California
DEPARTMENT OF TECHNOLOGY

Procurement and Contracting Services Branch

Policies and Procedures Manual

August 2014

Information Technology

INFORMATION TECHNOLOGY POLICIES AND PROCEDURES MANUAL

Chapter Table of Contents

1. Introduction
2. Procurement Planning
3. Pre-Procurement Reviews and Approvals
4. Procurement Process
5. Socioeconomic and Environmental Programs
6. Competitive Bid Process
7. Non-Competitively Bid (NCB)
8. Leveraged Procurement Agreements (LPA)
9. Interagency Agreements
10. Protests and Post Award Disputes
11. Payment, Financing and Penalties
12. Receiving, Inspection, Acceptance and Rejection
13. Contract Administration
14. Reporting Requirements
15. IRS FTI 45-Day Notification & Approval
16. Background Checks for Contractors

List of Acronyms

The following are a list of acronyms used in this manual:

A

ADA	Americans with Disabilities Act
APP	Alternative Protest Process

C

CalRIM	California Records and Information Management
CARI	California Alliance of Rehabilitation Industries
CCR	California Code of Regulations
CIWMB	California Integrated Waste Management Board
CMAS	California Multiple Awards Schedules
COTS	Commercial-off-the-shelf
CRP	Community-based Rehabilitation Program
CSCR	California State Contracts Register
CUF	Commercially Useful Function

D

DGS	Department of General Services
DMCP	Desktop and Mobile Computing Policy
DOF	Department of Finance
DVBE	Disabled Veteran Business Enterprise

F

FEMP	Federal Energy Management Program
FOB	Free on Board
FSR	Feasibility Study Report

G

GC	Government Code

I

IAA	IT Interagency Agreement
IFB	Invitation for Bids
IPOC	Independent Project Oversight Contractor
IT	Information Technology
ITPP	Information Technology Procurement Plan

L

LC	Labor Code
LLC	Limited Liability Company
LLP	Limited Liability Partnership
LP	Limited Partnership
LPA	Leveraged Procurement Agreement

M

MA	Master Agreement
MAER	Master Agreement Exemption Request
MB	Microbusiness
MM	Management Memo
MRA	Master Rental Agreement
MSA	Master Service Agreement
MVC	Military and Veterans Code

N

NCB	Non-Competitively Bid Contract Justification
NVSA	Nonprofit veteran service agency

O

OLS	Office of Legal Services, the DGS
OSDS	Office of Small Business and DVBE Services, the DGS/PD

P

PAC	Purchasing Authority Contact
PCC	Public Contract Code
PCD	Personal Communications Device
PCO	Procurement and Contracting Officer
PD	Procurement Division, the DGS
PDA	Personal Digital Assistants
PIER	Post Implementation Evaluation Report
PIN	Purchasing Information Network
PRC	Public Resources Code

R

RFI	Request for Information
RFI	Request for Interest
RFO	Request for Offer
RFP	Request for Proposals
RFQ	Request for Quotations

S

SAM	State Administrative Manual
SB	Small Business
SC	Statewide Contract
SCM	State Contracting Manual
SCPRS	State Contract and Procurement Registration System
SCR	Special Category NCB Request
SFM	State Financial Marketplace

SIMM	Statewide Information Management Manual
SLP	Software Licensing Program
SOW	Statement of Work
SPB	State Personnel Board
SPR	Supplier Performance Report
SPR	Special Project Report
SPS	State Price Schedule
STD.	Standard Form

T

TACPA	Target Area Contract Preference Act

U

UC	University of California

V

VCGCB	Victim Compensation and Government Claims Board

W

WAN	Wide Area Networks
WSCA	Western States Contracting Alliance

CHAPTER 1

INTRODUCTION

Table of Contents

1. Purpose of Manual 1
2. Authority to Contract 1
2.1 Part B Authority Approval 3
3. Roles and Responsibilities 3
3.1 Procurement and Contracting Officer (PCO) 3
3.2 Purchasing Authority Contact (PAC) 3
3.3 Acquisition Specialist 3
3.4 Small Business Advocate 3
4. Ethics 4
5. Conflict of Interest 4
6. Separation of Duties 4
7. Training 5

CHAPTER 1

INTRODUCTION

1. Purpose of Manual

This manual provides policies and procedures for procurement activities performed within the California Department of Technology (Department of Technology), Procurement and Contracting Services Branch. The prevailing authority for Information Technology (IT) procurement of goods and services resides with the State Contracting Manual Volume 3 (SCM Vol. 3).

In addition to the SCM Vol. 3, Department of Technology must adhere to applicable statutory regulatory and procedural requirements, including but not limited to:

- Public Contract Code
- Government Code
- Military and Veterans Code
- Labor Code
- Revenue and Taxation Code
- Food and Agriculture Code
- California Code of Regulations
- State Administrative Manual
- Statewide Information Management Manual
- State Telecommunications Management Manual
- SCM Volume 1 and Volume 2

This manual is to be used in addition to the SCM Vol. 3 as resource to guide Acquisition Specialists involved with procurement activities of IT goods and services. The manual is located on the G: drive at the following path: G:\BureauAdmin\DESK PROCEDURES\Procurement Procedures Manual. Updates to this manual will be accomplished as changes occur to the prevailing authority and additional references. At a minimum, updates will occur once a year.

2. Authority to Contract

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

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

CHAPTER 1

INTRODUCTION

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

Department of General Services
Procurement Division
Purchasing Authority Management Section

Purchasing Authority Approval

Purchasing Authority is Granted for Procurement Activities Conducted by:	
Agency	**Direct Report to the Governor**
Department	**California Technology Agency**
Part B(s)	**Governor's Office (IT Goods/Services ONLY)** **Office of the Lieutenant Governor (IT Goods/Services ONLY)**
Term	**August 1, 2013 through July 31, 2014**
Rev. Eff. Date	

Karin Hornbaker, Non-IT Purchasing Authority Contact **Jennifer Herrera, IT Purchasing Authority Contact**	**Copies to:** Marion Paulo, Procurement and Contracting Officer, CaTA Stefanie Marchi & Beth Going, Audits, State Controller's Office

Purchasing Authority No.
9G-0714-CIO-HQ1

Non-IT Goods and LPA Goods & Services Purchasing Authority	Maximum Amounts
Competitive	$100,000.00
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 (NASPO, etc.)	$500,000.00
Western States Contracting Alliance (WSCA)	As noted in WSCA User Instructions
Statewide Contract Orders	Unlimited
Prison Industry Authority (PIA)	Unlimited

Purchasing Authority No.
9I-0714-CIO-HQ1

IT Goods & Services Purchasing Authority	Maximum Amounts
Competitive	$5,000,000.00
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 (NASPO, etc)	Unlimited
Western States Contracting Alliance (WSCA)	As noted in WSCA User Instructions
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 CMAS solicitation authority for the procurement of ***information technology goods and services*** over their approved amounts is **not** a general expansion of authority. This authority is limited as follows:

Please see backside for more details.

☐ 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: July 30, 2013

Ricardo Martinez, Chief, PT&CS Branch
(916) 375-4653
ricardo.martinez@dgs.ca.gov

Date

2.1 Part B Authority Approval

DGS has granted Department of Technology Part B delegation to purchase on behalf of the Governor's Office and Office of the Lieutenant Governor for the acquisition of IT goods and services only, as shown in Figure 1-1 on page 1-2. Click here for Part B desk procedures.

3. Roles and Responsibilities

3.1 Procurement and Contracting Officer (PCO)

Department of Technology has designated the Data Processing Manager (DPM) III, Chief, Procurement and Contracting Services Branch, as the PCO. The PCO is the single point of contact for the DGS/PD and is responsible of ensuring the procedures outlined in this manual comply with all Purchase Authority Management Section (PAMS) requirements in order to ensure compliance with all applicable rules and regulations.

3.2 Purchasing Authority Contact (PAC)

Department of Technology has designated the DPM II, as the IT PAC and another DPM II, as the non-IT PAC. These positions have the responsibility of ensuring all staff within Department of Technology procurement are adequately trained and follow all procedures and guidelines in the day-to-day process of procurement and contracting.

3.3 Acquisition Specialist

The acquisition specialists are responsible for ensuring that all procurement and contracts meet all statutory and policy requirements and are based on sound business practices. The acquisition specialist must ensure that procurement and contracts are prepared with the appropriate clauses, phrases, prescribed format, proper approvals and required documents. The acquisition specialist also maintains proper files and documentation for all procurement and contracts.

3.4 Small Business Advocate

The small business advocate is responsible for assisting acquisition specialist in identifying potential small, micro and DVBE business and is responsible for:

- Serve as Department of Technology's subject matter expert of the SB/DVBE program
- Review and implement any new laws or policies that pertain to the SB/DVBE program
- Department of Technology's point of contact for SB/DVBE vendors needing assistance on prompt payments or questions on procurement issues
- Attend and network at Expo Summits and Collaboration Conferences offered by DGS or other agencies
- Attend SB/DVBE Quarterly Advocate meetings
- Attend, upon request, new project meetings and Bidder's Conference by educating Department of Technology staff and vendors on the mandated goals of 25% for SB and 3% for DBVE

- 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
- Prepare annual reports by compiling information and communicating with control agencies

4. Ethics

Department of Technology employees involved in procurement and contracting activities are either directly or indirectly spending public funds and are subject to public scrutiny; as such are reminded to:

- Act responsibly.
- Conduct business honestly.
- Avoid wasteful and impractical purchasing practices.
- Avoid real or perceived conflicts when conducting business on the State's behalf.
- Advise personnel of expected standards of ethical and moral behavior during any procurement activities involving their participation.

The PAC is responsible for ensuring all procurement and contracting personnel receive ethics training as required.

All Department of Technology staff assigned to work project teams which result in a procurement or service agreement shall sign a Conflict of Interest and Confidentiality Statement which is collected by the acquisition specialist and maintained in the procurement file.

5. Conflict of Interest

Department of Technology's Conflict of Interest Policy Number 2015 follows the Political Reform Act, Government Code section 81000 et seq. of 1974, which requires State and local government agencies to adopt and promulgate conflict of interest codes.

Department of Technology requires and maintains a signed Conflict of Interest along with a Form 700 for every staff member in "Designated Positions" involved in the procurement process. Employees must sign the Form 700 at least once a year during their employment with Department of Technology.

6. Separation of Duties

Department of Technology procurement and contracting staff shall ensure adequate separation of duties.

- Procurements are conducted by staff designated as acquisitions specialists;
- Approving purchase documents is conducted by managers/supervisors, the designated PCO or other designated staff;
- Acknowledging and receiving goods and services resides with Business Services for goods and the identified contract administrator for services;
- Approving invoices for payment resides with the requestor; and
- Preparing payments resides with Fiscal.

Department of Technology staff shall ensure their duties and responsibilities do not overlap in any of the elements identified above.

7. Training

All acquisition specialists are required to attend the procurement and contracting training through DGS' California Procurement and Contracting Academy (Cal-PCA). DGS offers free development courses and seminars to the State's procurement staff to improve their state contracting knowledge**.** Acquisition specialists are encouraged to take other workshops and courses provided by DGS when such courses are relevant to the analyst's workload.

On-the-job training is also provided for all employees by Management and lead staff personnel.

CHAPTER 2

PROCUREMENT PLANNING

Table of Contents

1. Procurement Methods 1
2. Checklists 2
3. Procurement Planning Checklist 2
4. Classifying the Purchase 2
4.1. Determining the main purpose 3
4.2. Non-IT vs. IT 3
4.3. Distinguishing IT goods from IT services 3
5. Defining an IT Procurement 3
5.1 IT Equipment 4
5.2 IT Supplies 4
5.3 IT Goods Not Considered Supplies 4
5.4 IT Services 4
6. Desktop And Mobile Computing Policy 5
6.1 Allowed purchases 5
6.2 Excluded purchases 5
7. Leasing Equipment 6
7.1 Lease vs. Purchase Cost Analysis 6
7.2 Purchase Option Credits 6
8. Order Splitting 6
9. Emergency Purchases 7
9.1 Types of Emergencies 7
9.2 Required Documentation 7
9.3 Emergency Purchases in Response to a Natural Disaster 7
9.4 Emergency Purchases Not in Response to a Natural Disaster 8

CHAPTER 2

PROCUREMENT PLANNING

1. Procurement Methods

Knowing the basic rules and applying them appropriately throughout the procurement process is key to executing any procurement activity. SCM Vol. 3, Chapter 2, section B, and Chapters 4 - 6, are used as a guideline to help determine the appropriate procurement method.

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

Table 2.1 Procurement Methods

Procurement Method	IT Goods and Services: Dollar Thresholds	Manual Reference Chapter
Request to Conduct Procurements for over Delegated PA	Over $5,000,000.00	Chapter 6
Community Rehabilitation Program Orders	Unlimited	Chapter 3
Fair and Reasonable (F&R) per 14838.5(c)	Under $5,000.00	Chapter 6
Informal Competitive	Up to $1,000,000.00	Chapter 6
Formal Competitive	$1,000,000.01 through $5,000,000.00	Chapter 6
NCB Contract Approval by Department of Technology	$25,000.00 and under	Chapter 7
NCB Contract Approval by DGS or Statewide Technology Procurement Division	Over $25,000.00	Chapter 7
SB/DVBE Option per GC section 14838.5(a)	$5,000.01 through $249,999.99	Chapter 5
LPA Orders: CMAS	$500,000.00	Chapter 8
LPA Orders: Software License Program (SLP)	$2,000,000.00	Chapter 8
LPA Orders: Master Agreements	$1,500,000.00	Chapter 8
LPA Orders: Cooperative Agreements (NASPO, etc.)	Unlimited	Chapter 8
LPA Orders: Western States Contracting Alliance (WSCA)	As noted in WSCA Instructions	Chapter 8
LPA Orders: Statewide Contracts	Unlimited	Chapter 8
LPA Orders: State Price Schedules	$25,000.00	Chapter 8
Interagency Agreements (IAA)	Same as Competitive	Chapter 9
Data Center Interagency Agreements (DIA-003)	Unlimited	Chapter 9

2. Checklists

Checklists are provided for each procurement method as a tool for acquisition specialists to use during the procurement process and to perform a final check of their documents before submitting them for review. The checklists will be in each corresponding Chapter.

3. Procurement Planning Checklist

The first step in the planning and scheduling of a procurement effort is the initial review of Department of Technology Customer Service system (CSS) Service Request (SR). Refer to the CSS Online Guide for further assistance. Reviewing the request in terms of the following information will assist the acquisition specialist in determining any impact in relationship to the procurement planning and scheduling activities. Acquisition specialists shall ensure they review the full impact of all requests and that all appropriate approvals have been sought.

✓	Description	Performed By	Systems and Forms
	Identify business need	Requestor (working with sponsor and project executives)	Project Plan
	Begin formal documentation	Requestor	SR/CSS
	Verify approvals/ funding	Requestor Acquisition Specialist	FSR/SPR BCP/DMC
	Request Procurement assistance	Requestor	
	Obtain federal approval if applicable	Requestor	
	Document dollar value	Requestor	SR/CSS
	Classify purchase	Acquisition Specialist	SR/CSS
	Analyze applicable procurement methods	Acquisition Specialist	www.pd.dgs.ca.gov
	Document selected procurement method	Acquisition Specialist	SR/CSS
	Request DGS/PD assistance As needed and always for dollar value above Department of Technology delegated authority	Procurement Supervisor/PAC	STD.66 or memo for services
	Conduct market survey if concerns about competition or need for more information	Acquisition Specialist	RFI
	Work with legal staff on procurement issues	Procurement Supervisor/PAC	SCM Vol. 3 and SAM
	Prepare Statement of Work	Requestor Acquisition Specialist	SOW
	Approve project purchase	Procurement Manager	PeopleSoft

4. Classifying the Purchase

The ability to properly classify purchases enables correct execution of procurements:

- Apply the appropriate laws, regulations, policies, and procedures (e.g., selection of the correct solicitation type, identification of the correct advertising threshold)
- Identify whether or not the department has the applicable purchasing authority to conduct the purchase activity or if it requires purchase by the DGS/PD
- Secure additional approvals and/or waivers as applicable

The impact of not correctly classifying a purchase may result in:

- Delaying a department's program or project
- Waste of time and effort, ultimately wasting taxpayer money
- Loss of funding
- Disputes, protests, and/or lawsuits
- Illegal contracts

4.1. Determining the main purpose

When determining whether a contract is for IT, one must consider the predominant purpose or value of the activity, and whether information technology skills and knowledge are involved as the primary purpose of the contract or whether such knowledge or skills are used to further an overarching purpose, e.g. contract to manage a health benefits program may utilize software and computer hardware to fulfill services required.

4.2. Non-IT vs. IT

Many items require IT technologies to function, yet they may not be considered to be IT. If the item is determined to be a non-IT good, the transaction will be treated as a "non-IT good" and be acquired under non-IT goods purchasing laws. See SCM Vol. 2 for information on non-IT goods purchasing.

4.3. Distinguishing IT goods from IT services

When determining if an acquisition is for IT goods only, the following concepts should be considered:

- Does the contract have as its sole or main purpose the acquisition of tangible items, such as equipment, parts, supplies or other merchandise? If the main value is an IT good with minimal or no IT services, it is handled as an IT good.
- What is the main value of the contract – the good or the service? If the main value is the IT service, the transaction should be treated as an IT service contract.

5. Defining an IT Procurement

SAM section 4819.2 defines IT Procurement as any contract, interagency agreement or purchase estimate to conduct any activity listed below, or any combination of these activities is to be considered an "IT procurement."

- IT facility preparation, operation and maintenance.
- Development and implementation of application systems or programs, or changes to application systems or programs to meet new or modified needs, or maintenance, including: feasibility study preparation, systems analysis, systems design, purchase and installation of software, programming, conversion of data or programs, documentation of systems and procedures, and project appraisal or assessment.
- Operation of application systems or programs including handling, assembling, or editing of input-output data or media where information technology equipment or information technology personnel are used.
- Acquisition, installation, operation, and maintenance of data processing equipment.

