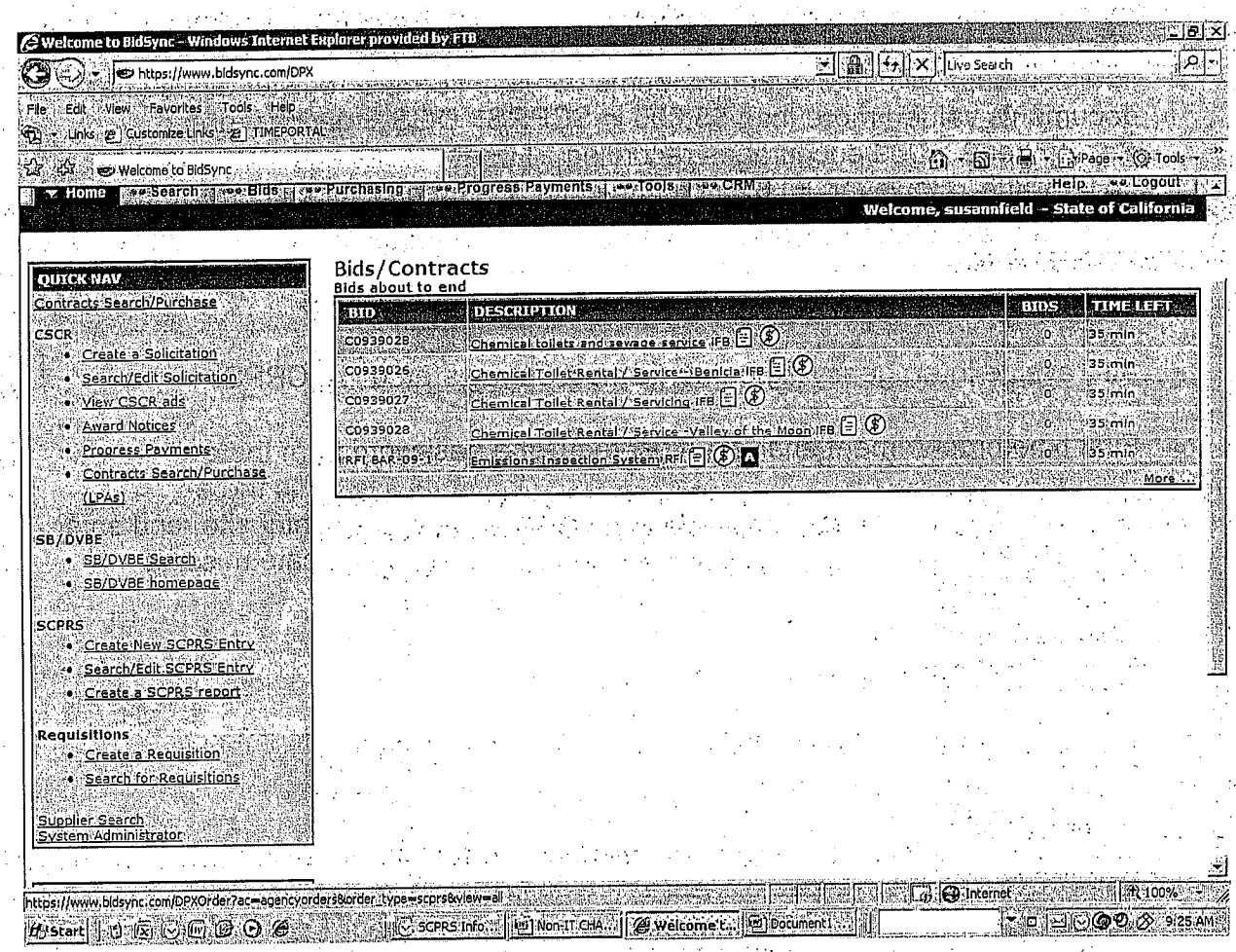
- Print and file a copy of the SCPRS confirmation in the procurement file.

- Enter the registration number assigned by SCPRS on the purchase order (STD. 65) created in PMS prior to issuing the transaction to the supplier.