- Other installation management activities including performance measurement, system tuning, and capacity management.
- Employment of personnel in support of, or directly related to, any of the above activities, including: administration, technical services, clerical services, travel, training, and preparation of periodic and special reports.
- Control functions directly related to any of the above activities.

5.1 IT Equipment

IT devices used in the processing of data electronically. The following are examples of IT equipment:

- Mainframes and all related features and peripheral units, including processor storage, console devices, channel devices, etc.;
- Minicomputers, midrange computers, personal computers, laptop, tablets, smart phones and all peripheral units associated with such computers;
- Special purpose systems including word processing, Optical Character Recognition (OCR), bar code readers/scanners, and photo composition;
- Communication devices used for transmission of data such as: modems, data sets, multiplexors, concentrators, routers, switches, local area networks, private branch exchanges, network control equipment, or microwave or satellite communications systems; and
- Input-output (peripheral) units (off-line or on-line) including: display screens, optical character readers, magnetic tape units, mass storage devices, printers, video display units, data entry devices, plotters, scanners, or any device used as a terminal to a computer and control units for these devices.

5.2 IT Supplies

All consumable items and necessities (excluding equipment defined as IT equipment) to support IT activities and IT personnel, including:

- Documents (such as standards and procedures manuals, vendor-supplied systems documentation, and educational or training manuals);
- Equipment supplies (such as printer forms, punch card stock, disk packs, "floppy" disks, magnetic tape, and printer ribbons or cartridges); and
- Furniture (such as terminal tables and printer stands).

5.3 IT Goods Not Considered Supplies

PC keyboards, mice, zip drives, memory cards, personal digital assistants (PDA), software and scanners <u>are not supplies.</u>

5.4 IT Services

IT personal services are services that have someone doing IT related services, e.g., hardware, software or system maintenance services.

IT consulting services are services of an advisory nature that provide a recommended course of action or personal expertise (product of the mind). This may include subject matter experts or specialists within the IT field overseeing technical projects or providing IT training.

6. Desktop And Mobile Computing Policy

Department of Technology complies with Desktop and Mobile Computing Policy (DMCP), and may acquire desktop and mobile computing goods necessary to support the Department of Technology programmatic functions and business needs. Department of Technology has established and maintains appropriate standards for the purchase of DMCP. All IT purchases are under the direction of the State CIO and will comply with the Department of Finance (DOF) IT Project Oversight Framework. The Department of Technology Desktop Unit provides administration and support for all Department of Technology PC users. Department of Technology Desktop Unit shall ensure Department of Technology standards meet products offered on the Statewide Contract (SC).

6.1 Allowed purchases

The DMCP includes the acquisition and support of:

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

Refer to SAM section 4989.1 for additional desktop and mobile computing definitions.

6.2 Excluded purchases

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

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

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

Purchases acquired under the DMCP for desktop and mobile computing equipment must include the impact from the Department of Technology Desktop Support Unit which shall be retained in the procurement file.

7. Leasing Equipment

When acquiring IT equipment, determine if it would be better to lease or purchase the equipment. The decision to lease or purchase should be the result of a careful analysis of all factors involved, especially the total cost to the Department of Technology for the expected period of use.

7.1 Lease vs. Purchase Cost Analysis

Before initiating the acquisition, Department of Technology must perform a cost analysis of leasing versus purchasing. Department of Technology should follow the directions contained in SAM section 3700 et seq., in making cost analyses.

7.2 Purchase Option Credits

Many lease contracts allow the accrual of monetary credits which the contractor agrees may be applied toward the eventual outright purchase of the equipment being leased if the user so elects. If the probability of exercising a purchase option is remote, the inclusion of purchase option credits in a bid evaluation process will distort the evaluation to a point where it is likely that the bid with the lowest cost will not be selected, and the State will incur higher costs than it would if the winning bid was selected on the basis of the rent alone. Purchase option credits should be cost evaluated in a lease contract only if there is reasonable probability that a purchase option in a lease contract may be executed. Otherwise, purchase option credits are to be excluded from the cost evaluation.

8. Order Splitting

PCC section 10329 for non-IT goods and by policy for IT good and services state that “no person shall willfully split a single transaction into a series of transactions for the purpose of evading the bidding requirements of this article.”

Department of Technology acquisition specialists may not spilt orders to circumvent approved purchasing authority dollar thresholds.

9. Emergency Purchases

An emergency as defined by PCC section 12102(a) as "the goods and services are needed in cases of emergency here immediate acquisition is necessary for the protection of the public health, welfare or safety."

Department of Technology acquisition specialists shall ensure approval from the PCO is obtained prior to proceeding with any emergency purchase.

9.1 Types of Emergencies

Emergencies are divided into two classifications that effect how purchase activity will be processed:

- An emergency purchase in response to a natural disaster, such as fire, flood or earthquake; or
- An emergency purchase not in response to a natural disaster.

9.2 Required Documentation

Regardless of the classification of an emergency, the Department of Technology must document (in 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 IT goods and/or services and price.
- The names and quotations of suppliers contacted.

9.3 Emergency Purchases in Response to a Natural Disaster

Table 2.2 Emergency Purchases in Response to a Natural Disaster

If the purchase activity	Then the acquisition specialist will proceed with the purchase
Is within Department of Technology's $25,000 purchasing authority for Non-Competitively Bid (NCB) contracts	• Documenting the circumstance of the emergency purchase. • Issue the purchase document, identifying the Purchasing Authority (PA) number in the PA number box on the purchase document.
Exceeds Department of Technology's $25,000 purchasing authority for NCB contracts	• Documenting the circumstance of the emergency purchase. • Issue the purchase document, leaving the PA number box on the purchase document blank.

9.4 Emergency Purchases Not in Response to a Natural Disaster

Table 2.3 Emergency Purchases Not in Response to a Natural Disaster	
If the purchase activity	**Then the acquisition specialist will proceed with the purchase**
Is within Department of Technology's $25,000 purchasing authority for Non-Competitively Bid (NCB) contracts	• Documenting the circumstance of the emergency purchase. • Document names and quotations of suppliers contacted. • Issue the purchase document, identifying the PA number in the PA number box identified on purchase document.
Exceeds Department of Technology's $25,000 purchasing authority for NCB contracts	• Contact Statewide Technology Procurement Division immediately or within the next business day to provide the circumstance of the emergency (916) 431-5580. • Prepare a Memo justifying the circumstances of the emergency purchase. • Statewide Technology Procurement Division contact reviews the Memo and if approved. • Proceed with the purchase. • Send PO or Contract to Statewide Technology Procurement Division's approval.

CHAPTER 3

PRE-PROCUREMENT REVIEWS AND APPROVALS

Table of Contents

1. Pre-Procurement Review and Approval Categories 1
2. Transportation Management Unit 1
3. Surplus Property Program 1
4. Community-based Rehabilitation Programs (CRP) 2
4.1. California Alliance of Rehabilitation Industries (CARI) 2
5. Department of Technology Approval of IT Activities 2
4.1 Telecommunications 3
4.2 Personal Communications Devices (PCD) 3
6. Information Technology Procurement Plan (ITPP) 3
7. Authority over Negotiations 3
8. Certification of Compliance with State IT Policies 4
8.1. When certification is not required 5
8.2. Under $100,000 documentation requirements 5
9. State Personal Board (SPB) 5
8.1 Personal Services Contracts 5
8.2 Justification for Personal Service Contracts 6
8.3 Bargaining Unit Notification of Proposed Personal Services Contracts 7
8.4 Resumes for Consultant Contracts 8
8.5 Consultant Negative Evaluations 8
10. Records Management Requirements 8
10. Mission Critical Certification for DGS 9

CHAPTER 3

PRE-PROCUREMENT REVIEWS AND APPROVALS

1. Pre-Procurement Review and Approval Categories

There are certain categories of purchases that require review and approval before Department of Technology can proceed with a purchasing activity. SCM Vol.3, Chapter 2 describes those requirements and processes.

At this point, the acquisition specialist has determined the class and category of a purchase request before initiating a procurement activity. Next, the acquisition specialist needs to analyze the request to validate any pre-approval requirements, as follows.

2. Transportation Management Unit

The Transportation Management Unit (TMU) provides specialized services, as described in the SAM section 3800 to all State agencies. They have expert knowledge of rates and tariffs regarding the movement of all State materials in the most expeditious, economical and efficient manner.

The TMU was established in accordance with the provisions of GC section 14920 et seq. Departments shall contact TMU at (916) 376-1888 to determine the cost and routing of freight whenever the weight of the purchase is 100-lbs or more and F.O.B. Destination, Freight Prepaid is not used. See TMU web page for further details.

3. Surplus Property Program

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

- Salvage value of State-owned IT equipment (SAM section 5901) and purchase option credits for leased IT equipment are a source of value to the State. Department of Technology must ensure that such value is received to the extent that doing so is in the best interest of the State.
- The disposition of surplus IT equipment must be in accordance with the most economical and practical manner for the State as a whole.
- GC sections 14674-14675 authorizes the Director of DGS to approve the competitive sale, exchange, or interagency transfer of personal property owned by the State if such action is in the best interest of the State. Department of Technology must receive approval from the DGS Property Reutilization Unit, prior to disposing of surplus IT equipment.
- Department of Technology is responsible for ensuring that any residual value in surplus IT equipment is realized. Department of Technology must explore the reutilization of surplus IT equipment prior to requesting approval for disposal or attempting to use the equipment as a credit toward the purchase or lease of new equipment.

- Department of Technology must submit a completed Property Survey Report (STD. Form 152) to the DGS Property Reutilization Unit at least 30 days prior to the disposal of surplus IT equipment. At the same time, Department of Technology must send an informational copy of the completed Property Survey Report to the Department of Technology.

Department of Technology must comply with the State property accounting requirements described in SAM sections 8633 and 8640-8642 when disposing of surplus IT equipment.

4. Community-based Rehabilitation Programs (CRP)

DGS/PD encourages departments with purchasing authority to consider purchasing products and services from rehabilitative or sheltered workshops. In accordance with Welfare and Institutions Code 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 the non-competitively bid (NCB) contract requirements. GC 19130 must still be met.

Department of Technology acquisition specialists shall not use these programs at the risk of attaining other mandated procurement goals such as SB and DVBE participation. Additionally, when utilizing these programs, Department of Technology acquisition specialist shall ensure the price offered by these programs is fair and reasonable.

4.1. 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.

5. Department of Technology Approval of IT Activities

Authority for approval of information technology projects lies with the Department of Technology. SAM sections 4800-5180 constitutes these powers and defines the procedures for obtaining approval of proposed information technology expenditures.

Per SAM Section 4819.37, the Department of Technology will establish an agency-specified cost delegation level, i.e., the project cost level above which the agency must obtain Department of Technology approval of an Feasibility Study Report (FSR) BEFORE the agency is authorized to initiate any IT procurement project. Department of Technology's IT project authority threshold is $2,000,000.

Department of Technology Fiscal will not execute IT procurement documents submitted without project authority.

See SCM Vol.3, Chapter 2, Topic 2.C3.1 for the mechanisms to obtain approval for IT projects.

4.1 Telecommunications

Department of Technology acquisition specialists shall ensure impact from the Office of Technology Services (OTech)/Statewide Telecommunications and Network Division (STND) is obtained for all telecommunications services and ensure the procurement file is documented.

- Teleconferencing/videoconferencing.
- PBX telephone systems.
- Hybrid telephone systems with trunk connections.
- Hybrid telephone systems to be installed behind a consolidated system.
- Standalone Automatic Call Distributor (ACD) or voice mail systems connected to consolidated systems.
- Data transport outside of the consolidated frame relay services.
- Request for proposal or IFB for telecommunications equipment and services.
- Telecommunications consulting services.

4.2 Personal Communications Devices (PCD)

Department of Technology shall first consider LPA contracts to obtain PCDs and associated service plans. PCDs include but are not limited to:

- Cellular phones.
- Pagers.
- Personal Digital Assistants (PDAs) and related items or configurations that permit remote communication and/or messaging.
- Black Berry (BB).

6. Information Technology Procurement Plan (ITPP)

Technology Letter 12-1 has eliminated the ITPP process. This is now part of the FSR process. See #4, Department of Technology Approval of IT Activities of this Chapter.

7. Authority over Negotiations

PCC Section 6611 sections (a) and (b) set forth the conditions under which the DGS may use negotiations for new and existing contracts and/or procurements. PCC 6611(e) also allows the Department of Technology, Statewide Technology Procurement Division to use the negotiation procedures and guidelines developed by DGS for procuring information technology and

telecommunications goods and services on behalf of state departments. DGS has provided a Negotiation Process Guide for IT goods & services under PCC 6611. For procedures and guidelines related to non-IT services, see SCM Volume 1; for non-IT goods, see SCM Volume 2.

When an appropriate basis exists, the DGS or the Department of Technology may authorize negotiations in any of the following circumstances:

1. At the outset of a procurement,
2. During a competitive procurement, or
3. When no responsive bids are received

PCC Section 6611(b) authorizes a negotiation process to amend existing contracts when it is in the best interest of the state.

In all circumstances, approval of the Director of the DGS or the Director of the Department of Technology or their designee is required in advance, and negotiations must be conducted by the DGS or the Department of Technology (for technology projects). The actual negotiations will be conducted in partnership with the procuring agency.

The DGS recommends that during the acquisition planning phase, agencies and departments plan accordingly and consider whether a negotiation process is appropriate for a given procurement. Departments should contact the DGS for assistance in determining applicability of PCC Section 6611(a) and developing the framework for the negotiation process.

See SCM Vol.3, Chapter 2, Topic 2.C5.1-2.C5.8 for the procedure to follow.

8. Certification of Compliance with State IT Policies

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

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

8.1. When certification is not required

A certification is not required for:

- Procurements less than $100,000.00.
- Procurements limited only to maintenance services.
- Procurements in support of previously approved efforts (See SAM section 4819.40).
- Procurement of services to conduct a feasibility study report provided the services are limited to supporting or conducting the feasibility study or preparing the FSR (SAM section 4927 and 4928).
- Procurement of/for excluded activities as described in SAM section 4819.32.

8.2. Under $100,000 documentation requirements

Although a certificate of compliance is not required for transactions valued at less than $100,000.00, departments purchasing any IT goods and/or services are required to provide documentation and/or justification as to how the acquisition is authorized. Acceptable forms of documentation include:

- Approved FSR Transmittal from DOF for non-delegated projects.
- Approved FSR Transmittal signed by the department director, deputy director or director's designee for department delegated projects.
- A statement in the procurement file documenting that the purchase is in accordance with the DMCP as addressed in Budget Letter 04-26.
- PIER approval letter, in support of a previously approved effort.
- Other internal documentation identifying how the acquisition is excluded from SAM section 4819.3.

This documentation and/or justification in support of the acquisition must be retained within the procurement file.

9. State Personal Board (SPB)

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

In conformance with GC section 19131, if we propose to execute a personal services contract pursuant to GC section 19130(a), we must notify the SPB of our intent to award a contract.

8.1 Personal Services Contracts

Review GC sections 19130(a) and (b) to justify contracting personal services rather than using civil service personnel. To apply section 19130(b)(3), work

with the business area making the requests to determine the answers to the following five questions:

1. What is the technical nature of the work? What are the specific provisions pertaining to the qualifications of the staff that will perform the work under the contract?
2. Will the contract result in actual overall cost savings to the State? How much?
3. Does the amount of savings clearly justify the size and duration of the contracting agreement?
4. Is the potential economic advantage of contracting not outweighed by the public's interest in having a particular function performed directly by State government?
5. Will the contract cause the displacement of civil service employees? The term "displacement" includes layoff, demotion, involuntary transfer to a new class, involuntary transfer to a new location requiring change of residence, and time base reduction. Displacement does not include change in shift or days off, nor does it include reassignment to another position with the same class and general location.

If the answers justify contracting for a consultant, check for Conflicts of Interest if the proposed contracting staff are current and former State employees or retired annuitants. State employees shall not engage in any employment, activity, or enterprise from which he receives compensation or has a financial interest unless required as a condition of regular State employment. For a two-year period from the date of termination from State employment, no former employee can negotiate, transact, or plan any part of the decision-making process relevant to a contract while employed by the State. (Refer to SCM Vol.1 Section 7.10 and PCC sections 10410 and 10411 for more detail.)

8.2 Justification for Personal Service Contracts

The GC 19130 Exemption Justification guidelines are designed to ensure that the Department of Technology has exhausted all reasonable means, as required by Section 19130(b), to hire civil service employees to perform personal services. The requestor shall complete the GC Section 19130 Request for Exemption template when requesting a contract for consulting or personal services. Justification for these types of services is most commonly acquired through use of GC 19130(b)(3) or GC 19130(b)(10), but there are eight (8) other exemptions to consider. All evidence used for an exemption justification must be attached as well. The addition documentation should include an email sent to other CIO's to support that there are not State Employees available in other departments or agencies. Documentation and justifications will be reviewed by Department of Technology Labor Relations, Procurement, and Legal Counsel, for approval.

8.3 Bargaining Unit Notification of Proposed Personal Services Contracts

Per Management Memo (MM) 14-01, the Department of Technology must provide notification of proposed personal services contract to the Bargaining Unit that represents state employees who perform the type of work being contract out prior to execution of the contract.

It is up to the Requestor to note in the CSS SR Worklog what bargaining unit the personal services contract needs to notify. The Requestor can go to the following links for assistance to determine in notification is required:

- Class Specification information: http://jobs.spb.ca.gov/wvpos/payscales.cfm
- Bargaining Units: http://www.calhr.ca.gov/state-hr-professionals/Pages/bargaining-contracts.aspx

The only exception is if the personal services contract is necessary due to a sudden and 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, then notification shall be as soon as possible after execution.

The Acquisition Specialist is responsible for sending the following via e-mail also cc: Jeff Pudoff (jeff.pudoff@state.ca.gov) to the appropriate Bargaining Unit contact person listed on the AB 906 Contract Recipient:

- Unsigned PDF copy of the proposed contract including all exhibits
- Completed Notification Proposed Prsnl Srvcs Template

DO NOT SEND THE STD 215 OR CERTIFICATION TECH 409 FORM

This should be done at the time of award or when the contract is sent to the Contractor for signature.