CHAPTER 14

STATE CONTRACT AND PROCUREMENT REGISTRATION SYSTEM (SCPRS)

Sample SCPRS (eProcurement) Screen:



CHAPTER 15

PUBLICATIONS AND SUBSCRIPTIONS

Publications and subscriptions are used for various reasons, such as to assist staff in conducting audits, collections, legal, training, and other operational tasks.

To request a publication or subscription, the requester must identify the following and obtain the necessary approvals on form FTB 6278:

- Publication/subscription title and ISBN number (the identifying number found inside the front or back cover of the book)
- Description of publication/subscription function - what it does and how it will be used
- Supplier's name, address, telephone number, fax number, and contact person
- Cost of publication/subscription - if pre-paying for the subscription, refer to Chapter 16, Purchase Order Payment and Penalties
- Start and end dates for the subscription period
- Supervisor's and manager's signature
- Allotment coordinator's signature

The delivery address to be used is a designated PO Box:

Franchise Tax Board
PO Box 2288
Rancho Cordova, CA 95741-2288

CHAPTER 15

PUBLICATIONS AND SUBSCRIPTIONS

The following procedures should be followed to process publication and subscription purchases:

Publication/Subscription Procedures		
Steps	**Activity**	**Responsibility/Contact**
1	Follow FTB General Procedure Manual 0500	Requestor
2	Complete a Procurement Request - FTB 6278, and obtain appropriate management approval/signatures.	Requestor
3	Submit FTB 6278 to Procurement Bureau, Unit 557, MS A-374	Requestor
4	Assign procurement analyst	Supervisor
5	Update the Purchasing Management System (PMS) database, create file, give to the assigned procurement analyst, and notify the requestor and Allotment Coordinator of the assignment via email	Support Staff
6	Determine procurement method and conduct procurement.	Procurement Analyst
7	Prepare and sign the purchase order and fax it to the supplier.	Procurement Analyst
8	Distribute the purchase order internally by emailing a PDF copy to Departmental Oversight and Financial Performance Section (DRO), Fiscal, and requestor and place a copy in the procurement file.	Support Staff
9	Receive publications/subscriptions and sign off on purchase order as "services received", and forward to Fiscal Accounting and a copy to the procurement analyst.	Requestor
10	Once "services received" copy is received, the purchase order is closed by entering the date in PMS and filing the procurement file in the Closed area.	Procurement Analyst

CHAPTER 16

PURCHASE ORDER PAYMENTS AND PENALTIES

Table of Contents

Introduction 1
Prepayment 1
Prompt Payment Penalty 3
Minimum Threshold 3
Penalties During Budget Impasse 4
Estimating the Penalty 4

CHAPTER 16

PURCHASE ORDER PAYMENTS AND PENALTIES

SCM Vol. 2, Chapter 9, Topic 1, provides that payments shall not be processed or released to any supplier for non-IT goods without having in its possession all of the following:

- A properly authorized purchase document;
- Documentation verifying the goods were satisfactorily received; 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.

Prepayment

Procurement analysts may use the Visa 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 Visa CAL-Card is most often used for library orders, 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/ Follow this manual's procedures to complete a Purchase Order using the applicable procurement method, with the following two exceptions:

- The payment term should be "Visa"; and
- Upon receipt of the Visa statement, send the statement with a copy of the Purchase Order stamped and dated "Services Received" to Fiscal Accounting for payment.

Prompt Payment Penalty (aka Late Payment Penalty)

The payment of most purchase orders is made in accordance with GSPD-401Non-IT Commodities, 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 receipt of an undisputed invoice, whichever is later. Click here to access the 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 FY2011-12 Rate	
A) -Small Businesses -Nonprofit Organizations -Nonprofit Public Benefit Corporations 1/	Greater than $10	91.25% 0.0025	13.25% 0.000363	13.25% 0.000363	Annual rate Daily rate
B) -Other Businesses	Greater than $100	1.651% 0.0000452	1.528% 0.0000419	1.37% 0.0000375	Annual rate Daily rate
C) -Refunds 1/ -Other payments due to individuals 1/	Not applicable	Not applicable for FY 2010-11	Not applicable for FY 2010-11	Not applicable For FY2011-12	Annual rate Daily rate

1/ 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 penalties. The procurement analyst shall use the following guidelines:

CHAPTER 16

PURCHASE ORDER PAYMENTS AND PENALTIES

1. The procurement analyst must include the following language on the face of 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 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 his/her 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.