The Acquisition Specialists must check and sign the STD 215 in box 17(b) that they have complied with this requirement or if the contract does not require a STD 215, the acquisition specialist must complete and sign the TECH 409 - Certification of Bargaining Unit Notification form. A copy either the STD 215 or TECH 409 shall be filed in the procurement file.

The Acquisition Specialists must file a copy of the documents e-mailed to the Bargaining Unit(s) by Contract and SR number in the BU Correspondence folder located at: G:\BureauAdmin\DESK_PROCEDURES\Bargaining_Unit_Notification for Personal Services Contracts\BU Correspondence.

If the contract requires DGS or STPD approval the following should be included in the contract package for approval:

- For contracts requiring a STD 215
  - A signed STD 213
  - A signed STD 215
- For contracts NOT requiring a STD 215
  - A signed STD 65
  - A signed TECH 409

If the Bargaining Unit challenges the proposed contract, follow the steps below:

- Immediately notify Procurement & Contracting Services Management
- Immediately notify Jeff Pudoff, in Labor Relations, Human Resources

8.4 Resumes for Consultant Contracts

Obtain a resume for every consultant performing services on the contract and also made it a part of the contract. For MSA and CMAS contracts, also verify the classification and pay scale listed on the cost worksheet meet the requirements and resume meet any applicable requirements.

8.5 Consultant Negative Evaluations

Verify with DGS OLS there are no negative evaluations on file by sending a fax to DGS OLS (916) 376-5088 with the Name of the Company along with their FEIN number to see if there are any negative evaluations on file. Retain DGS OLS response in file for documentation.

10. Records Management Requirements

Prior to the purchase or rental of any file, microfilm, optical disk and/or records destruction equipment, Department of Technology acquisition specialists shall review and coordinate the purchase activity through the Department of Technology Business Services records manager in accordance with the DGS California Records and Information Management (CalRIM) manual. Department of Technology acquisition specialists shall ensure the request is “impacted” in CSS by Business Services prior to proceeding with a solicitation.

Click here to access the DGS CalRIM web page.

10. Mission Critical Certification for DGS

No work will be initiated, no documents will be reviewed and no contracts will be approved by DGS that would result in the expenditure of funds unless a Mission Critical Certification is received in writing and signed by the Agency's Secretary or Department's Director or their designees. The Department has designated, the Deputy Director of the Administration Division to sign the memo. A template of the Mission Critical Certification Memo is located on the G: drive. This signed memo shall accompany the PO or Contract package to DGS. A copy should be retained in the procurement file.

CHAPTER 4

PROCUREMENT PROCESS

Table of Contents

1. Signature Authority 1
2. Procurement Request for Purchases 2
3. Assigning the Request 2
4. Execution Timelines for Processing 2
5. Unique Numbering 2
6. Solicitation Numbers 3
7. Purchasing Authority Purchase Order (STD. 65) 3
8. Standard Agreement for IT Goods/Services Only (STD. 213IT) 3
9. Amended Purchase Orders or Standard Agreements 3
10. Completing the Purchase 4
10.1 Payee Data Record (STD. 204) 4
10.2 Seller's Permit 4
10.3 Certification with the Secretary of State 4
10.4 Voluntary Statistical Data 5
10.5 Largest Tax Delinquent Companies 5
10.6 Security and Confidentiality Statement for Contractors 5
10.7 Pre-Employment Criminal Background Investigation Policy 5
10.8 Iran Contracting Act 6
10.9 Loss Leader 6
10.10 State Contract and Procurement Registration System (SCPRS) 7
10.11 Contract Award Report (STD. 16) 7
11. Purchase Order/Contract Distribution 8
12. Official Procurement File 9
13. Location and Access to Files 10
13.1 Physical Files 10
13.2 Electronic Files 10

CHAPTER 4

PROCUREMENT PROCESS

1. Signature Authority

Department of Technology's Procurement and Contracting Officer (PCO) has implemented the following signature authority guideline for all acquisition specialists to follow.

Table 4.1 Signature Authority Guideline

Form	Purpose	Authorized Signature
STD. 65 – Purchasing Authority Purchase Order	To contract with supplier for IT goods/services up to delegation.	• Procurement Managers or Chief AND • Accounting Officer
	Over delegation.	• Director and Agency Secretary AND • Accounting Officer AND • Oversight Agency
STD. 66 – Purchase Estimate	Request for DGS for them to conduct bid.	• Procurement Chief AND • Procurement Manager AND • Accounting Officer
STD. 16 – Contract Award Report	Notification of Award to Department of Fair Employment and Housing for orders over $5,000	• Acquisition Specialist
STD. 213IT – Standard Agreement	To contract with suppler for IT Goods/ Services and IAAs up to delegation.	• Procurement Manager or Chief
	Over delegation.	• Director and Agency Secretary AND • Oversight Agency
STD 213A – Standard Agreement Amendment	To process Amendments up to delegation.	• Procurement Managers or Chief
	Over delegation.	• Director and Agency Secretary AND • Oversight Agency
STD. 215 – Agreement Summary	To provide overview of Contact purposes. used in conjunction with the STD 213IT	• Acquisition Specialist AND • Accounting Officer
Approval of Untimely Submitted Procurements to DGS Memo	Justification for contract not sent within the DGS approval timeframes. (See Administrative Order 06-05.1)	• Director (up to 30 days late) OR • Agency Secretary (over 30 days late)
Mission Critical	When any document needs to go over to DGS for review/approval	• Deputy Director, Administration
STD. 821 – Contract Advertising Exemption	Advertising Exemption and with NCBs	• Procurement Chief
Non-Competitively Bid (NCB) Contract Justification	To request approval of a contract with the only known supplier	• Director or Designee AND • Agency Secretary AND • DGS (only if over $25,000)
GSPD-08-001 – Limit to Brand or Trade Name (LTB) Bid	When product is limited to a specified brand or trade name and is the only product that will meet our needs	• Procurement Chief OR • Director or Designee AND • DGS (only if over $25,000)
GSPD-07-04 – DVBE Program Requirements and DVBE Incentive Waiver	To waive the DVBE Program Requirements. (Requirement Only)	• Procurement Chief or designee
TECH 407 - SB/DVBE Under $250K Waiver	To request approval to waive the SB/DVBE Under $250K Policy	• Procurement Chief or designee
Proprietary Software exceeding $250,000 (STD 65 or STD 213IT)	New proprietary software	• Director or Designee AND • Agency Secretary
	Existing proprietary software	• Deputy Director, Administration
Software License Program Exemption Request (SLPER)	To request exemption above SLP maximum	• CIO AND • Procurement Chief
Master Agreement Exemption Request (MAER)	To request exemption above MA maximum	• Procurement Manager AND • Procurement Chief

2. Procurement Request for Purchases

All requests for purchases of IT goods and services (including amendments and renewals) are submitted through a Service Request (SR) in the Customer Service System (CSS) Website.

The requestor completes an online service request and the request is electronically routed for approvals. The requestor should upload all applicable documents, i.e. Statement of Work, GC 19130 justification, etc. Refer to the CSS Online Guide, Preparing a Service Request for further assistance.

3. Assigning the Request

Once the SR has been approved it goes to the CPMGR in CSS. Support Staff will print out the SR list, create the SR folder, and assign the SR to the appropriate unit's manager to assign to an acquisition specialist. Refer to Support Staff's Desk Procedures for further details.

The acquisition specialist will receive an e-mail from CSS that a request has been assigned to them. It is the acquisition specialist's responsibility to update the SR in CSS with the estimated availability date and the status on the OTech Worklog. The acquisition specialist will also receive the SR procurement folder from their manager. Refer to Procedures for Processing a Service Request (SR) for further details.

4. Execution Timelines for Processing

Department of Technology has established timelines for processing IT good and/or services. Refer to the established Contract Timelines.

5. Unique Numbering

To avoid duplicate and/or incorrect supplier invoicing, and to facilitate tracking, Department of Technology order number must be unique from transaction to transaction and from year to year.

Example: 11-001, 11-002, 11-003.

The first two digits represent the fiscal year of the purchase order issue date. The digits following the fiscal year are automatically assigned by the PeopleSoft database. Refer to the PeopleSoft manual for further assistance.

Amendments must be identified using the original agency order number and an amendment number. The amendment number must be numeric and must not exceed 2 digits.

Example: 11-001 Amendment No. 01, 11-001 Amendment No. 02, 11-001 Amendment No. 03

The amendment number must be entered in the "Amendment No." box on the STD. 65 or on the STD. 213A for IT goods and services.

6. Solicitation Numbers

Solicitations are to be assigned numbers using the following naming convention: Solicitation Type - Fiscal Year - SR Number. Example: Request for Offer (RFO) 11-120000.

7. Purchasing Authority Purchase Order (STD. 65)

The Purchasing Authority Purchase Order (STD. 65) is used for the majority of IT goods purchases or when required by the specific LPA contract instructions. This form may also be used when services are incidental to the purchase of goods. However, the goods must be the larger part of the procurement.

Acquisition specialists will enter information into the PeopleSoft database that will produce the STD. 65.

8. Standard Agreement for IT Goods/Services Only (STD. 213IT)

The Standard Agreement for IT Goods/Services Only (STD. 213IT) is used when services make up the majority of the purchase or when required by the specific LPA contract instructions and with Interagency Agreements (IAA).

If the purchase document requires a STD. 213IT instead of a STD. 65, the acquisition specialist will need to enter information into the PeopleSoft database which will produce an electronic purchase order for encumbrance purposes only (EPO). The purchase order number generated will be used on the STD. 213IT.

9. Amended Purchase Orders or Standard Agreements

A new SR number will be assigned to all amendments. The amended SR folder will also include a copy of the original purchase and any prior amended purchase documents. The file will also reference all prior SR numbers.

10. Completing the Purchase

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

10.1 Payee Data Record (STD. 204)

Acquisition specialists must obtain a completed Payee Data Record (STD. 204) from a supplier prior to executing a purchase document whenever the Department of Technology engages in an activity leading to a payment to an entity other than a government entity. In accordance with SAM Section 8112.3 and 8422.190, the completed STD. 204 must be provided to Department of Technology accounting office. The procurement file substantiates that the STD. 204 has been obtained.

LPA contracts generally include the STD. 204. Acquisition specialists must obtain a copy of the supplier's LPA to ensure a completed STD. 204 is included. If not, then the acquisition specialist must obtain a completed STD. 204 from the supplier.

Regardless of the procurement approach or payment method, Department of Technology accounting office must verify the receipt of a completed STD. 204 prior to releasing any payments.

10.2 Seller's Permit

A copy of the seller's permit or certificate of registration must be obtained on any tangible personal property purchase regardless of the dollar value. This requirement does not apply to a credit card purchase of goods of $2,500.00 or less. The total amount per year for each company using a credit card shall not exceed $7,500.00.

To validate seller's permits, enter the number on the State Board of Equalization's website. Print the validation page to include in the procurement file.

10.3 Certification with the Secretary of State

Domestic (within California) and foreign (outside California) Corporations, Limited Liability Companies (LLCs), Limited Liability Partnerships (LLPs) and Limited Partnerships (LPs) must be registered with the California Secretary of State's (SOS) office in order to be awarded an Agreement.

To validate the companies' status, enter the name of the Company and other required information on the California Secretary of State's website. Print the validation page to include in the procurement file.

10.4 Voluntary Statistical Data

PCC section 10111 (f) requires Department of Technology to report voluntarily submitted information by business owners by race, ethnicity and gender. The Voluntary Statistical Data Sheet (VSDS) form is used to capture this information and should be sent with every new contract.

10.5 Largest Tax Delinquent Companies

Per PCC Section 10295.4 et seq., Department of Technology shall not enter into any contract for the acquisition of goods or services with a contractor whose name appears on either list of the largest tax delinquencies. Acquisition specialists must check with the State Board of Equalization List of Largest Sales & Use Tax Delinquencies in California at: http://www.boe.ca.gov/cgi-bin/deliq.cgi and the Franchise Tax Board List of Top 250 Delinquent Taxpayers at: https://www.ftb.ca.gov/aboutFTB/Delinquent_Taxpayers.shtml.

For verification, make a note on the record of discussion in the procurement file and on the OTech Worklog in CSS.

10.6 Security and Confidentiality Statement for Contractors

The Security and Confidentiality Statement is a requirement for suppliers who will have personnel on any of Department of Technology's premises or access to Department of Technology's documents. This normally applies to personal/consultant and maintenance contracts, and may also apply to equipment installation services. This document should be sent out in the solicitation and returned with the contractor's response. A copy will be retained in the procurement file.

10.7 Pre-Employment Criminal Background Investigation Policy

The Department of Technology recognizes the need for hiring practices that will ensure the greatest degree of security for data center operations and the data maintained within the Department (Policy Number 2021). Under the authority of Government Code 11546.6, a criminal background check utilizing California Department of Justice (DOJ) and Federal Bureau of Investigation (FBI) records must be conducted on prospective contractors, subcontractors, volunteers, or vendor whose duties include, or would include, working on data center, telecommunications, or network operations, engineering, or security with access to confidential or sensitive information and data on the network or computing infrastructure. All fingerprints shall be taken digitally using Live Scan technology and transmitted electronically to the DOJ.

Upon award, the Contractor must have each and every employee (including any subcontracted employees) engaged in the resulting agreement to get a criminal background check utilizing California DOJ and FBI records. Failure to comply with the criminal background check policy will result in disqualification or contract termination.

10.8 Iran Contracting Act

Pursuant to the Iran Contracting Act of 2010 (PCC sections 2200 through 2208 are "the Act"), vendors are ineligible to bid on, submit a proposal for, enter into, or renew any contract with the state for goods or services of one million dollars ($1,000,000.00) or more if the vendor engages in investment activities in Iran, as defined in the Act.

Also, pursuant to the Act, financial institutions are ineligible to bid on, submit a proposal for, enter into, or renew any contract with the state for goods or services of one million dollars ($1,000,000.00) or more if the financial institution extends credit, as defined in the Act, to a business identified on the DGS list of ineligible vendors that will use the credit to provide goods or services in the energy sector in Iran.

The Iran Contracting Act Certification form should be completed by a vendor for all contracts valued over $1,000,000.00.

Prior to submitting a bid or proposal and prior to executing any state contract or renewal for IT goods or services of $1,000,000.00 or more a vendor must certify that they are not on the prohibited list. It is the acquisition specialist's responsibility to check the list of ineligible vendors to confirm that the vendor is not on the list.

10.9 Loss Leader

Pursuant to PCC section 12104.5(b)(1), every RFP solicitations for IT goods and/or services shall contain the following statement:

"It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code."

The above statement shall be deemed to be part of a solicitation even if the statement is inadvertently omitted from the solicitation (PCC § 12104.5(b)(4)).

The following acquisitions do not require loss leader language:

- RFOs for acquisitions from Leveraged Procurement Agreements (LPAs)
- Acquisitions made using Fair and Reasonable pricing
- Acquisitions made using the SB/DVBE Option

10.10 State Contract and Procurement Registration System (SCPRS)

The State Contract and Procurement Registration System (SCPRS), an internet-based application incorporated into DGS' eProcurement system (BidSync), was developed as a contract tracking system to provide a centralized database for state contracting and purchasing transactions.

In accordance with Management Memo 03-09, Department of Technology must register all purchase documents including all amendments valued more than $5,000 in SCPRS. DGS Broadcast dated September 3, 2009 encourages recording all transactions no matter what the dollar value. Department of Technology has elected to enter all purchase documents in SCPRS regardless of the dollar value.

Acquisition Specialist will be responsible for:

- Entering purchase document information into eProcurement;
- Printing the SCPRS confirmation for the procurement file; and
- Entering the registration number assigned by SCPRS on the purchasing document (STD. 65/STD. 213IT) prior to issuing the transaction to the supplier.
- Entering SCPRS confirmation number into PeopleSoft database.

For additional information, see SCRPing Instructions and access DGS' eProcurement Resources link.

10.11 Contract Award Report (STD. 16)

In accordance with the CCR Title 2, Division 4, Chapter 5, section 8117.5, Department of Technology will notify the Department of Fair Employment and Housing (DFEH) of any contract award in excess of $5,000.00.

A completed Contract Award Report (STD. 16) for any contract award in excess of $5,000.00 must be e-mailed within 10 days of contract award to: CompliancePrograms@dfeh.ca.gov.

This requirement does not apply to contracts with other California State departments or with the federal government.

11. Purchase Order/Contract Distribution

Prepare the package and submit for review to your lead and manager for approval. After the STD. 65 or STD. 213IT is approved, complete distribution as shown in the following table:

Table 4.2 Purchase Order/Contract Distribution

Steps	Responsible Party	Tasks
1.	Acquisition specialist	• Make sure appropriate Route Slip is on top of approved procurement ▪ Blue for STD. 65 ▪ Goldenrod for STD. /213IT/215 ▪ Pink for Delegation B ▪ Yellow for IAA Payable • Approved STD. 65 or 213IT and STD 215 and attachments (if applicable) to Support Staff.
2.	Support Staff	• Stamp FY to the left of the Contract # on all contracting documents. • Log Contract in PO Log. • Route to Fiscal for signature.
3.	Fiscal	Fiscal will either approve it by signing the contract documents or will return it unsigned. If approved go to step 4 and if returned unsigned then give back to the acquisition specialist to correct.
4.	Support Staff	• Log return in PO Binder and Procurement Tracking Log. • Return completed contract to acquisition specialist
5.	Acquisition Specialist	• Enter contract in SCPRS • Print SCPRS Confirmation Page • Add SCPRS number on contracting document and PeopleSoft database • Scan contract document (cc: Contract Routing) • Mail or e-mail contract document to Vendor along with Voluntary Statistical Data Sheet form to vendor; fax or e-mail confirmation saved in hard & eSR files • E-mail a STD. 16 to DFEH and put copy in contract file • Mail contract to SCO and DGS • Upload contract to Worklog in CSS • Closeout contract in CSS • Complete SR closing Checklist • Route Completed folder to Support Staff
6.	Support Staff	• Scan contract to in G:\Purchase_Orders & eSR file • Add vendor name to eSR file • Send Completed Contract email. • Color code for Archiving • File folder

12. Official Procurement File

The official procurement file should be consistently organized. Documentation should be retained in the file for audit purposes. Procurements will be placed in the manila folders with six-tabs in order from top to bottom as described in the following table. You may ask support staff for assistance organizing the final file.

Table 4.3 Procurement File

Title of Tab	File Documentation
Left side of folder	▪ Contract Route Slip ▪ Procurement Methodology/Acquisition Reference Guide
Acquisition Document Tab	▪ Amendment(s) to purchase document; ▪ Originally-signed STD. 65 or STD. 213IT contract plus complete agreement ▪ Encumbrance PO (when applicable) ▪ Post Award DVBE Letter (if applicable) ▪ Record of Discussion
Service Request and Required Approvals Tab	▪ Approved NCB, Agency Transmittal Memo (if required) ▪ Routing approval sheet w/signatures (if used) ▪ Approved STD. 215 (if using a STD. 213IT) ▪ "Unauthorized" PO with Supervisor initials for budget check ▪ Approved DVBE waiver form, and/or for: non-certified business if under $100K or non-certified business CMAS ▪ Modified service request (if any) ▪ Original service request
Solicitation Documentation Tab	▪ Bid/Quote Worksheet or Evaluation/Selection Report (include certified SB/DVBE confirmation from DGS website) ▪ Complete copies of all vendor bids ▪ Addendums to RFQ, RFO, IFB (if any) ▪ Vendors question sand your answers, if any ▪ Vendor list or vendor download from CSCR (if CMAS include listing from CMAS website to validate CMAS status) ▪ Copy of CSCR ad (if used) ▪ Approved RFQ, RFO, IFB
Forms Tab	▪ STD 204-Payee Data Record ▪ STD 4-Contract/Contractor Evaluation ▪ Any other forms that may be required for your procurement ▪ SCPRS registration confirmation ▪ Copy of SCPRS data entry screen ▪ Seller's Permit (Required for all tangible procurements) ▪ Secretary of State Cert. for Doing Business in CA ▪ Copy of STD 16 (if over $5,000.00) – (Be sure to e-mail to DFEH.) ▪ Confidentiality forms (if used)
Related Correspondence/emails Tab	▪ Vendor Confirmation (fax report/email confirmation) ▪ Any written correspondence, such as a transmittal letter to the vendor ▪ Emails between you and end user, manager that are for clarification, confirmation, or authorization (don't include incidental emails)
Closing Checklist Tab	▪ SR Folder Closeout Checklist ▪ SR Folder Closeout Checklist for Software (if applicable)

13. Location and Access to Files

Physical procurement files are located in the file room. For official auditing purposes a hard copy of the purchase documentation is located in these files. An electronic file is also kept of the purchase document. These are filed by the Purchase Order number and SR number.

13.1 Physical Files

Support Staff is in charge of all filing except IAAs (which are handled by the IAA Processing Coordinator, see Chapter 9).

All contract files from the current fiscal year (CFY) plus two FYs back. The current year is kept in the center filing area. FY+1 and FY +2 are in the Filing Machine.

As the folders are completed and closed by the acquisition specialists, they are put in the appropriate filing area (above the drawers of the CFY or the appropriate FY baskets for the others).

Daily or at least once a week, support staff should go through and file all SRs placed in these areas. Files are filed in numerical order by SR#

When filing, Support Staff is to complete the Top Tab so it reads as follows:
SR # - Vendor-Expiration Date – Contract #
11-123456 – Hidden Valley – 12/31/11 – 1234
No SR – Vendor – 12/31/11 – Department of Technology PO #/PS PO#

13.2 Electronic Files

All contracting documents should be saved by Contract # - SR #. They are saved in the following places:

- G:\Purchase_Order\FY
- G:\BureauAdmin\SR\FY

As these are saved, the eSR file's name should be changed to include the Vendor name. It should look like this: 123456 Hidden Valley

CHAPTER 5

SOCIOECONOMIC AND ENVIRONMENTAL PROGRAMS

Table of Contents

1. Americans with Disabilities Act (ADA) 1
2. SB/DVBE Advocate Responsibilities 1
3. SB/DVBE Policy 1
4. SB/DVBE Under $250 Waiver 2
5. SB/DVBE Option 2
6. SB/DVBE Certified Lists 2
7. Commercially Useful Function 3
6. DVBE Participation Program Requirements 3
6.1 DVBE Participation Waiver 3
6.2 Competitive Solicitation and DVBE Requirement 3
6.3 Meeting DVBE Program Requirements 4
6.4 Additional DVBE Information 4
7. DVBE Incentive and Competitive Solicitations 4
7.1 Incentive Application 4
7.2 Incentive Amount 5
8. SB and DVBE Participation Reporting Requirements and DVBE Substitution 5
9. Small Business Preference and Competitive Solicitations 6
10. Non-Small Business Subcontractor Preference and Competitive Solicitations 7
11. Small Business/Nonprofit Veteran Service Agencies and Competitive Solicitations 8
12. Reporting 8
13. TACPA Preference for Competitive Solicitations 9
13.1 Solicitation Language 9
13.2 Program Descriptions 10
13.3 Preference Procedures 10
13.4 Maximum Preference Allowed 10
14. Recycle 11
15. Environmentally Preferable Purchasing 11

CHAPTER 5

SOCIOECONOMIC AND ENVIRONMENTAL PROGRAMS

1. Americans with Disabilities Act (ADA)

Acquisition specialists ensure that all procurement related activities and services are available to all persons, including persons with disabilities. In addition, the acquisition specialist ensures that the department's ADA coordinator will be available to assist and respond to persons with disabilities needing a reasonable accommodation to participate in the procurement process.

2. SB/DVBE Advocate Responsibilities

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

- Identify potential SB and/or DVBE prime contractors or subcontractors and potential contracting opportunities
- Making information regarding pending solicitations available to and consider offers from certified SB and/or DVBE firms capable of meeting the State's business need.
- Department of Technology's point of contact for SB/DVBE vendors needing assistance on prompt payments or questions on procurement issues.

3. SB/DVBE Policy

The Department of Technology has adopted a SB/DVBE Policy to ensure that the Department meets and exceed the annual statewide participation goals of 25% to SBs and 3% to DVBEs.

It is our policy that all procurements under $250,000.00 must be awarded to a SB, MB and/or DVBE whenever feasible. If the following requirements are not met, then acquisition specialist must obtain a waiver (See #4 for waiver).

- **Procurements under $5,000.00:** Use the Fair and Reasonable (F&R) methodology to award orders to SBs and DVBEs. The criteria described in the State Contracting Manuals (SCM) Volumes (Vols.) 2 and 3 must be met to establish F&R costing.
- **Procurements from $5,000.01 to $249,999.99:** Must be conducted utilizing the SB/DVBE Option methodology or utilize the Leverage Procurement Agreement (LPA) method soliciting only SB or DVBE (Should the LPA method be utilized and a large business is awarded, then a waiver must be approved prior to award).
- **Non-IT Goods under $100.00:** Must be awarded to a SB or DVBE.
- **Proprietary product, service, and subscription** per SCM Vol. 2, section 5.5.1; SCM Vol. 3, section 5.6.1; or additional purchases exempt by Department of General Services (DGS) policy: Please inquire with the company if there are SB or DVBE possibilities.

4. SB/DVBE Under $250 Waiver

A waiver is required for every purchase under $250,000.00 that will not be awarded to a SB or DVBE. The acquisition specialist must complete the SB/DVBE Under $250K Waiver, TECH 407 form on the G: drive, summarizing the steps taken, research conducted, and the justification for not awarding to a SB or DVBE. The Procurement and Contracting Services Branch Chief or designee shall approve and sign off on waivers, with a copy placed in the procurement file for documentation.

5. SB/DVBE Option

Government Code section 14838.5 (a) and (b) enables a department to conduct a competitive solicitation for IT goods or services valued at $5,000.01 through $249,999.99 that targets only certified SB, including micro businesses, or certified DVBE supplier, as long as price quotations are obtained from two or more certified SB/MBs or two or more DVBEs. Department of Technology buyers shall ensure that all solicitations meeting this option are utilized first, if possible.

To utilize the SB/DVBE Option, Department of Technology acquisition specialist's must:

- Create the solicitation (informal competitive bid);
- Release the solicitation package only to certified SB/MB or DVBE businesses;
- Verify SB/MB or DVBE certification status; and
- Receive responsive price quotations from at least two (2) responsible California certified SB/MB or DVBE and award must be made based upon the solicitation format used.

The procurement file must be documented to support the contract award under this option.

6. 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.

For contact information regarding the Office of Small Business and DVBE Services (OSDS), access Office of Small Business and DVBE Services.

7. Commercially Useful Function

In accordance with GC section 14837, all SB and DVBE contractors, subcontractors and suppliers that bid on or participate in a state contract, regardless of being a verbal or written solicitation must perform a commercially useful function (CUF).

In addition, the requirement to determine CUF is not affected by the applicability of the five percent SB preference and/or the DVBE incentive program. There is no exception to this requirement. Department of Technology acquisition specialists shall determine that a CUF will be performed using the CUF Evaluation and Determination Worksheet prior to contract award. For additional information, please see the DVBE and SB Program Violations and Sanctions web page.

6. DVBE Participation Program Requirements

The DVBE participation program for state contracts is established in PCC section 10115 et seq., Military and Veterans Code (MVC), section 999 et seq. and CCR, Title 2 section 1896.60 et seq. Pursuant to Executive Order D-37-01 and PCC §10115, Department of Technology seeks to meet the annual statewide participation goals in state contracting of not less than three percent for DVBE. Department of Technology competitive solicitations include language that complies with the DVBE program.

6.1 DVBE Participation Waiver

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

The acquisition specialist must submit the waiver form to their manager who will forward it to the PCO for approval. A copy of the waiver form and justification should be placed in the procurement file.

6.2 Competitive Solicitation and DVBE Requirement

Department of Technology acquisition specialists shall ensure the inclusion of DVBE solicitation language in all solicitations that are not waived by the Department of Technology PCO. Department of Technology DVBE solicitation language shall always include the DVBE incentive program. Acquisition specialists shall ensure any solicitation which does not contain DVBE requirement language is so indicated.

6.3 Meeting DVBE Program Requirements

Acquisition specialists shall ensure applicable DGS forms (e.g., STD. 843) for DVBE program requirements and the DVBE incentive program is included in all solicitations. Deviations to these forms shall be used only if pre-approved by the PCO.

If DVBE participation is a requirement of the competitive solicitation then a bidder must document commitment to full DVBE participation, i.e., locate and commit to using certified DVBE firms who will perform the percent of work specified by the solicitation.

The DGS/PD publishes on their website approved DVBE trade and focus paper listings to assist bidders with meeting the requirement.

There are two methods of meeting the goals:

1. For non-DVBE bidders: Commit to use DVBEs for not less than the percentage specified in the solicitation, or
2. For DVBE bidders: Commit to perform not less than the percentage specified in the solicitation with its own forces or in combination with other DVBEs

6.4 Additional DVBE Information

Please see the DGS/PD DVBE web page for additional information: DGS/PD DVBE Participation web page.

7. DVBE Incentive and Competitive Solicitations

PCC section 10115 et seq., MVC section 999 et seq., and CCR, 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.

The statewide DVBE participation goal of 3% applies to the total contract dollars expended each year by Department of Technology. Department of Technology has established a method for attaining this goal and 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.

7.1 Incentive Application

- Incentive is required in solicitations that include the DVBE program requirement and may be offered in other competitive solicitations.

- Incentive is applied during the evaluation process and is only applied for responsive bids from responsible bidders proposing the percentage(s) of DVBE participation for the incentive(s) specified in the solicitation. For evaluation purposes only:
  - Incentive is applied by reducing the bid price by the amount of incentive as computed from the lowest responsive and responsible bid price.
  - Application of the DVBE incentive cannot displace an award to a small business with a non-small business.
  - Incentive points are included in the sum of non-cost points.
  - Incentive points cannot be used to achieve any applicable minimum point requirements.

7.2 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, Department of Technology'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.

8. SB and DVBE Participation Reporting Requirements and DVBE Substitution

State law requires that vendors must:

- Report actual SB and DVBE utilization within 60 days of the end of the contract (GC 14841)
- Request DGS Office of Small Business and DVBE Services (OSDS) approval prior to replacing a DVBE subcontractor using DGS' DVBE Substitution form and instructions

Section 63 of GSPD-401IT includes the language advising vendors of these requirements and must be referenced in all solicitations and purchase documents.

Additionally, SCM Vol. 3, Chapter 3, sections 3.5.6, requires the following language be included in **all** solicitations and purchase documents with the exception of acquisitions made using F&R pricing[1]. The language must be included even if there is no DVBE requirement or incentive.

> *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 MVC section 999.9; Public Contract Code (PCC) section 10115.10.*

9. Small Business Preference and Competitive Solicitations

A five percent (5%) preference shall be offered to California certified SBs when any competitive solicitation is being conducted with the exception of the SB/DVBE Option.

The SB preference is only used for computation 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/MBs be more competitive in the bid process.

Prior to the review of preferences, the acquisition specialist will determine whether SB bidders are responsive to the solicitation requirements, are responsible bidders and are otherwise eligible to receive the contract under all applicable laws and regulations.

The following steps should be used to apply the 5% preference:
Step 1: Calculate 5% of the low net non-SB bid.
Step 2: Subtract this amount from all qualifying bids.

---

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

Step 3: If no other preferences or the DVBE incentive are applicable, re-rank bids to determine which bidder has the low responsible bid. Award is made to the #1 ranked bid.
Step 4: Document the procurement file with sufficient detail to support the award showing the SB preference calculations.

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

- DGS PD's preference program for TACPA or the non-SB subcontracting preference cannot displace a direct award to a certified SB/MB.
- 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 15% of the bid amount or $100,000.00 whichever is less.
- 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.

10. Non-Small Business Subcontractor Preference and Competitive Solicitations

A five percent (5%) preference shall be offered to non-small business (non-SB) that subcontract at least 25 percent (25%) of its net bid price to a California certified SBs when a competitive solicitation is being conducted with the exception of the SB/DVBE Option.

An non-SB claiming 25 percent (25%) California certified SB subcontractor participation must identify applicable subcontractor information in their bid response to support the subcontracting claim. Completion of the Bidder Declaration serves this purpose.

- Subcontractor name(s)
- Subcontractor address(es)
- Subcontractor phone number(s)
- A description of the work to be performed and/or the products supplied
- The dollar amount or percentage of the net bid price (as specified in the solicitation) per subcontractor

The following steps should be used to apply the 5% preference:
Step 1: Calculate 5% of the net price of the lowest responsible and responsive bid.
Step 2: Subtract the preference value from the bid amount of Bidder claiming non-SB subcontractor preference.
Step 3: Re-rank bids to determine which bidder has the low responsible bid. Award is made to the #1 ranked bid.
Step 4: Document the procurement file with sufficient detail to support the award showing the non- SB preference calculations.

The following general rules relate to the application of the non-SB preference:

- In no event shall the non-SB subcontracting preference exceed $50,000 in any single bid.
- In no event shall the combined cost of available preferences exceed 15% of the bid amount or $100,000.00 whichever is less.
- In the event of a tie between a California certified SB/MB and a non-SB subcontracting with California certified SB, the award shall be made to the California certified SB/MB.
- 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.
- Only the recycle preference can preclude award to a SB that is either ranked #1 or moves into the #1 rank following application of the SB preference. However, one SB can displace another SB for award as a result of application of other preferences and/or the DVBE incentive.

11. Small Business/Nonprofit Veteran Service Agencies and Competitive Solicitations

Nonprofit veteran service agencies (NVSA) that have been California certified as a small business nonprofit veteran service agency are eligible to claim the five percent (5%) SB preference when responding to competitive solicitations.

California NVSA certification status can be verified by accessing the SB and DVBE Services certified firm inquiry database located on the DGS/PD web page at http://www.bidsync.com/DPXBisCASB. The database printout in support of the NVSA must be maintained in the procurement file.

The following steps should be used to apply the 5% preference:
Step 1: If the NVSA is claiming an SB preference, it shall be 5% of the lowest responsible bidder meeting specifications.
Step 2: Subtract this amount from all qualifying bids.
Step 3: If not other preferences or the NVSA are applicable, re-rank bids to determine which bidder has the low responsible bid.
Step 4: Document the procurement file with sufficient detail to support the award showing the NVSA preference calculations.

12. Reporting

Department of Technology must report annually to DGS our total SB/MB and DVBE contracting participation. If the 25% goal for SB/MB or the 3% goal for DVBE participation is not met, we must provide the reasons for not meeting the goal and an implementation plan for future improvements on our SB/MB and/or DVBE participation. See Chapter 14 of this manual for further details on reporting.

13. TACPA Preference for Competitive Solicitations

The Department of Technology must offer the Target Area Contract Preference Act (TACPA) preference program with IT competitive solicitations valued at $100,000.00 or more.

Although the Department of Technology is required to include this preference in competitive procurements with a value of $100,000 and greater, the Department of Technology includes it in all IT competitive solicitations valued at $85,000 or more. The department does this to avoid the possibility of having to cancel and re-issue the solicitation if the lowest responsive bid received in response to a solicitation is $100,000 or more.

The TACPA preferences only apply to California based firms that demonstrate and certify under penalty of perjury that at least 50% of the total labor hours for manufactured goods or 90% of the total labor hours for services will be performed in distressed areas.

- Bidders may also apply for additional work force preference of one to four percent if the bidder agrees to hire certain identified persons equal to a percentage of its work force during the contract performance period (See GC section 4534.1)

13.1 Solicitation Language

Procurement documents must include language that identifies to bidders that the TACPA preference is applicable to that competitive solicitation. Department of Technology uses the following solicitation language in all IT competitive solicitations valued at $85,000.00 and greater.

The following preference will be granted for this procurement. Bidders wishing to take advantage of this preference will need to review the following website and submit appropriate response with their bid: http://www.documents.dgs.ca.gov/pd/poliproc/tacpapage.pdf

Bidders wishing to take advantage of this preference are required to submit the following applications/forms:

- TACPA application (STD 830)
- Manufacturer's Summary of Contract Activities and Labor Hours (DGS/PD 525)
- Bidder's Summary of Contract Activities and Labor Hours (DGS/PD 526).