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.

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.

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 12/13. 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 1.528% (.0000419 per day).

To use the Late Payment Penalties 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, but evaluate using the final total price in determining which supplier to award an agreement.

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

Goods	$100.00
Discount 50%	-50.00
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 in 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. Should vendors offer you these types of discounts, you should speak with your Supervisor and Fiscal Accounting on how to proceed.

CHAPTER 18

RECEIVING STOCK / FOLLOW-UP ON OPEN/PARTIAL PURCHASE ORDERS

Table of Contents

Process for Taking Possession of Goods Purchased 1
Receiving Goods 1
Completed Orders 1
Partial Deliveries 1
Damage Deliveries 2
Puchase Order and Receipt of Goods 3
Follow-Up on Open Orders 4

CHAPTER 18

RECEIVING STOCK / FOLLOW-UP ON OPEN/PARTIAL PURCHASE ORDERS

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

1 Process for 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.

Receiving Goods

FTB's Service and Supply staff use an approved purchase document to record receiving information at the time goods are received. The purchase document, with signed "Services Received" stamp, is used as a stock received report, and the person checking the goods will write in the date received, the quantity received, and note any damages or defect in condition.

For orders originated by FTB's district offices, the goods are delivered directly to the requesting district office, which will perform the function of Service and Supply as outlined in this Chapter.

Completed Orders

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

- Sign, date, and stamp a copy of the purchase order they received previously with "Services Received".
- Deliver the goods to the requestor with a copy of the "Services Received" document.
- Send the original purchase order with the "Services Received" information to Fiscal Accounting for payment.
- Send a copy of the "Services Received" document to the Procurement Bureau's Y: Drive 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 analyst will close out the purchase in PMS and close the procurement file.

Partial Deliveries

The purchase order is not complete until the order is completely filled. When partial deliveries are received, Service and Supply will complete FTB 6678 (Receipt for Partial Delivery as follows:

- Purchase Agent (procurement analyst)
- Purchaser Order Number
- Vendor
- Article (description of item)

- Quantity ordered
- Quantity previously received
- Quantity received on this shipment
- Shortage
- Backorder
- Received by name
- Date Received

Service and Supply will forward FTB 6678 to both Fiscal Accounting and the procurement analyst and will follow this process for each partial shipment received until all goods on the purchase order are received. Service and Supply will stamp or designate the last stock received report when the order is completely filled. At this point, Fiscal will pay the final invoice and the procurement analyst will close the purchase order.

Damaged Deliveries
The purchase order 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, and the analyst 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 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.

CHAPTER 18

RECEIVING STOCK / FOLLOW-UP ON OPEN/PARTIAL PURCHASE ORDERS

Purchase Order and Receipt of Goods

1.1 Steps	1.2 Activity	1.3 Responsibility/Contact
1.	Email soft copy of the purchase order to Product Check-In/Service & Supply staff.	Procurement
2.	Inventory all products received against the purchase order.	Service & Supply
3.	Annotate the purchase order with date and time and the condition of the product(s) received.	Service & Supply
4.	If all the products on the purchase order 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 ProcServicesReceived Outlook mailbox with a cc: to the Procurement Analyst.	Service & Supply
5.	If all of the products on the purchase order are not received and/or there are damaged goods, annotate it as "partial" and complete FTB 6678 Receipt of Partial Delivery. Distribute the 6678 as instructed on the form.	Service & Supply
6.	For partial or damaged deliveries, when the last item is received for the purchase order and it is in satisfactory condition, annotate it as "complete" and distribute to Fiscal Accounting and a copy to the Procurement Bureau's ProcServicesReceived Outlook mailbox with a cc: to the Procurement Analyst.	Service & Supply
7.	When the "Services Received" stamped purchase order is received, pull the procurement file and distribute the package to the procurement analyst.	Procurement Support Staff
8.	Once the order is complete, change the status in PMS to closed and close the procurement file.	Procurement Analyst
9.	Complete the Supplier Performance Report and the File Doc Post Award checklists. Place these checklists in the procurement file and give to the support staff to file.	Procurement Analyst
10.	File the purchase order package in the appropriate file.	Procurement Support Staff

CHAPTER 18

RECEIVING STOCK / FOLLOW-UP ON OPEN/PARTIAL PURCHASE ORDERS

Follow-up on Open Orders

The procurement analyst will periodically print out a Workload by Analyst report from PMS, and follow up on outstanding orders and partially filled orders.