13.2 Program Descriptions

An overview of the TACPA preference program is provided below:

- Pursuant to GC section 4530 et. seq.
- Encourages and facilitates job maintenance and job development in distressed and declining areas found in California cities and towns.

13.3 Preference Procedures

The DGS, PD reviews all TACPA applications. Departments must submit the following to the DGS, Preference Unit for review:

- Copies of the TACPA (STD 830) application
- Bidder's Summary of Contract Activities and Labor Hours (goods and
- services)
- Manufacturer's Summary of Contract Activities and Labor Hours (goods)
- Copy of Solicitation
- Delivery Schedule (if applicable)

Preference requests are reviewed and processed within 5 working days and a recommendation memo (approval/denial) will be faxed to the originating department's contract analyst.

After receipt of the recommendation memo, the contract analyst must notify the Preference Unit if an award is made based on the approved preference points. The Preference Unit monitors the contract for compliance. Non-compliance contract performance has the following consequences:

(A) Pay to the state any difference between the contract amount and what the state's cost would have been if the contract had been properly awarded;
(B) In addition to the amount specified in (A) above, be assessed a penalty in an amount of not more than 10 percent of the amount of the contract involved; and
(C) Be ineligible to directly or indirectly transact any business with the state for a period of not less than six months and not more than 36 months.

Note: Prior to the imposition of any sanction under this chapter, the contractor or vendor shall be entitled to a public hearing and to five days' notice of the time and place thereof. The notice shall state the reasons for the hearing.

13.4 Maximum Preference Allowed

The maximum preference allowed for TACPA is 9 percent of the bide amount but may not exceed $50,000 for any bid. In combination with any other preferences (TACPA SB, non-SB subcontracting participation, recycled, etc.), the maximum limit of the combined preferences is 15 percent of the bid amount and, in no case, more than $100,000 per bid, whichever is less.

14. Recycle

Department of Technology is committed to meet the Reportable Product Category set forth by the State Agency Buy Recycled Campaign (SABRC), CalRecycle, and DGS.

The reportable product category applicable to IT goods would be plastic products including printer or duplication cartridges that:

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

SCM Vol. 3, Chapter 3, provides the requirements for buying recycled products.

15. Environmentally Preferable Purchasing

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.

Department of Technology realizes it is imperative that State agencies purchase energy efficient products in order to conserve electrical power and lower energy costs to State agencies.

In addition, Department of Technology 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. Department of Technology utilizes recycled content products and considers recycled products in conducting its purchasing activities. Department of Technology 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.

CHAPTER 6

COMPETITIVE BID PROCESS

Table of Contents

1. Introduction 1
2. Delegated Procurement Authority Thresholds 1
3. Confidentiality 1
4. One-time Delegation Request for over LPA thresholds 1
5. Request to Conduct Procurements for Over Delegated Purchase Authority 2
6. Establishing Bidder Lists 2
6.1 Know the Supplier Pool 3
6.2 Request for Interest (RFI) 3
6.3 Limit to Brand or Trade Name (LTB) 3
7. Advertising 4
7.1 How to Place a BidSync Advertisement 5
8. Fair and Reasonable (F&R) Pricing 5
9. Bidder Instructions 6
10. General Provisions 6
11. IT Model Language 6
12. Solicitation Formats 7
12.1 Informal Solicitations 7
12.1.1 Phone Quotes 8
12.1.1.1 Documenting the Results 8
12.1.1.2 Contract Award 8
12.1.2 Request for Quotation (RFQ) 8
12.1.2.1 Required Language 8
12.1.2.2 Distribution Method 8
12.1.2.3 Supplier Signatures 9
12.1.2.4 Documenting the Results 9
12.1.2.5 Contract Award 9
12.2 Formal Solicitations 9
12.2.1 Invitation for Bid (IFB) 10
12.2.1.1 Two IFB Formats 10
12.2.1.2 Required Language 11
12.2.1.3 Distribution Method 11
12.2.1.4 Supplier Signatures 11
12.2.1.5 Documenting the Results 11
12.2.1.6 Contract Award 11
12.2.2 Request for Proposal (RFP) 12
12.2.2.1 Required Language 13
12.2.2.2 Distribution Method 13
12.2.2.3 Supplier Signatures 13
12.2.2.4 Documenting the Results 13
12.2.2.5 Contract Award 13
12.2.3 Hybrid RFP Process 14
13. Clarification or Changes to a Solicitation (addenda) 14
14. Supplier Selection 15

Table of Contents Continued

15. Determining Responsive Bid and Responsible Bidder 15
16. Ineligible Business 15
17. Deviations 16
18. Evaluation and Award 16
18.1. Bid Submission 16
18.2. Procurement Summary 17
18.3. Intent to Award 17
18.4. Tie Bids 18
19. Evaluation and Award Specific to IT Value Effective Evaluations 18

CHAPTER 6

COMPETITIVE BID PROCESS

1. Introduction

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

2. Delegated Procurement Authority Thresholds

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

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

3. Confidentiality

During the development and management of the competitive solicitation and throughout the evaluation and award process, all information must remain confidential. Documentation must be maintained in a secured area. Once bids are opened and evaluated an Intent to Award is released, all documentation becomes available to participating bidders. Once an award is executed, all documentation becomes public record available to anyone that requests a review of the procurement file. Refer to Public Records Act, GC section 6250 et seq, for exceptions from disclosure. In general, public records include all bids, the contract, and the evaluation selection report. Public records do not include working papers or the cost portion of bids that were deemed unresponsive.

In addition to the assigned acquisition specialist, written competitive solicitations will often have other participants from Department of Technology and other State agencies involved in the solicitation development, evaluation, and selection process. All of these personnel must sign Conflict of Interest and Confidentiality Statement.

4. One-time Delegation Request for over LPA thresholds

If the purchase exceed Department of Technology's delegation authority for California Multiple Award Schedules (CMAS) Orders and Department of Technology chooses to request a one-time delegation to conduct the procurement, before commencing procurement activities, the acquisition specialist must complete the Request for One-Time Procurement of IT Goods and Services and submit it to the DGS PD.

For one-time requests for Master Agreements (MA) or Software License Program (SLP) Orders, see Chapter 8, since they have their own exemption process.

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

5. Request to Conduct Procurements for Over Delegated Purchase Authority

When a purchase transaction exceeds or is expected to exceed our delegation authority of $5,000,000.00 and Department of Technology chooses to request the procurement to be conducted by

The acquisition specialist must complete a Purchase Estimate (STD. 66) or a memo must be submitted instead of the STD. 66 when the transaction is for IT services. The completed STD. 66 should be submitted a minimum of 45 days prior to the anticipated delivery date to the following:

- If the acquisition is part of an IT project that is reportable to CalTech under SAM 4800 must be conducted by CalTech's Statewide Technology Procurement Division.
- If the acquisition is NOT part of an IT project that is reportable to CalTech, then it must be conducted by DGS PD.

Contact the appropriate Division above for instructions on submitting IT service procurement requests.

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

6. Establishing Bidder Lists

The first step in the competitive process is to establish a bidder list. SB/DVBE suppliers interested in conducting business with the Department of Technology will be provided and included in appropriate bid lists. Bid lists shall be updated prior to each use to ensure the most up-to-date information, e.g., CMAS vendor e-mail contact, etc. Department of Technology acquisition specialists should get a bid list from the requestor even when advertising is required.

Resources available to Department of Technology to identify bidders are:

- Phone books
- 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

- Internet
- BidSync eProcurement

Bidder lists may also be used in conjunction with advertising.

6.1 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. Department of Technology acquisition specialists shall give special attention to SB/DVBE bidders.

6.2 Request for Interest (RFI)

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

The RFI should:

- Be short, concise and to the point;
- Include the solicitation number and title;
- Include a general description of the equipment to be solicited;
- Include estimated quantities, features, general time frames, any pertinent geographic information, acquisition specialist's name and telephone number, etc.;
- Not provide or 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.

6.3 Limit to Brand or Trade Name (LTB)

Pursuant to PCC section 12102(a) for IT goods, Department of Technology 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 Department of Technology's needs.

- If the competitive solicitation is valued at $25,000 or less, approval is only required from Department of Technology's Executive Officer, or designee, and Department of Technology may conduct the solicitation without DGS' approval. Use the LTB Statement (GSPD-08-001) to document the procurement file.

- If Department of Technology plans to conduct an LTB solicitation valued at greater than $25,000, then DGS/PD agreement must be obtained prior to conducting the solicitation by submitting the LTB Statement to DGS/PD. DGS will return the approved or denied LTB Statement to Department of Technology. If the LTB Statement is denied, Department of Technology may not limit the competitive bidding to the specified brand or trade name. If the LTB Statement is approved, Department of Technology may conduct the solicitation limited to the specific brand or trade name. Refer to SCM Vol. 3, Chapter 4, Section C, Topic 3 for more information.

7. Advertising

A solicitation requiring advertisement must be published in DGS' eProcurement website. The eProcurement website was established to maximize competition through advertising State purchasing and contracting opportunities. Department of Technology 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 Department of Technology to solicit California certified SB and DVBE suppliers and award purchase documents valued from $5,000.01 to $250,000, provided responsive bids are obtained from at least two responsible bidders.

Table 6.1 Advertising Requirements

If the purchase is classified as	And the dollar threshold is valued at	Then advertising is
IT Goods and Services	Under $5,000 is not considered Competitive; see section 7 of this chapter	Not Required
IT Goods and Services	On service portion only in excess of $4,999.99	Required
IT Goods	$5,000 - $100,000	Not Required-Recommended
IT Goods	In excess of $100,000	Required
IT Services	In excess of $4,999.99	Required

Department of Technology shall not release solicitations prior to publication in DGS' eProcurement website. Department of Technology must release solicitations after or simultaneously with the contract advertisement publication. If the acquisition specialist attaches the solicitation document to the contract advertisement, then the solicitation is being released simultaneously at the time the contract advertisement is posted. Department of Technology must advertise for at least 10 working days prior to the bid due date or, if the solicitation is an Invitation for Bid (IFB) or Request for Proposal (RFP), the first key action date.

7.1 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.

8. Fair and Reasonable (F&R) Pricing

Competition is always the preferred method of acquisition. However, Department of Technology may acquire IT goods and services valued less than $5,000.00 if F&R pricing can be established without receiving alternate quotes.

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

Table 6.2 Determining F&R Pricing

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.

F&R evaluations must be conducted and documented in the procurement file for all transactions under $5,000.00 whenever an acquisition specialist 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 $5,000.00, acquisition specialists 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.

9. Bidder Instructions

Bidder Instructions are used in all IT goods and services contracts. While the Bidder Instructions may be used for informal (less than $1,000,000) IT solicitations, the model IFB/RFP Section II, Rules Governing Competition, will replace the Bidder Instructions in formal ($1,000,000 or more) IT solicitations.

10. General Provisions

The IT General Provisions are to be used for all contracts, purchase orders or agreement transactions valued over $4,999.99 placed within Department of Technology's delegation. This excludes orders purchased under LPA contracts which include their own general provisions. Unless otherwise specified these General Provisions may not be modified; however, they may be supplemented with additional provisions tailored to a specific solicitation.

Either preprinted (hardcopy) forms of IT General Provisions GSPD-401IT or, for ease of use, the IT General Provisions GSPD-401IT incorporated by reference, should be used.

If an election is made not to include or reference the IT General Provisions, then written confirmation must be obtained before award is made that the supplier will abide by the following required contract provisions:

- Americans with Disabilities Act (ADA)
- Non-Discrimination and Statement of Compliance
- Drug-Free Workplace Certification
- Forced, Convict & Indentured Labor
- National Labor Relations Board Certification
- Sweat Free Code

The procurement file must include this documentation.

11. IT Model Language

As of November 27, 2013, the IT Modules (Special Provisions) were incorporated in the IT General Provisions. The Special Provisions used prior to this date are at the following links:

- Information Technology Purchase Special Provisions, effective 02/08/07

- Information Technology Maintenance Special Provisions, effective 01/21/03
- Information Technology Software License Special Provisions, effective 01/21/2003
- Information Technology Personal Services Special Provisions, effective 02/08/07

12. Solicitation Formats

Solicitations are purchase documents used to request quotes, bids, or proposals from suppliers and are characterized as either informal or formal. Templates for all solicitation formats may be found in the Unit's folder in the Bureau Admin folder of the G: Drive. Refer to SCM Vol. 3, Chapter 4, Section B, Topic 2, for information on developing competitive solicitations.

Acquisition specialists are to use the appropriate Elements of a Solicitation for Information Technology and Telecommunication Services as a checklist to assist with the solicitation.

- Click here for IT Goods
- Click here for IT Services
- Click here for IT Goods and Services

12.1 Informal Solicitations

Informal solicitations are generally straightforward or uncomplicated and usually of lower dollar value. Informal solicitations may be used for solicitations for $1,000,000.00 or less. An informal solicitation may be conducted using a Phone Quote or Request for Quotations (RFQ), depending on the degree of specific language needed.

Table 6.3 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
IT Goods**	* $4,999.99 or Less	Fax, or Written	Bid Quote Worksheet & Script	RFQ	Lead/Manager
IT Goods**	$5,000.00-$100,000.00	Fax, or Written	Bid Quote Worksheet & Script	RFQ	Lead/Manager
IT Goods**	$100,000.01-$1,000,000.00	Written Must Advertise	N/A	RFQ	Lead/Manager
IT Services**	* $4,999.99 or Less	Fax, or Written	Bid Quote Worksheet & Script	RFQ	Lead/Manager
IT Services**	$5,000.00 - $1,000,000.00	Written Must Advertise		RFQ	Lead/Manager

*Could use Fair and Reasonable
**Fax or Written – Refer to Bidder Instructions, Submission of Bids

12.1.1 Phone Quotes

Acquisition specialists shall not use this method unless pre-approval is obtained by the PCO/PAC. In the event a phone quote is approved and the value is less than $50,000.00, the acquisition specialist using this solicitation method must prepare a script or narrative of the quote requirements so that each bidder is informed equally and the acquisition specialist can evaluate quotes fairly. The script must include referring bidders to the PD web page for the current bidder instructions and applicable general provisions associated with the purchase.

12.1.1.1 Documenting the Results

The acquisition specialist must document the quotes received over the phone by using the Bid/Quote Worksheet. Supplier signatures are not required, but the acquisition specialist 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.

12.1.1.2 Contract Award

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

12.1.2 Request for Quotation (RFQ)

The most common written solicitation format used for conducting informal competitive solicitations is the RFQ for solicitations valued between $5,000.00 and $1,000,000.00. The RFQ is a straightforward procurement format identifying the items and quantities needed and requesting a quote.

12.1.2.1 Required Language

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

- Bidder Instructions and applicable General Provisions for the solicitation.
- Requirements to fax bid responses.
- Language addressing the socioeconomic and environmental programs as applicable (SB, DVBE, TACPA, Recycle, etc.)
- Requirements for protest and contract award for RFQs valued between $100,000.01 and $1,000,000.00.
- Bidder's Declaration – GSPD-05-105
- Commercially Useful Function Documentation

12.1.2.2 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 acquisition specialist must document the distribution method in the procurement file.

12.1.2.3 Supplier Signatures

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

12.1.2.4 Documenting the Results

The acquisition specialist must document quotes received by using the appropriate Bid/Quote Worksheets located in the Bureau Admin folder on the G: Drive. The Worksheet must be retained in the procurement file.

12.1.2.5 Contract Award

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

12.2 Formal Solicitations

Formal solicitations are more complicated, higher in risk and of higher dollar value. A formal solicitation must be used for solicitations over $1,000,000.00. A Formal Solicitation is conducted using the IFB or RFP format.

Table 6.4 Competitive Formal Acquisition Reference Guide

Classification	Formal Dollar Levels	Applicable Method	Document Used	PO/Contract Approvals
IT Goods*** or IT Goods and Services	$1,000,000.01 or Greater	Written Must Advertise	IFB	Manager
IT Services***	$1,000,000.01 or Greater	Written Must Advertise	RFP	Manager
DVBE Program Requirements and DVBE Incentive Waiver – For any of the above procurements, where applicable, the acquisition specialist may obtain a waiver for the DVBE Program Requirements portion only by getting approval on a DVBE Program Requirements and DVBE Incentive Waiver Form (GSPD-07-04).				

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

Per SAM 4819.31 and IT Policy Letter 11-03, all formal IT solicitations are required to be reviewed by the Department of Technology, IT Project Oversight and Consulting Division (ITPOC) prior to release to the public.

A completed Formal IT Solicitation package consists of the following:

- A completed and signed Formal Information Technology Solicitation Review Executive Approval Transmittal, available in SIMM Section 28A.
- All sections, appendices, attachments and exhibits comprising the Formal IT Solicitation.
- The approved FSR by the DGS or, for IT solicitations delegated by the DGS, approved by the department.

Submit the signed Executive Transmittal electronically as a scanned PDF and the solicitation package documents as Word or Excel files to: ITSolicitationReview@state.ca.gov

All formal IT solicitations must be reviewed by the Department of Technology's Legal Division prior to advertising and at the same time as the ITPOC review. Contact Legal Division to review formal solicitation.

All formal IT solicitations must also be audited internally by the Department of Technology in between audits that are conducted by the DGS Office of Audit Services. Contact the Department's Chief Auditor, Audits and Accountability Unit, Legal Services Division to have the formal solicitation audited.

12.2.1 Invitation for Bid (IFB)

The IFB is a written procurement method used to solicit bid responses for IT goods alone or for IT goods and services where suppliers are asked to provide a bid to the State's known and detailed, clear requirement. The solicitations are of a higher dollar value equal to or exceeding $1,000,000.00 and are higher in risk.

12.2.1.1 Two IFB Formats

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

- If the purchase is for **IT goods only** (for example hardware or software containing straightforward requirements, considered to be a low risk purchase, or less complex purchase) and the evaluation selection criteria is low net cost meeting all other bid specifications, then the solicitation will be developed using:
  - IFB for IT goods only format that includes Contract Award and Protest language
    - Eliminates the need to include Section II – Rules Governing Competition as well as the remaining solicitation sections (ten total) of a formal IFB solicitation for more complex purchases.
  - Bidder Instructions (GSPD-451)
  - IT General Provisions and applicable IT Special Provisions

Click here to access the IFB for IT Goods Only format.