CHAPTER 19

PROCUREMENT CHECKLISTS AND DOCUMENTS

Table of Contents

1. Shared Y: Drive 2
2. Checklist, Worksheets, Templates and Documents 4
2.1. Fair & Reasonable (F&R) 4
2.2. Request for Quote (RFQ) 5
2.3. Leveraged Procurement Agreement (LPA) 6
2.4. Invitation for Bid (IFB) 6
2.5. Non-Competitively Bid (NCB) 7

CHAPTER 19

PROCUREMENT CHECKLISTS AND DOCUMENTS

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:

New folder

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 designated 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

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

Checklists, Worksheets, Templates and Documents

Listed below are folders that contain checklists, worksheets, templates and documents, which can be found in the Procurement Bureau's: Y Drive, Unit _557, 3) Tools & Template PB, 3A) Business Acquisition folders. 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 need to be customized at the time of the procurement based on applicable requirements

1. Fair & Reasonable (F&R)

- Action Record
- Bid/Quote Worksheet
- Calculate Rate Increase
- Commercially Useful Function (CUF) (if applicable, refer to Chapter 8 of this manual)
- Darfur Contracting Act
- DVBE Evaluation Checklist
- File Doc Non-IT Goods
- File Doc Post Award
- File Doc Under $5,000
- GSPD 105 Bidders Declaration
- GSPD 106 Bidders Declaration (Phone)
- History Sheet
- Payee Data Record (STD. 204)
- Procurement Summary
- Recycle Content Certification (if applicable)
- Request for Pricing Template

- 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, section 6.4, of this manual)
- Sole Proprietor Cover Letter
- Sole Proprietor (Form to Supplier)
- Supplier Performance Report

2. **Request for Quote (RFQ)**
   - Action Record
   - Bid/Quote Worksheet
   - Calculate Rate Increase
   - Commercially Useful Function (CUF) (if applicable, refer to Chapter 8 of this manual)
   - Contract Award Report (STD. 16)
   - Darfur Contracting Act
   - DVBE Evaluation Checklist
   - File Doc Non-IT Goods
   - File Doc Post Award
   - File Doc Under $5,000
   - GSPD 105 Bidders Declaration
   - GSPD 106 Bidders Declaration (Phone)
   - History Sheet
   - Notice of Contract Award
   - Participation Worksheet
   - Payee Data Record (STD. 204)
   - Procurement Summary
   - Recycle Content Certification (if applicable)
   - RFQ Template Goods
   - 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, section 6.4, of this manual)
   - Sole Proprietor Cover Letter
   - Sole Proprietor (Form to Supplier)
   - Supplier Performance Report
   - Ineligible Entities Checklist

3. **Leveraged Procurement Agreement (LPA)**
   - Action Record
   - Bid/Quote Worksheet
   - Calculate Rate Increase
   - Commercially Useful Function (CUF) (if applicable, refer to Chapter 8 of this manual)
   - Contract Award Report (STD. 16)
   - DVBE Evaluation Checklist
   - File Doc LPA
   - File Doc Post Award
   - GSPD 105 Bidders Declaration
   - GSPD 106 Bidders Declaration (Phone)
   - History Sheet
   - Notice of Contract Award
   - Participation Worksheet
   - Payee Data Record (STD. 204)
   - Procurement Summary
   - Recycle Content Certification (if applicable)
   - Request For Offer Shell
   - 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, section 6.4, of this manual)
   - Sole Proprietor Cover Letter
   - Sole Proprietor (Form to Supplier)
   - Supplier Performance Report
   - Ineligible Entities Checklist