- If the purchase is for **IT goods and services** (for example hardware, software, services), then the solicitation will be developed using the:
  - Formal IFB solicitation format, including all ten sections of a solicitation.
  - Section II – Rules Governing Competition replaces the Bidder Instructions (GSOP-451). Note: Bidder Instructions in lieu of Section II may be used if the procurement is straight-forward, and evaluation and selection is based on lowest net cost meeting all other bid specifications. In such cases, there may be only one step.

Click here to access the IFB format for IT goods and services.

12.2.1.2 Required Language

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

- Bidder Instructions or Section II Rules Governing Competition and applicable General Provisions for the solicitation.
- Requirements to fax bid responses.
- Language addressing the socioeconomic and environmental programs as applicable (SB, DVBE, TACPA, Recycle, etc.)
- Bidder's Declaration – GSPD-05-105
- Commercially Useful Function Documentation

12.2.1.3 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 acquisition specialist must document the distribution method in the procurement file.

12.2.1.4 Supplier Signatures

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

12.2.1.5 Documenting the Results

The acquisition specialist must evaluate the procurement following the Evaluation and Selection Team Procedure document and record the results using the Evaluation and Selection Report. This report must be retained in the procurement file.

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

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

12.2.1.6 Contract Award

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

If the IFB evaluation criteria is based upon a value effective methodology then cost is required to be submitted in a separately sealed envelope and requires the technical and administrative evaluation to occur prior to opening the cost envelope. Cost envelopes will not be opened for bid responses containing material deviations.

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

- Lowest net cost meeting all other bid specifications criteria, the contract award, if made, will be to the responsible bidder submitting a responsive bid that is the lowest cost after application of any preference or incentive requirements (SB/DVBE, TACPA, recycle, etc) or discounts, if applicable.
- Value effective criteria, then the contract award if made, will be the responsible bidder submitting a responsive bid that scores the highest points in accordance with the evaluation methodology as described in the solicitation.

12.2.2 Request for Proposal (RFP)

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

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

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

Click here to access the IFB/RFP solicitation format.

Pursuant to PCC section 12104(c) all IT RFPs shall be reviewed by the DGS Office of Legal Services (OLS) prior to release to the public. RFPs shall be submitted to the DGS/OLS a minimum of 10 work days prior to anticipated release of the RFP to allow the DGS/OLS sufficient time for review and information exchange with the department as needed in the review process. However, for complex RFPs, departments are strongly encouraged to submit the RFP well in advance of the planned release date to allow sufficient time for review and to correct any problems.

12.2.2.1 Required Language

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

- Section II Rules Governing Competition and applicable General Provisions for the solicitation.
- Language addressing the socioeconomic and environmental programs as applicable (SB, DVBE, TACPA, Recycle, etc.)
- Payee Data Record - STD. 204
- Bidder's Declaration – GSPD-05-105
- Commercially Useful Function Documentation

12.2.2.2 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 acquisition specialist must document the distribution method in the procurement file.

12.2.2.3 Supplier Signatures

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

12.2.2.4 Documenting the Results

The acquisition specialist must evaluate the procurement following the Evaluation and Selection Team Procedure document and record the results using the Evaluation and Selection Report. This report must be retained in the procurement file.

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

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

12.2.2.5 Contract Award

The evaluation criteria governing contract award is based on value-effective factors that includes cost. These factors are weighted; generally the administrative and technical requirements equal 50 percent (50%) and cost equals 50 percent (50%). If other than the 50/50 is used it must be approved by DGS/PD prior to the release.

If a weighting other than 50/50 is chosen, it must be approved by the DGS/PD before the solicitation is released. All factors for evaluation must be detailed in the evaluation section of the RFP.

Contract award will be to the responsible bidder that submits the responsive bid who scores the highest points in accordance with the evaluation methodology as described in the solicitation document and after application of any preference and DVBE incentive requirements.

12.2.3 Hybrid RFP Process

Some business problems offer unique challenges where the use of different procurement techniques, within a competitive framework, may better meet the State's needs. As warranted, and generally only for the most complex, risk sensitive IT procurements, DGS will consider using an RFP procurement process that includes a mixture of techniques from the traditional ten section RFP process and some or all of the following elements:

- Accelerated RFP development sessions
- Solution based requirements
- Multiple proposal stages

For the targeted projects, the techniques will 1) maximize the State's ability to obtain the best value solution, 2) ensure that all participants are in agreement as to the activities necessary to successfully deliver the solution, and 3) reduce processing time for some projects when supported by customer departments.

Due to the complexity of the RFP procurement process, only the DGS/PD has the authority to conduct such procurements. Departments that wish to partner with the DGS to use any of the elements of the hybrid RFP processes, including use of a multiple proposal stages approach, are encouraged to contact the DGS/PD/TAB early to discuss their requirements. Techniques such as these require advanced planning and a focused commitment by all parties involved.

13. Clarification or Changes to a Solicitation (addenda)

Clarifications or changes to a solicitation must be transmitted to all participating bidders by an addendum. An addendum documents all changes or revisions to the solicitation and shall include at a minimum the following information:

- Addendum number, (must be numbered consecutively), solicitation title and solicitation number
- Indication of where the revision or change is occurring in the solicitation. This may include deleting and inserting changed solicitation pages.
- Revised or unchanged quote/bid opening date;

A solicitation may be modified prior to quote/bid response due date. The addendum may be accomplished verbally (for phone quotes only) or written to coincide with the original solicitation format.

Note: An addendum to a solicitation shall be issued a minimum of five days prior to the final bid due date to allow prospective bidders sufficient time to prepare their bids. Otherwise the due date must be extended in the addendum.

In addition to communicating in writing to all suppliers that have expressed an intent to bid, addenda for RFPs must be posted in a public location.

14. Supplier Selection

The evaluation and section process is to ensure impartiality and comprehensive evaluation of all responses received.

Evaluator's are expected to:

- Be unbiased and to evaluate all bids fairly
- Excuse themselves from participating in an evaluation if the evaluator or a family member has a personal involvement with the bidder or firm

All evaluators must sign a Conflict of Interest and Confidentiality Statement.

For informal phone quotes and RFQs under $100,000 the Bid/Quote Worksheet must be used to document the bids received. For RFQs above $100,000 and formal IFB or RFPs above $1,000,000 the Evaluation and Section Team Procedures and Evaluation and Section Report template must be used.

15. Determining Responsive Bid and Responsible Bidder

A supplier who is responsible and submits a responsive bid is one who clearly indicates compliance without material deviation from the solicitation's terms and conditions and who possesses the experience, facilities, reputation, financial resources and other factors existing at the time of contract award.

16. Ineligible Business

Public Resources Code (PRC) section 42290 et seq. is collectively referred to as the "Recycled Content Plastic Trash Bag Law." The law requires that plastic trash bag manufacturers and wholesalers certify their compliance with the law.

Manufacturers and wholesalers who are non-compliant with the Plastic Trash Bag Law cannot contract with the State regardless of the product being provided in the contract (i.e. plastic trash bags, janitorial supplies or services, or any other products or services).

A listing of compliant and noncompliant trash bag manufacturers and wholesalers is available on the CalRecycle website at:
http://www.calrecycle.ca.gov/BuyRecycled/TrashBags/ComplyList/.

The State cannot solicit offers from, award contracts to, or renew, extend, or modify a current contract or subcontract with a business identified as noncompliant. Check the CalRecycle website for both primes and subcontractors (as applicable):

- When creating mail lists or prior to soliciting bids or requesting offers
- During the evaluation of competitive bids or assessment of offers
- Prior to creation of amendments or other purchase documents.

17. Deviations

A deviation from a requirement is material if the deficient response is not in substantial accord with the solicitation requirements, provides an advantage to one bidder over other bidders or has a potentially significant effect on the delivery, quantity or quality of items bid, amount paid to the supplier or on the cost to the State. Acquisitions specialist should use the Deviation Worksheet to determine if the deviation is material or immaterial.

There are two types of deviations.

- Immaterial Deviation: A deviation can be accepted when it is determined to be of such a minor concern that it carries little or no importance, and by accepting it, it doesn't provide the bidder with any material advantage over other bidders. Example: A bidder referenced the wrong page in their supporting technical literature. The bidder directed the evaluator to page 4 and the correct page should have been page 5.
- Material Deviation: A deviation in the bid response that cannot be accepted because by accepting it, the response will provide the bidder with an advantage over other bidders either for cost, quantity or quality. Example: The solicitation required a system that would serve 500 users and the bidder only offered a system that would serve 250 users.

18. Evaluation and Award

Acquisition specialist shall follow the process below for evaluation and award of solicitations

18.1. Bid Submission

Bid submissions will be handled as follows or as stated in the solicitation document:

- Bids will be hand-delivered or sent by mail unless the solicitation stated another method, i.e., fax

- Bids are due by the close of the business day, which is considered 5:00 pm PT on the date indicated unless otherwise stated in the solicitation
- When sealed bids are required, each bid must be:
  - Separately sealed inside an envelope
  - Received by the closing time and date specified
  - Signed on all forms furnished in the solicitation to be considered for award
- Bids must be date and time stamped upon receipt
- Buyers are advised to create a bidder response list recording date and time bids are submitted along with the bidder's company name, the bidder's contact person submitting the bid response and the amount quoted
- Bids must be kept in a secured area and remain confidential until bid opening
- Bids submitted after the closing time and date will be considered non-responsive

Note: IT solicitations using the value effective evaluation for contract award require a separately sealed cost envelope and require evaluation and scoring of all submissions prior to opening the cost envelope to determine the overall score of the bid responses. Only the cost envelopes of responsive bids are opened. See in this section.

18.2. Procurement Summary

Acquisition specialist must document the evaluation process and resulting source selection decision for every procurement effort in a procurement summary. The purpose of the procurement summary is to provide a single document that provides the history of those particular procurement transactions by explaining the significant facts, events and decisions leading up to the contract award.

Procurement summary information includes but is not limited to:

- Documenting the offered prices
- Determining that the selected supplier is responsible and the bid is responsive.
- Attaching the Bid/Quote Worksheet or the Evaluation and Selection Report

18.3. Intent to Award

For IT goods or IT goods and services solicitations exceeding $100,000.00, all bidders must be notified of an intent to award a contract at least 5 working days prior to award. This notification period may be shorter when the Alternative Protest Process is used. Acquisition specialist shall post in an area accessible to the public, a letter of Intent to Award.

The contract cannot be awarded for a period of five working days (starting the day after posting) during which Department of Technology must allow all participating bidders access to all the bid information including all responses and score sheets used in the evaluation. If the procurement was conducted under the Alternative Protest Process (APP), the protest period may be reduced to a minimum of one day.

Inspection of bids is permitted as follows:

- The contents of all proposals, draft bids, correspondence, agenda, memoranda, working papers, or any other medium which discloses any aspect of a bidder's proposal are available for inspection by participating bidders upon notice of intent to award.
- After contract award all procurement documents are available for public inspection through a Public Records Acts (PRA) request, which are handled by Department of Technology's Legal Office. The interested party should submit a request through Department of Technology's Legal Office by following the procedure at: http://www.cio.ca.gov/Contact_Us/records_request.html

18.4. Tie Bids

In the event of a tie, Departments should allow for a tiebreaker in the solicitation document, indicating how the contract award will be made. Examples of permissible tiebreakers are a coin toss or other similar objective method. Such event must be observed by witnesses and the affected bidders should be invited.

Note: In the event of a precise tie between suppliers claiming the incentive, the bid of an SB and the bid of a DVBE that is also a SB, the award shall go to the DVBE that is also an SB. (Reference Chapter 3 and GC section 14838 (f) and 2 CCR section 1896.8(f)).

Note: Recycled tire product contracts will be awarded to the bidder whose product has the greatest percentage of recycled tire content if the fitness, quality, and price are equal. (PRC section 42894) "Recycled tire product" means a product with not less than 50 percent of its total content derived from recycled used tires. (PRC section 42890.)

19. Evaluation and Award Specific to IT Value Effective Evaluations

For IT goods and services transactions valued at over $100,000, bids should be evaluated based on a value-effective methodology, where factors other than cost are of considerable value to the department. Value-effective evaluation methodology is required for all IT goods and services transactions more than $1,000,000, unless the procurement is straight-forward and requirements are known, detailed, and clear such that the evaluation and selection can be based on lowest net cost meeting all other bid specifications.

All specifications must be clearly identified and the points to be scored (or denoted non-scorable) must be clearly identified in the evaluation section. The method for determining the winning bid must be clearly stated.

Whenever a value-effective evaluation methodology is used to evaluate IT goods and services bids, the following process must be followed:

1. All bidder cost information must be submitted in an envelope separate from the technical and administrative proposals.

2. All bidder responses will be kept sealed and under lock and key until evaluation of all technical and administrative criteria is completed and the results published.
3. The sealed cost proposals for responsive proposals shall then be opened at the time and place designated in the solicitation and the remainder of the evaluation completed.

Evaluators must verify all mathematical calculations.

The Cost Proposal Certificate is the State's confirmation that all proposals have been maintained sealed and under lock and key until the time cost proposals are opened. This certification is retained within the procurement file and certified by the buyer that the information is correct.

CHAPTER 7

NON-COMPETITIVELY BID (NCB)

Table of Contents

1. Introduction 1
2. NCB Procedures 1
3. LPA transaction and NCB 2
4. Amendments 2
5. Special Category NCB Contract Request (SCR) 3
6. New and Existing Proprietary Software 3
7. Purchases Exempt from the NCB Process by Statute or DGS Policy 5
7.1 Procurement Approach for Exempt and NCB Purchases 7

CHAPTER 7

NON-COMPETITIVE BID (NCB)

1. Introduction

Department of Technology is committed to promote and provide for open and fair competition when seeking to execute a contract or amendment without competition. Competition is always required when available. This chapter describes the process to follow when executing a transaction where no known competition exists, that is, a Non-Competitively Bid (NCB) transaction. An NCB may not be used to circumvent the competitive bidding process**.** For additional information on IT NCBs, refer to SCM Vol. 3, Chapter 5.

NCB signature approval authority may not be delegated further than the next highest-ranking official for each level. Department of Technology Acquisition Specialist and project personnel executing NCB contract justifications must obtain PAC (if the NCB is $5,000 - $25,000) and Department of Technology Director approvals and signatures, regardless of whether or not the justification is submitted to DGS/PD or Statewide Technology Procurement Division (Telecom or Project-Related) for approval. All signatures must be originals.

2. NCB Procedures

Acquisition specialists will normally utilize the NCB contract process for IT purchases and should follow the following checklist.

Table 7.1 NCB Checklist

✓	Description	Performed By	Forms/Documents
	Determine if NCB is required according to SCM Volume 3, Chapter 5	• Requestor • Acquisition Specialist	Procurement file
	Determine dollar value of purchase	• Requestor • Acquisition Specialist	
Within NCB Purchasing Authority (Up to $25,000.00) including reportable IT Projects			
	Prepare NCB documentation (Follow SCM Volume 3 guidelines for NCB requirements, Chapter 5)	• Requestor • Acquisition Specialist	• NCB Contract Justification • Proprietary letter from vendor, if applicable • Procurement Transmittal Memo
	Review NCB documentation	Acquisition Specialist	
	Approve NCB	• Executive Officer • Agency Secretary	Procurement file
	Executes the appropriate purchase documents (prepare purchase order in PeopleSoft)	Acquisition Specialist	STD. 65 / STD. 213IT
	File and retain all documents	• Acquisition Specialist • Contract Administrator	Procurement file
Over NCB Purchasing Authority (over $25,000) and ARE NOT part of a reportable IT Project or Telecom			
	Prepare NCB documentation (Follow SCM Volume 3 guidelines for NCB requirements)	• Requestor • Acquisition Specialist	• NCB Contract Justification • Proprietary letter from vendor, if applicable • Secretary Action Request (SAR) • STD. 821 (for IT Services)
	Review NCB documentation	Acquisition Specialist	

CHAPTER 7

NON-COMPETITIVE BID (NCB)

Table 7.1 NCB Checklist			
✓	**Description**	**Performed By**	**Forms/Documents**
	Approves NCB	• Executive Officer • Agency Secretary	
	Route to DGS/PD for review and approval	Acquisition Specialist	
	Approve/disapprove NCB	DGS Director	
	If approved: Executes the appropriate purchase documents (prepare purchase order in PeopleSoft)	Acquisition Specialist	STD. 65 / STD. 213IT
	File and retain all documents	• Acquisition Specialist • Contract Administrator	Procurement file
Over NCB Purchasing Authority (over $25,000) and ARE part of a reportable IT Project or Telecom			
	Prepare NCB documentation (Follow SCM Volume 3 guidelines for NCB requirements)	• Requestor • Acquisition Specialist	• NCB Contract Justification • Proprietary letter from vendor, if applicable • STD. 821 (for IT Services)
	Review NCB documentation	Acquisition Specialist	
	Approves NCB	• Executive Officer • Agency Secretary	
	Route to Statewide Technology Procurement Division for review and approval	Acquisition Specialist	
	Approve/disapprove NCB	Deputy Director	
	If approved: Executes the appropriate purchase documents (prepare purchase order in PeopleSoft)	Acquisition Specialist	STD. 65 / STD. 213IT
	File and retain all documents	• Acquisition Specialist • Contract Administrator	Procurement file

3. LPA transaction and NCB

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.

Exception: The NCB contract justification process is not required if an individual LPA user instructions or the Statewide Checklist designates that the contract is exempt from obtaining 3-offers or if the value of the transaction is under $5,000 and fair and reasonable pricing has been established and documented.

Review the LPA user instructions to determine if the LPA is exempt from competitive bidding.

4. Amendments

If the original transaction did not evaluate option(s) for changes, then the amendment must comply with the NCB process. This includes amendments for increases and decreases to quantity, dollar amount and/or time.