4. **Invitation for Bid (IFB)**
   - Action Record
   - Evaluation and Selection Report
   - Calculate Rate Increase
   - Commercially Useful Function (CUF)
   - Contract Advertising Exemption
   - Contract Award Report (STD. 16)
   - Darfur Contracting Act
   - Deviation Worksheet Test of Materiality
   - DVBE Evaluation Checklist
   - DVBE Std. 843
   - File Doc Not-IT Goods
   - File Doc Post Award
   - GSPD 105 Bidders Declaration

- History Sheet
- Participation Worksheet
- Payee Data Record (STD. 204)
- Procurement Summary
- Recycle Content Certification (if applicable)
- Invitation for Bid (IFB) Shell
- SB and DVBE Certification Status (if applicable, refer to Chapter 8 of this manual)
- SB/DVBE Waiver (if applicable)
- Seller's Permit – Board of Equalization (refer to Chapter 3, section 6.4, of this manual)
- Sole Proprietor Cover Letter
- Sole Proprietor (Form to Supplier)
- Supplier Performance Report
- Ineligible Entities Checklist

5. **Non-Competitively Bid (NCB)**
   - Action Record
   - Commercially Useful Function (CUF) (if applicable, refer to Chapter 8 of this manual)
   - Contract Advertising Exemption
   - Contract Award Report (STD. 16)
   - Darfur Contracting Act
   - DVBE Evaluation Checklist
   - File Doc Goods Sole Provider
   - File Doc NCB
   - File Doc Post Award
   - History Sheet
   - Internal SB/DVBE Waiver (if applicable)
   - Non Competitive Bid (NCB) Justification
   - Payee Data Record (STD. 204)
   - Procurement Summary
   - Recycle Content Certification (if applicable)
   - SB and DVBE Certification Status (if applicable, refer to Chapter 8 of this manual)
   - Seller's Permit – Board of Equalization (refer to Chapter 3, section 6.4, of this manual)
   - Sole Proprietor Cover Letter
   - Sole Proprietor (Form to Supplier)
   - NCB Justification
   - Special Category NCB Justification
   - Supplier Performance Report
   - Ineligible Entities Checklist

CHAPTER 20

TRAINING

Table of Contents

1. California Procurement and Contacting Academy (CAL-PCA) 1
1.1. Enrollment 1
1.2. Cancellation Policy 1
2. In-House Courses 1
Table 20.1 2

CHAPTER 20

TRAINING

All procurement staff is required to attend the Basic Acquisition Certification Program provided by DGS Procurement Division. Procurement analysts are encouraged to take other workshops and courses provided by DGS when such courses are relevant to the analyst's workload. There are also classes available at FTB in various subject areas including: business skills, communication, information technology and personal development that will strengthen and improve employee skills.

1 California Procurement & Contracting Academy

The California Procurement & Contracting Academy (Cal-PCA) provides free development courses and seminars to the State's procurement staff to improve their state contracting knowledge.

The Academy offers the following:

- Basic Acquisition Certificate Program - see http://www.dgs.ca.gov/pd/Programs/CalPCA/Basic.aspx *[Required for all procurement analysts]*
- Intermediate Acquisition Certificate Program (IT RFPs) – see http://www.dgs.ca.gov/pd/Programs/CalPCA/Intermediate.aspx
- Advanced Acquisition Certificate Program (in development)
- Advanced Professional Development Certificate (in development)
- Workshops – http://www.dgs.ca.gov/pd/Programs/CalPCA/BWorkshop.aspx

To Enroll in a Course Offered by DGS– First obtain approval from your supervisor and then access the applicable website provided above and complete 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.

Cancellation Policy – If you do not cancel your scheduled class within 3 days of the start date or if you do not show up at the class, the State will be charged a $100 no show fee.

In-House Courses

You can enroll in classes offered by FTB through Aspen. Aspen includes SkillSoft classes for employee development, for which you will receive a prepaid license to take these classes.

To Register for In-House Courses:

2 Step	2.1 Activity
1	Access "Aspen" on the FTBNet home page or click on http://fg41/aspen/lang-en/management/LMS_LearnerHome.asp. Aspen provides direct access to all of the FTB training programs and courses. When in Aspen, you can: • Search the course catalog; • Register for classes; • View your training transcripts; and • View upcoming classes you are enrolled in.
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 (e.g., class date, time, location) and class cancellation to the employee.

CHAPTER 21

SIGNATURE AUTHORITY

Table of Contents

1. Signature Authority Guidelines 1
Table 21.1 1

CHAPTER 21

SIGNATURE AUTHORITY

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

FORM	PURPOSE	AUTHORIZED SIGNATURE
FTB 6278 – Procurement Request	Used for all purchase requests for minor or major office supplies/equipment, IT supplies/equipment/software, and services/maintenance.	• Bureau Director • Section Manager or above • Departmental Allotment Coordinator
FTB 6278A – IT Procurement Request (If applicable)	Used to request IT good/services for FSR approved projects and Desktop & Mobile Computing (DMCP) purchases.	• Project Oversight & Guidance Controller (if part of project) • Technology Services Division (IT Asset Center) • Enterprise Architecture and Data Administration • Data Resources and Business Intelligence Section (for data exchange) • Privacy, Security and Disclosure Bureau • Server Management Section (if it includes the use or acquisition of a server)
STD 65 – Purchasing Authority Purchase Order	Used to contract with supplier for goods/services	Procurement Analyst
STD 66 – Purchase Estimate	Used to send to Department of General Services (DGS) for them to conduct bid	• Executive Officer • Chief Financial Officer • Accounting Officer
STD 16 – Contract Award Report	Notification of Award of Goods/Services to Department of Fair Housing for orders over $5,000	Procurement Analyst
STD. 210 – Short Form Contract	Used for Contracts less than $9,999	Chief Financial Officer

CHAPTER 21

SIGNATURE AUTHORITY

FORM	PURPOSE	AUTHORIZED SIGNATURE
STD. 213 – Standard Agreement	Used for Contracts, Leases and Agreements	Chief Financial Officer
STD. 213A – Standard Agreement Amendment	Used for Contract Amendments	Chief Financial Officer
STD. 215 – Agreement Summary	Used for Contract Transmittal	• Accounting Officer • Procurement Analyst
STD. 821 – Contract Advertising Exemption	Used for Advertising Exemption	• PCO
Non-Competitively Bid	Used to request approval of a contract with the only known supplier	• Executive Officer • Agency Secretary • DGS Director
Limit to Brand or Trade Name (LTB) Bid (GSPD-08-001)	Competitive bidding is limited to a specified brand or trade name if the product specified is the only product that will meet our needs	• Mentor • Manager • PCO • Executive Officer • DGS (if over $25,000)
SB/DVBE Waiver	Orders under $250,000 must be awarded to an SB, MB or DVBE whenever feasible. If the requirements are not met (see Chapter 8 of this manual), the procurement analyst must obtain a waiver from the SB/DVBE Advocate.	• SB/DVBE Advocate

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

Table of Contents

1. Overview 1
2. Procurement Requirements of GS $Mart 2
3. Procurement Analyst Role 3
   - 3.1 Internal Process 3
   - 3.2 External Process 4
   - 3.3 During the Process 4
   - 3.4 Final Process 4
4. Financing Process Steps 5
5. Purchaing Tangible Assets 6

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 (Smart) is the program to use 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 a 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 notation) of financial marketplace contracts.

Access DGS's Procurement Division website for information regarding the State Financial Marketplace and the use of GS $Mart in SAM section 3400 and Budget Letter 06-27.

SFM works with DGS's 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 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 below. 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 an issue paper.
- 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, and anything greater than $10,000,000 must be approved by the State Treasurer's Office and the Director of DGS.
- Obtain DGS's Opinion of Counsel 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 financial package that work with DGS, your customer(s) and your vendor(s) on the timing of all acquisition activities. The use of Financing does not relieve the department of meeting mandated procurement requirements, including meeting the objectives of the Prompt Payment Act.

2. Does the procurement meet the 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 for 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 procurement contract to the GS $Mart Manager and awarded lender, in addition to the supplier, State Controller's Office (SCO) and FTB's 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 contract.
- Take responsibility for risk of loss of assets only after acceptance, unless otherwise agreed to in the contract.