Amendments to existing purchase documents are not subject to the NCB contract requirements if the following occurred:

- Competitively bid contracts:
  - Which included option(s) for changes (e.g., quantity and/or time) may be amended consistent with the terms of the original contract providing for such amendment(s) if such options were evaluated during the solicitation process.
  - LPAs for IT goods and services: Original orders, which include options for changes (e.g., quantity and/or time), that were evaluated and considered in the selection for award during the Request for Offer (RFO) process, may be amended consistent with the terms of the original order, provided that the original order allowed for amendments
- Competitive contracts and LPA orders amended for incidental omissions such as:
  - Transposition of numbers from the solicitation bid response or Request for Offer (RFO) response to the purchase document, or for inadvertent failures to include such things as contact names or for mistyped addresses. This does not apply to changes in quantity or time.

5. Special Category NCB Contract Request (SCR)

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

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

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

6. New and Existing Proprietary Software

When procuring existing proprietary software maintenance or upgrade renewal contracts, or new proprietary software or maintenance, refer to the charts below. See SCM Vol. 3, Chapter 5, Topic 5 for information on NCB justification.

5.1 New Proprietary Software

The following table provides the process in acquiring new proprietary software, which may also include software maintenance, and is available from only one supplier. Regardless of how the software purchase is executed, the Department of Technology must retain, in the procurement file, a statement that supports why the transaction is exempt from competitive solicitation.

Table 7.2 New Proprietary Software	
If the software purchase:	Then Department of Technology

Is within the Department of Technology approved IT purchasing authority	May execute the purchase as follows:
	• NCB justification
	  o Not required for transactions valued at $250,000 or less,
	  o Require for transactions exceeding $250,000.00 and must be approved by the agency secretary and the department director or next ranking official
	• A signed letter must be obtained from the software publisher/manufacturer stating that the products/service being acquired is not available through any other source.
	• Approval by the agency secretary and the department director (or next ranking official) must be secured prior to award on the purchase document for any transaction that exceeds $250,000.00.
	• The purchase document may not exceed the departments IT purchasing authority.

Exceeds the Department of Technology approved IT purchasing authority and **ARE NOT** part of a reportable IT Project or Telecom	• Must submit the transaction to DGS/PD on a Purchase Estimate (STD. 66) for DGS/PD to conduct the procurement and execute the contract. • Must obtain and provide the necessary documentation to DGS/PD in support of the non-competitive status of the contract. If over $250,000 – an NCB is required • A signed letter must be obtained from the software publisher/manufacturer stating that the products/service being acquired is not available through any other source. • DGS/PD will be the repository for all of the software publisher/ manufacturer letters when DGS/PD is the approving authority.
Exceeds the Department of Technology approved IT purchasing authority and **ARE** part of a reportable IT Project or Telecom	• Must contact the Statewide Technology Procurement Division (STPD) to for assistance on how to conduct the procurement..

5.2 Existing Proprietary Software Contracts

The following chart provides the process that Department of Technology follows in acquiring existing proprietary software maintenance and/or upgrade renewal contracts. Regardless of how the software purchase is executed, Department of Technology must retain, in the procurement file, a statement that supports why the transaction is exempt from competitive solicitation.

Table 7.3 Existing Proprietary Software	
If the software Purchase:	Then Department of Technology:
Is within Department of Technology approved IT purchasing authority	May execute the purchase as follows: • No NCB justification is required regardless of the dollar value. A signed letter must be obtained from the software publisher/ manufacturer stating that the product/service being acquired is not available through any other source. • Approval by the department director (or next ranking official) must be secured prior to award on the purchase document for any transaction that exceeds $250,000.
Exceeds the Department of Technology approved IT purchasing authority and **ARE NOT** part of a reportable IT Project or Telecom	• Must submit the transaction to the DGS/PD on a Purchase Estimate (STD.66) for the DGS/PD to conduct the procurement and execute the contract. • Must submit additional documents, along with the Purchase Estimate (STD.66), to the DGS/PD as indicated: o Purchase Estimated (STD 66) o Mission Critical Statement o Desktop Mobile Computing Justification from DMC o Proprietary Letter o Statement of Work o Prior Purchase Order, if request is for a renewal o ITPP for new projects over $100,000 o Price Quote o FSR, if applicable • Must obtain and provide the necessary documentation to the DGS/PD in support of the purchase documents, and the non-competitive status of the contract. • Obtain a signed letter from the software publisher/manufacturer stating that the product/service being acquired is not available through any other source. (This serves as documentation to support the non-competitive status of the purchase) • Obtain approval of the agency secretary and the department director (or next ranking official) prior to submitting Purchase Estimate (STD.66) for any transaction that exceeds the department's IT purchasing authority. • If over $250,000, proprietary justification is required. • The DGS/PD will be the repository for all of the software publisher/manufacturer letters when the DGS/PD is the approving authority.
Exceeds the Department of Technology approved IT purchasing authority and **ARE** part of a reportable IT Project or Telecom	• Must contact the Statewide Technology Procurement Division (STPD) to for assistance on how to conduct the procurement.

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

Certain purchases may be awarded without advertising or competitive bidding as a result of being exempt by statute or by DGS policy. For purchases that exceed the Department's purchasing authority the purchase requests must be submitted to the DGS/PD for review, approval, and execution of the purchase.

The following purchases may be awarded without advertising or competitive bidding subject to the restrictions noted as a result of being exempt by statue:

- Emergency contracts, which are necessary for the immediate preservation of life or state property, are exempt from the Non-Competitive Bid Contract (NCB) justification process. Contracts issued as a result of an emergency may be entered into immediately. However, such contracts are subject to otherwise applicable statutory approval requirements and the reporting requirements.
- IT Goods and services for which the state has entered into an LPA. Note: This is limited to those LPAs that have been competitively bid or that have been determined to be required for essential services and which have been established by a methodology that assures the state of a reasonable price for the IT goods/services offered.

The following purchases may be awarded without advertising or competitive bidding subject to the restrictions noted as a result of being exempt by DGS Policy:

- Proprietary subscriptions, proprietary publications, and/or technical manuals (manuals, law books, technical manuals, technical services related to publications, etc.) regardless of media format, up to $250,000.00.
- Maintenance agreements for equipment that is under documented warranty, or where there is only one authorized or qualified representative, or where there is only one distributor in the area for parts and services. This exception applies only in circumstances where services to be provided are less than $250,000; if over $250,000 – an NCB is required.
- Contracts with business entities operating Community Based Rehabilitation Programs (CRP), which meet the criteria established by Welfare and Institutions Code Section 19404. Note: Exception does not apply to contracts justified pursuant to GC section 19130(a).
- Amendments to existing purchase documents under the same terms and the same or lower rates, where a protest or other legal action delays the award of a new contract. These amendments should only last during the period the protest or legal action is pending and a new purchase document can be executed, but in no case shall this exemption extend beyond six (6) months for a particular amendment.
- Amendments to existing contracts which were originally competitively bid subject to the following restrictions:
  - Competitively bid contracts for IT goods and services, which included options for changes (e.g., quantity or time), may be amended consistent with the terms of the original contract providing for such extension(s) if such options were evaluated during the solicitation process.
  - Contracts for IT services under the Health Insurance Portability and Accountability Act (HIPAA) MSA shall be exempt from compliance with the following requirements and limitations:
  - Contracts/amendments providing for a contract value between $500,000 and $5 million for IT services are reviewed by the Office of HIPPA Implementation (OHI) and approved by the DGS.
  - Contracts/amendments providing for a contract value greater than $5 million are reviewed by OHI and the DGS and approved by the Department of Finance.
  - Amendments to the CALNET II MSA for mandatory services defined as Lineside, Voice Network, Data Services, and Billing Services.

CHAPTER 7

NON-COMPETITIVE BID (NCB)

7.1 Procurement Approach for Exempt and NCB Purchases

Acquisition specialists conducting non-IT goods purchasing activities for transactions that are exempt from competitive bidding or advertising or that are NCB contract purchases shall obtain a written offer and acceptance of the state's terms and conditions when transacting business with the only known supplier of the IT goods and/or IT services.

The written offer and acceptance may be obtained by having the supplier respond to an RFQ solicitation document that is only provided to the one supplier. The acquisition specialist also has the option to develop their own solicitation document that contains the following elements:

- Date and time the response is due
- Details of the purchase, including quantities, description, support coverage, coverage dates, etc.
- Fill-in space or a cost sheet for the supplier to provide pricing
- Request for the signature of the authorized supplier representative that can bind the company contractually
- Reference or hardcopy the applicable state General Provisions and any additional contract modules (specific to non-IT goods and service) or special provisions applicable to the department

Acquisition specialists, when conducting business with the only known supplier, must provide the supplier with an opportunity to review and accept the State's terms and conditions prior to the State executing a purchase document. This practice avoids the possibility of a dispute with suppliers once the purchase document is executed.

Contract forms, license agreements or ordering documents provided by suppliers should not be signed by state employees. These most often contain terms and conditions inconsistent with the State's contract terms and conditions and can result in conflict.

Signing a supplier's software license agreement is prohibited. A review of the supplier's software license must take place before a supplier's software license agreement may be considered for incorporation into a purchase document.

Acquisition specialists shall seek department legal advice and may contact PAMS at PAMS@dgs.ca.gov for assistance.

CHAPTER 8

LEVERAGED PROCUREMENT AGREEMENTS

Table of Contents

1. Leveraged Procurement Agreements (LPA) Basics 1
2. California Multiple Award Schedule (CMAS) 3
3. Software Licensing Program (SLP) 3
3.1 Exemption from SLP Dollar Threshold 4
4. Statewide Contracts (SC) 4
5. State Price Schedule (SPS) 5
6. Master Agreement (MA) 6
6.1 Exemption from MA Dollar Threshold 6
6.2 Master Rental Agreement (MRA) 7
7. Cooperative Agreements - Western States Contracting Alliance (WSCA) 7

CHAPTER 8

LEVERAGED PROCUREMENT AGREEMENTS

1. Leveraged Procurement Agreements (LPA) Basics

The LPA program, established by DGS/PD as set forth in PCC sections 10290 et.seq. and 12101.5, enables Department of Technology to streamline State purchases by removing repetitive, resource intensive, costly and time consuming bid processes.

A variety of LPA contracts offer IT goods and services that have been competitively assessed, negotiated, or bid. Each LPA commonly includes a unique user guide or ordering instructions. Before using any LPA, acquisition specialists should refer to applicable DGS/PD website and the SCM Vol. 3 for up-to-date information.

Department of Technology uses an established process to help ensure that all appropriate steps are considered in LPA procurements. Acquisition specialists shall follow the checklist listed below (as applicable).

✓	Description	Performed By	Systems and Forms*
	Submit GC 19130 Justification for Personal Services only to HR and Legal for approval	Requestor	CSS/SR
	Verify the following: Is this order within the LPA dollar thresholds? Is use of the LPA mandatory or non-mandatory?	Requestor and/or Acquisition Specialist	Document in procurement file
Pre-Release of RFO/LPA			
	Request DGS Threshold exemption for Master Agreement Over $1,500,000.00 or SLP over $2,000,000.00 only	Acquisition Specialist	For MAER: MAER form Approved FSR Approved ITPP For SLPER: SLPER form "Mission Critical" statement signed "IT Strategic Plan" statement signed
	Establish timeframes and finalize purchasing documents	Requestor Acquisition Specialist	
	Request DGS approval of RFO for Master Agreements Over $1,500,000.00 only	Acquisition Specialist	RFO must have MAER number on it
RFO for non-mandatory LPA			
	Select valid vendor pool from on-line sources	Requestor and/or Acquisition Specialist	LPA lists
	Prepare a Request for Offer (RFO) using Department of Technology's RFO Template. The RFO needs to be sent to a minimum of three suppliers, including at least one small business and/or DVBE (if available).	Acquisition Specialist	RFO Template
	Send RFO to vendors	Acquisition Specialist	Email
	Coordinate vendor questions regarding RFO	Requestor and/or Acquisition Specialist	Email answers
Comparison of Offers			
	Receive vendor responses and verify for completeness	Acquisition Specialist	Administrative MQs criteria

✓	Description	Performed By	Systems and Forms*
	Review vendor technical responses, if applicable	Requestor, Project Manager, and team	Published "Best Value" criteria
	Coordinate interviews, if applicable (Acquisition Specialist must be present)	Requestor and Acquisition Specialist	
	Schedule product demonstration, if applicable	Requestor and/or Acquisition Specialist	
	Review best value offer of product demonstration, if applicable	Requestor, Project Manager, Acquisition Specialist	
	Document Selection Results	Acquisition Specialist	Best Value Determination Worksheet or Procurement Summary
	Route Selection Results to DGS for approval Master Agreement Over $1,500,000.00 only	Acquisition Specialist	Final RFO including addenda; All RFO submitted; Purchase Document; Evaluation & Selection
	If vendor is new to Department of Technology, get Payee Data Record and give to Support Staff to enter vendor into PeopleSoft	Acquisition Specialist and Support Staff	STD. 204 Payee Data Record
Supplier Selection			
	Generate purchasing documents per the user instructions of LPA.	Acquisition Specialist	STD. 65 or STD. 213IT
	Route for internal signatures	Acquisition Specialist	Evaluation Package Contract Summary Department of Technology Approval - Route Slip STD. 65 or STD. 213IT
	Send PO to vendor and control agencies, if applicable	Support Staff	STD. 65 or STD. 213IT
	Complete Fair Housing Contract Over $5,000	Acquisition Specialist	STD 16
	SCPRS All purchases/contracts regardless of amount	Acquisition Specialist	eProcurement website
During Contract			
	Monitor contract	Contract Administrator	
	Approve replacements or additions to contract, if applicable	Contractor Administrator Acquisition Specialist	
	Process Amendment	Acquisition Specialist	STD 65 or STD 213A Original contract Contractor replacement info
	Resolve invoice issues as applicable	Contractor Administrator Accounting	
	Resolve contract issues, as applicable	Contractor Administrator Acquisition Specialist Legal	
	Process 'for cause' termination letters, if applicable (DGS must initiate 'for convenience' terminations) Elevate as necessary	Acquisition Specialist	

✓	Description	Performed By	Systems and Forms*
Upon Contract Closure			
	Evaluate contractor performance Copy for Procurement file and Negative to DGS/OLS	Contract Administrator	Contractor Evaluation STD. 4
	File contract documentation for 3 years after last payment on contract	Acquisition Specialist	

2. California Multiple Award Schedule (CMAS)

CMAS agreements are established with manufacturers or contractors that offer products and/or services currently on an existing multiple award schedule with the federal General Services Administration (GSA) or other competitively negotiated or awarded multiple award contracts.

Only the prime CMAS contractor and resellers who are explicitly listed in the CMAS contract can sell the IT goods and/or services using CMAS terms and conditions listed in their CMAS contract.

Obtain a resume from the consultant. For CMAS and Master Contracts, verify the classification, pay scale, requirements, and resume meet any applicable requirements. Verify with DGS that there are no negative evaluations on file.

Department of Technology is authorized to purchase up to $500,000.00 for IT goods and services on CMAS orders per Department of Technology's purchasing authority approval.

CMAS Order is for:	And Dollar Threshold is:	The Department of Technology Buyer Must:
IT goods and services	Less than $5,000.00	May be executed without obtaining multiple offers if fair and reasonable pricing has been established and documented.
	$5,000.00 - $500,000.00	Obtain 3 offers, including one CA certified SB and/or DVBE, if available. Document responses and execute purchase document Execute purchase document per the user instructions

3. Software Licensing Program (SLP)

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

A minimum of three (3) suppliers must be contacted to obtain offers. Purchase documents are executed based upon best value criteria as determined by the needs of the individual department. The SLP contractor must be contacted directly to obtain a copy of the specific SLP contract. Conducting a purchase activity using the SLP contracts is no different than for other LPAs (CMAS and MA).

SLP contract pricing is the maximum allowed. Acquisition specialists are strongly encouraged to negotiate lower prices.

Click here to access a current list of authorized participating resellers/contractors with SLP contracts.

3.1 Exemption from SLP Dollar Threshold

In order to obtain approval to execute a purchase document that exceeds the SLP dollar threshold of $2,000,000.00, a Software License Program Exemption Request (SLPER) must be completed and submitted to the DGS/PD/Software License Program.

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

- A statement indicating this purchase is “mission critical” to the department, signed by the department CIO;
- A clear statement of what is being purchased including all line items and the estimated dollar amount;
- Identification of the savings that will be realized by this purchase (e.g., list price compared to SLP price);
- The consequences that will occur if the department is unable to make the purchase; and
- A statement that this purchase, in this amount, is consistent with the department’s IT Strategic Plan (attach an excerpt of the appropriate section pertaining to this purchase).

Upon review and approval of the documentation submitted, the DGS/PD will issue an approval letter concurring with the request. Upon receiving approval from DGS/PD, the department may proceed to initiate the RFO approval process.

4. Statewide Contracts (SC)

Statewide Contracts (SCs) are competitively bid and awarded contracts established by the DGS/PD to take advantage of lower costs passed on by suppliers bidding on large quantities of goods repetitively used by multiple State departments. Use of most SCs is mandatory, but the use of some SCs is non-mandatory. Acquisition specialists must verify the mandatory or non-mandatory status of a contract by reviewing the contract.

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.

4.1 SB/DBVE Off-Ramp for Mandatory SC

Mandatory SC awarded by the DGS for IT goods may have a Small Business/Disabled Veteran Business Enterprise (SB/DVBE) Off-Ramp, meaning departments will be permitted to purchase equivalent products at the same or lower price from other sources that are certified SBs or DVBEs. To determine whether a particular mandatory contract has an SB/DVBE Off-ramp, consult the user instructions for that contract or checking the State Contracts Index Listing.

In order to utilize the SB/DVBE Off-Ramp, departments must document in the procurement file that the IT goods being purchased are:

1. Equivalent to the IT goods available from the SC including product description, functional requirements and manufacturer warranties as provided in the SC and
2. Equal to or less expensive pricing than the pricing offered from the SC for the same product based on the total order value before taxes.