3. The Procurement Analyst Role

Once the determination is made that the procurement meets the financing requirements, FTB's procurement analyst role during the process is:

3.1 Internal Process:

- Check the Purchase Request, Form 6278, 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 Purchase Order that will be submitted to external approvers (see "External Process" below).
- Initiate and complete the procurement process – Purchase Order (STD. 65) or Standard Agreement (STD. 213).
- Include financing notification in the solicitation documents (RFO, RFQ, IFB, RFP).

- Include financing language in the Purchase Order (PO)/Contract document.
- Notify Fiscal Accounting and provide:
  - "Intent to Finance" information
  - A copy of the PO/Contract document
  - A copy of amendments to the PO/Contract document

Example of language to be included in the solicitation document and PO/Contract 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 Request for Rate Quote Form (RFRQ) with all appropriate internal approval signatures. Click on the following to access the forms:
  - Certification of Compliance Form
  - Request for Rate Quote Form

3.3 During Process:

Provide to DGS GS $Mart:

- Completed and approved Certification of Compliance Form and the Request for Rate Quote Form (RFRQ)
- Copies of STD. 65/STD. 213
- Decision of finance supplier selection
- Copies of invoices
- Copies of amendments to STD. 65/STD. 213
- Copies of final finance agreements

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 STD. 65/STD. 213
- Copy of invoice(s)
- Evidence of DGS approval – DGS Legal – Opinion of Counsel document

4. Financing Process Steps

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

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

5. PURCHASED TANGIBLE ASSETS

Purchased tangible assets that may be financed through GS $Mart include:

- Vehicles
- Select services included with the procurement of assets (e.g., warranty, installation, training)
- Furniture (including modular)
- Video conferencing equipment
- Mailing equipment
- Telephone equipment
- Most energy efficiency and sustainability equipment and systems (see "capital outlay" under tangible assets below)

Tangible assets that may not be financed through GS $Mart include:

- Consultant and other services
- Real property including:
  - Land
  - Structures
  - Easements
  - Rights-of-way
  - Other forms of legal entitlements to use or dictate the use of real property
- Capital outlay projects that alter the purpose or capacity of real property. Projects that keep real property functioning at its designed level of service, or improve the efficiency of its operating systems - such as repair projects and most energy efficiency projects - are not capital outlay.
  - Note: Some energy efficiency projects (e.g., photovoltaics) can involve significant facility engineering issues that make them capital outlay in nature or could be limited by covenants on debt-financed buildings. Such projects must receive prior approval by the DOF before securing financing.

CHAPTER 23

MENTORSHIP PROGRAM

Table of Contents

1. Program Goals 1
2. Current Mentorships 1
   Table 23.1 2
3. Approval Process 2
   Table 23.2 3

CHAPTER 23

MENTORSHIP PROGRAM

1. Program Goals

Per Public Contract Code, as well as the State Contracting Manual, DGS has the authority to delegate purchasing authority to departments that adequate controls in place to ensure that procurements and contracts are conducted in accordance with application statutes and policies. FTB Procurement Bureau created the Mentorship Program as a way to adhere and support these standards.

The goals for the Procurement Bureau's Mentorship Program are to:

a. Build trust and facilitate positive change;
b. Create a learning environment and provide tools to the mentees to be successful and broaden their job knowledge;
c. Enrich personal development by performing completed staff work by using project management tools;
d. Ensure the solicitation process and documentation conform to the standards stated in SCM and FTB policy; and
e. 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

Table 23.1
1.1 Mentorships

Mentors	**Nicole**	**Melissa**	**Pam (Lead)**	**Yvonne**	**Rossana**	**Tracey**	**Bill**
Mentees	Tracie	Jami	Nicole	Pam	Marlene	Iosif	Rossana
	John	Jaime	Melissa	Linda	Liz	Nel	Tracey
		Julia	Bob	Eric		Susann	Marisa
						Jennifer	TaNita
Managers	Michael, Bill and Yvonne						
PCO	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 Service Agreements, Standard Agreements, Interagency Agreements, and Purchase Orders. This is to ensure quality assurance with the department's procurement process and adherence to SCM and the law.

CHAPTER 23

MENTORSHIP PROGRAM

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, SB/DVBE Advocate finds something that appears to require further review, they will bring this to the attention of 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 review (at least two business days) and external reviews (from 10 to 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 until their mentor and Manager agree to release them progressively from a specified level of review. Procurements that require PCO or Executive Officer approval, or require external approval from Agency and/or DGS will always require review.

The table below outlines the internal review requirements in the PAM Bureau for each procurement method.

Table 23.2
Procurement Bureau Internal Review

Procurement Method	Dollar Threshold	Non-IT Acquisitions PAM Approvers	IT Acquisitions PAM Approvers
Non-Competitively Bids, including Special Category	All thresholds	1. Mentor 2. Manager 3. PCO	1. Mentor 2. Manager 3. PCO
Limit to Brand or Trade Name (LTB)		1 Mentor 2 Manager 3 PCO	1. Mentor 2. Manager 3. PCO
Leveraged Procurements, PIA or IA	Up to $250,000	1. Mentor 2. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver	1. Mentor 2. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver
	$250,001 and over	1. Mentor 2. Manager 3. PCO	1. Mentor 2. Manager 3. PCO

Procurement Method	Dollar Threshold	Non-IT Acquisitions PAM Approvers	IT Acquisitions PAM Approvers
Non-IT Goods valued at $100 or less (Sub)	Up to $100	1. Acquisition Analyst 2. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver	N/A
Competitive Bids	Up to $4,999.99	1. Mentor 2. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver	1. Mentor 2. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver
	$5,000 to $750,000	1. Mentor 2. Manager 3. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver	1. Mentor 2. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver
	$750,001 to $1M	1. Mentor 2. Manager 3. PCO 4. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver	1. Mentor 2. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver
	$1M to $3M	1. Mentor 2. Manager 3. PCO 4. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver	1. Mentor 2. Manager 3. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver
	Over $3M	1. Mentor 2. Manager 3. PCO 4. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver	1. Mentor 2. Manager 3. PCO 4. SB/DVBE Advocate if requesting SB/DVBE First Policy waiver

Internal SB/DVBE First Policy Waiver – 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 First Policy Waiver Under $250K from the SB/DVBE Advocate.

DVBE Program Requirements and DVBE Incentive Waiver – For any of the above procurements, where applicable, the Procurement Analyst must obtain a DVBE Waiver Justification and DVBE Program Requirements and DVBE Incentive Waiver Form (GSPD-07-04) to waive the DVBE Requirement and/or Incentive.

CHAPTER 24

INTERAGENCY AGREEMENTS

Table of Contents

1. Interagency Agreements (IAs) 1
2. Payable IA 1
   2.1. Distribution of Original Signature Payable IA Contracts with Cover Memos 2
   2.2. Distribution of Contract Copies 2
3. Reimbursement IA 3
   3.1. Disbursement of Contract Copies 4
4. Zero-Dollar IA 4
5. Acknowledgment Letters 4

CHAPTER 24

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.

For an existing contract within 120 days of expiration 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 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, 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 and types in the current Non-IT Delegation number and date. Using the cover memo shell

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 to the other State agency for approval and signatures on all four copies. A copy of the cover memo, STD. 213, route slip, etc., is placed in the procurement file.

The Procurement Analyst will receive the four signed original copies of the STD. 213 back from the other State agency, verify the signatures, and review for any changes. If changes have been made to the STD 213 or to the language of the contract, the Procurement Analyst will need to have those approved. The Procurement Analyst will follow up with the other State agency if it does not sign and return the STD. 213 within ten (10) working days.

Then, the four signed copies of the Std. 213, 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

IA agreements over $50,000 and less than $1 million that uses the General Interagency Agreement provisions (including SAM 8752 and 8752.1 cost provisions) without modification may be exempt from DGS, Office of Legal Services review and approval. Please see SCM Volume 1, Chapter 4.04 for specific approval information.

An IA that is over FTB's delegation amount of $1 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, with an approval stamp and date. DGS will also 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.

For an existing contract nearing expiration 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 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. The Procurement Analyst then processes the request utilizing the STD. 213 and assigning a contract number. For more details, refer to Chapter 3, Contract Basics of this manual.

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. 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. 213s 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 with the rest of the contract are sent back to the other State agency for signatures (a copy is kept in file). The Procurement Analyst will receive one completely signed original copy of the STD. 213 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.