Additional rules for the SB/DVBE Off-ramp are:

- Departments must have applied for and received IT purchasing authority granted by the DGS/PD in order to utilize the SB/DVBE Off-ramp as identified by the SC (see Approved Purchasing Authority link);
- Transactions must be less than $250,000 excluding sales and use tax, finance charges, postage, and handling charges;
    - For purchases greater than $0 and less than $5,000, departments must document in the procurement file that the price is less than or equal to the pricing on the statewide mandatory contract unless otherwise stated in the user instructions;.
    - For purchases of $5,000 and up to $249,999.99 departments must obtain price quotations from two or more certified SBs or two or more DVBEs (must be the same certification type) unless otherwise stated in the user instructions;
- SB/DVBE Off-ramp purchases must be made from a supplier with a current California SB or DVBE certification.
- Other rules as specified in the user instructions.

Occasionally, the Department of Technology will need to purchase a product type other than what is available through the mandatory IT Hardware Statewide contracts. In these instances, the Department must obtain an exemption from the use of the contract from the DGS PD.

5. State Price Schedule (SPS)

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

Department of Technology is authorized to purchase up to $25,000.00 on SPS orders per Department of Technology's purchasing authority approval.

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. The SPS has unique user instructions that you must follow. For more information, see State Contracts Index Listing.

6. Master Agreement (MA)

Master Agreements (MAs) are one of the State's main procurement vehicles for leveraging its buying power. Department of Technology is authorized to purchase up to $1,500,000.00 for IT goods and services on MA orders per Department of Technology's purchasing authority approval. MA contracts are not mandatory.

The acquisition specialist must review the MA in its entirety (contract, supplements and unique user instructions) to determine what requirements are applicable to Department of Technology's business need. An MA will usually require seeking offers from authorized suppliers to determine and obtain best value. Some MAs have been designated "exempt" either by statute or policy from obtaining multiple offers.

MA transactions valued less than $5,000.00 may be executed without obtaining offers if fair and reasonable pricing has been established and documented. Documentation to support fair and reasonable pricing must be retained in the procurement file.

6.1 Exemption from MA Dollar Threshold

An exemption may be obtained from the LPA dollar threshold of $1,500,000.00 for IT MAs upon completion and submittal to DGS/PD of a "Master Agreement Request for Exemption to $1,500,000.00 Limit (MAER) form.

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

- Identify the need for the goods and/or services and the dollar value of the impending purchase document.
- Explain how the issuance of a purchase document to this particular contractor was determined to make good business sense and how best value for the department has been achieved.
- A copy of the Feasibility Study Report (FSR) approved by the Department of Technology.
- A copy of the ITTP approved by the DGS.

Upon review and approval of the documentation submitted, the DGS/PD will issue an approval letter concurring with the request. Upon receiving approval from DGS/PD, the department may proceed to initiate the RFO approval process.

- If the request is approved, a MAER number will be assigned that must appear on all RFO-related documentation.
- The RFO must have the DGS/PD approval before obtaining offers.
- The RFO must be submitted to the DGS/PD for review and approval before the RFO is released to MA contractors. **Note**: This process is repeated each time there is a need to modify the RFO.
- Upon receiving RFO approval, the RFO may be released to MA contractors and the department may proceed with the selection process.
- All qualified MA suppliers must be contacted, unless otherwise specified within the respective MA user instruction.
- Before contract award the following documentation shall be submitted to the DGS/PD:
  - The final RFO including all addenda;
  - All RFO responses submitted;
  - The purchase document; and,
  - The Comparison of Offers Report for concurrence of selected supplier.
- Upon review and approval of the MA intended awardee, an approval letter will be issued by the DGS/PD concurring with the supplier selection recommendation.
- Upon receiving the approval letter from the DGS/PD, the selection may be made and the order executed.

6.2 Master Rental Agreement (MRA)

There is currently no MRA at this time.

7. Cooperative Agreements - Western States Contracting Alliance (WSCA)

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. The only exception is if the purchase equals or exceeds 1.5 million dollars. For purchases which equal or exceed 1.5 million dollars the buyer should follow the process defined in the user instructions.

Click here to access the WSCA website and obtain supplier contact names and numbers.

To use WSCA:

- Define the project scope to determine which IT goods and services are needed.
- Obtain a complete copy of the WSCA agreement (WSCA base contract, CA participating addendum, CA terms and conditions and ordering instructions).
- Check the electronic catalog and print a copy of an e-quote supporting the order.
- Obtain the proper approval for IT orders in accordance with SAM section 5230.1.
- Execute the order using the STD.65, unless otherwise directed within the specific WSCA user instructions.
- Retain all documentation in the procurement file.

CHAPTER 9

INTERAGENCY AGREEMENTS

Table of Contents

1. Interagency Agreements 1
2. Different Types of IT IAAs for Department of Technology 2
2.1. Payable IAA 2
2.2. Reimbursement IAA 2
2.2.1. Regular Services 2
2.2.2. IPOC Services IAA 2
2.2.3. Data Center Services IAA 3
3. Location and Access to Files for the Data Center IAAs 4

CHAPTER 9

INTERAGENCY AGREEMENTS

1. Interagency Agreements

An IT Interagency Agreement (IT IAA) is a contract between two or more State departments (Government Code [GC] section 11256) with one furnishing IT services, materials or equipment to, or performing IT work for the other State department.

IT IAAs are used when contracting with:

- Another State department
- A California State University
- A University of California campus (UC) if the UC agrees to calculate cost based upon the provisions of State Administrative Manual (SAM) section 8752

Note: IT IAAs may not be used for contracts with campus foundations, the federal government, local entities, or other states.

Executing IT IAAs is part of a department's approved IT purchasing authority and is granted at the same dollar level as IT competitive purchasing authority, which is $5,000,000.00.

IT IAAs:

- Are exempt from
  - Advertising in the California State Contracts Register (CSCR)
  - Competitive bidding **Note**: If the entity performing the service is using subcontracts or purchasing IT goods, those IT services and goods should be competitively bid
- Do not include the Disabled Veterans Business Enterprise (DVBE) participation requirement if the department is using its own personnel
- May provide for advancing of funds (GC sections 11257 through 11263 and State Administrative Manual [SAM] section 8758.1)
- Do not require the Child Support Certification

Other requirements are as follows:

- A STD. 213 for IT Goods and Services Only must be used
- A STD. 215 (Agreement Summary) must be used
- IT IAAs shall include a provision that the charges have been or will be computed in accordance with State requirements as noted in SAM sections 8752 and 8752.1 unless there is a legal reason for not doing so. Such a reason might be the transfer of federal funds. The reasons should be noted.
- IT IAAs involving the expenditure of public funds in excess of $10,000 shall contain a provision that the agreement is subject to the examination and audit by the State Auditor for a period of three years after final payment under the agreement (GC section 8546.7).
- IT IAA General Provisions developed by DGS/PD.

2. Different Types of IT IAAs for Department of Technology

There are two types of IT IAAs that the Department of Technology processes: Payable and Reimbursement.

2.1. Payable IAA

The payable IAA is used when Department of Technology contracts for a service to be provided by another State agency and Department of Technology pays for it.

Payable IAA are processed the same as all other requests. A SR is submitted through CSS and the contract is processed on a STD. 213IT along with the STD. 215. Follow the directions on the Yellow Route Slip for Payable IAAs.

2.2. Reimbursement IAA

The reimbursement IAA is used when Department of Technology provides the service to another State agency and they pay us for all services that do not fall under the Data Center IAA or Independent Project Oversight Contractor (IPOC) IAA (i.e. loan of an employee between departments).

There are three types of Reimbursement IAAs that the Department of Technology processes: Regular reimbursement, IPOC Services and Data Center Services.

2.2.1. **Regular Services**

Reimbursement IAA are initiated by the other State agency and sent to us for review and signatures. These are routed for the Manager's signature and then returned to the other State agency to finalize the contract. Once the contract is finalized an original is sent to us for our records.

2.2.2. IPOC Services IAA

IPOC Services IAA are when another Department requests the Department of Technology to provide project oversight activities for another Department on a predefined project. The IPOC Services IAA is processed under the approved IT IAA authority (DIA-003) **without dollar limits.**

There is a template available on our Internet site under the Resources tab under Service Agreements. This template is updated every fiscal year. The template include directions and forms.

The customer is the one who initiates these IAA requests by submitting a SR request and attaching the completed template to the SR. Any amendment is processed the same way as the original IAA.

2.2.3. Data Center Services IAA

The Data Center Services IAA are routine computer processing and related IT services provided by the Department of Technology to "customer" departments and are processed under the approved IT IAA authority (DIA-003) **without dollar limits**.

Department of Technology is required to send a quarterly report listing the data services entered into under the delegation. See Chapter 14 for more detailed instructions.

The three Data Center IAA types are:

- IAAs for data services for state entities
- IAAs for data services for non-state entities
- IAAs for CalStars services

There are templates available on our Internet site under the Resources tab under Service Agreements. These templates are updated every fiscal year. The templates include directions and forms.

The customer is the one who initiates these IAA requests. Any amendment is processed the same way as the original IAA.

Effective January 1, 2011, per AB 2408 (Chapter 404, Statutes of 2010) codified the statewide information technology consolidation originally implemented by the Governor's Reorganization Plan No. 1 in 2009. The result was a change to the IAA process used to contract for IT services from Department of Technology; therefore executed IAA from state entities are no longer required for services rendered. All invoices will be processed through the State Controller's Office using the direct transfer and billing process as follows:

- Department of Technology will continue to send printed invoices to customers 5 – 10 days after the end of each billing period.
- Approximately 1 -3 business days after the invoices are sent to customers, Department of Technology will submit an electronic file to State Controller's Office for the direct transfer process.
- State Controller's Office requires approximately 5 business days to process the electronic direct transfer file and will provide customer accounting units with a journal entry of the direct transfer transaction.
- On an annual basis in June, Department of Technology will send a form to customers to confirm their funding appropriation has not changed from the prior fiscal year.

These requests are processed by the IAA Processing Analyst whose responsibility is to:

- Receive the IAA from the Customer; customer has input their information and dollar amount.
- Review for compliance and completeness.
- Have Contract Manager sign the agreement.
- Send the IAA back to the customer to have their management sign it.
- Receive the countersigned IAA from the customer.
- Record the status of the IAA in the IAA Tracking Database. See IAA procedures for further assistance.
- Notify Fiscal that the customer has completed their IAA so that Fiscal can commence invoicing the customer.

3. Location and Access to Files for the Data Center IAAs

Payable IAAs are filed under the SR number with all other procurement files. (See Chapter 4, #13 Location and Access to Files). Data Center and Reimbursement IAA files are located in the file room located in file drawers marked IAAs and are filed by the IAA Processing Analyst.

Each fiscal year is denoted with a different color label. The file label shall read as follows: Contract Number – Agency Prefix – Department Name.

CHAPTER 10

PROTEST AND POST AWARD DISPUTES

Table of Contents

1. Protest 1
1.1. Traditional Process 1
1.2. Alternative Protest Process (APP) 2
2. Protest Affecting Vital Services 2
3. Post Award Disputes 2

CHAPTER 10

PROTEST AND POST AWARD DISPUTES

1. Protest

1.1. Traditional Process

All protests of a proposed award 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. 3, Chapter 7).

A protest must be filed with Department of Technology 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 against the awarding of the contract or purchase order on the grounds that he/she is the lowest responsible bidder meeting specifications or the highest scored bidder. If a valid protest is filed, the contract award must be delayed. If the protest is received by Department of Technology, Department of Technology will send the protest to DGS Dispute Resolution immediately. If the protest is received by DGS, DGS will so notify Department of Technology. 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 protest was not received by the deadline in the solicitation.
- The protest was not timely.
- Department of Technology rejects all bids or proposals, based on the interests of the State.

Those who may protest are as follows:

- For IFBs, the lowest responsible bidder meeting the specifications, if not awarded contract
- For RFPs, any proposer who claims he/she would have been eligible for the award of the contract if Department of Technology had scored his/her proposal correctly or if Department of Technology had correctly followed the procedures specified in the Public Contract Code.

If the protest is based on permissible grounds, DGS will decide the protest and prepare a written decision. Following confirmation by staff that legal prerequisites have been met for a protest, the Director of DGS appoints a hearing officer who will:

- Determine whether to review and decide the issues by written submission or public hearing.

- Render a written decision within 30 days of the final submission of evidence.

1.2. Alternative Protest Process (APP)

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

Pursuant to PCC section 12125 et seq., an IT goods and services competitive solicitation may include the alternative protest procedure.

An APP Application must be completed and submitted for approval in order for the solicitation to be conducted under the APP. If pursuing the APP, the acquisition specialist shall contact the DGS/PD/DR Manager, who acts as the DGS/PD/APP Protest Coordinator.

For additional information refer to Office of Administrative Hearings arbitration regulations - CCR, Title 1 Division 2, Chapter 5 section 1400 et seq.

2. Protest Affecting Vital Services

If a protest is filed and cannot be resolved before the need for vital services occurs, Department of Technology may extend an existing agreement for up to six months at the same or lower rates. If there is no existing contractor or if the contractor does not wish to continue, an NCB may be obtained for a limited period until the protest is resolved.

3. Post Award Disputes

A post award dispute is a disagreement or conflict between a contractor and a department after a purchase document has been executed. Most often, contract disputes arise due to contract performance issues on the part of either the contractor or the State.

Disputes can occur in any purchasing category. It makes no difference whether the purchase document was the result of a competitive solicitation, LPA order, or an NCB contract.

Disputes may also result from not having a clear understanding of the State's General Provisions, purchase document terms and conditions, Special Provisions, or when a Statement of Work is not clearly defined or contains conflicting provisions or ambiguities.

The contract terms found in General Provisions Information Technology (GSPD-401IT) Article #44 Disputes provide suppliers with the process for disputing contract administration after an award has been executed.

CHAPTER 11

PAYMENTS, FINANCING, AND PENALTIES

Table of Contents

1. Basic Requirements 1
2. Advance Payments 1
3. Financing 1
4. California Prompt Payment Act 2
5. Cal-Card Program 3
6. California Prompt Payment Penalty (aka Late Payment Penalty) 3

CHAPTER 11

PAYMENTS, FINANCING, AND PENALTIES

1. Basic Requirements

SCM Vol. 3, Chapter 9, Topic 1, provides that payment shall not be processed or released to any supplier for any IT goods and/or services without having in its possession all of the following:

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

Payments are to be made in accordance with the provisions of the California Prompt Payment Act, GC section 927 et. seq. See section 4 below.

2. Advance Payments

California Constitution, Article XVI, Sections 3 and 6, prohibits gifts/donations of public funds, so therefore an advance payment or pre-payment is considered a gift of public funds since the State has received no benefit and the subsequent receipt of goods/services cannot be guaranteed.

Government Code (GC) section 11019 allows advance payment for services only under limited, narrowly defined circumstances, e.g., between specific departments and certain types of non-profit organizations, or when paying another government entity.

Subscriptions, magazines, periodicals, and so forth, including software support and maintenance programs, can be paid upon receipt of an undisputed invoice. Software support or maintenance service typically includes access to a customer technical support phone line, software upgrades via different types of media and documentation. It does not include consulting services to develop or assist in correcting customized software programs.

3. Financing

The financial marketplace 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.
- 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.

- 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.

Only approved lenders and lessors participate in the programs. The State Financial Marketplace (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.

See SCM Volume 3, Chapter 9, Section B for further details.

4. California Prompt Payment Act

The Department of Technology understands the responsibility and adheres to the provisions of the California Prompt Payment Act, GC section 927 as listed below:

- Date stamping supplier invoice upon initial receipt by the Department of Technology.
  - To accurately measure and track payment timeliness, invoices are date stamped the front of the invoice (to accommodate photocopying) when first received at the “billed to” the Department of Technology location as identified in the purchase document.
- 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.
- Department of Technology’s Accounting Section may dispute 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 by phone and follow up in writing via an Invoice Dispute Notification (STD. 209) within 15 working days. Accounting 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 Department of Technology each fiscal year. (Refer to Chapter 14 of this manual)
- Prompt payment penalties are applicable even when the budget is not yet signed during the fiscal year.

5. Cal-Card Program

Department of Technology has been granted purchasing authority allowing us to participate in the State's CAL-Card Purchase Card Program. A CAL-Card Coordinator within the IT Procurement and Contract Services Branch for all of Headquarters is appointed and is the responsible party for questions related to the department's purchasing program.

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

Detailed policies and procedures are in the CAL-Card Policies and Procedures Manual available on the intranet.

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

6. California Prompt Payment Penalty (aka Late Payment Penalty)

The California Prompt Payment Act (Act), GC section 927 et seq., requires state departments to automatically calculate and pay the appropriate late payment penalties if they fail to pay properly submitted, undisputed invoices or grants for victim services or prevention programs, and refunds or other undisputed payments due to individuals on the date required by the Act. The Act applies to invoices for goods and/or services acquired by state departments and specific grant claims.

The Act requires different rates for penalty payments paid as follows:

A. Small businesses, nonprofit organizations, nonprofit public benefit corporations, including grantees that provide victim services and prevention programs as defined in GC section 927.2.
B. Other businesses, including local government grantees that provide victim services or prevention programs as defined in GC section 927.2.
C. Refunds or other payments due to individuals.

Penalty Payment Chart

Description	Interest Penalty Threshold		Penalties Incurred FY 2010-11 (7/1/10-10/18/10) Rate	Penalties Incurred FY 2010-11 (10/19/10-6/30/11) Rate	Penalties Incurred FY 2011-12 Rate	
A) -Small Businesses -Nonprofit Organizations -Nonprofit Public Benefit Corporations	Greater than $10		91.25% 0.0025	13.25% 0.000363	13.25% 0.000363	Annual rate Daily rate
B) -Other Businesses	Greater than		1.65%	1. 528%	1.37%	Annual rate
C) -Refunds -Other payments due to Individuals	Not applicable		Not applicable for FY 2010-11	Not applicable for FY 2010-11	Not applicable for FY 2011-12	Annual rate Daily rate

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

- Penalties incurred in the prior fiscal year (prior July 1 to June 30) are prior year expenditures. The penalty is calculated at one of the prior year rates and paid from a prior year appropriation. (Refer to Penalty Payment Chart).

- Penalties incurred in the current fiscal year (July 1 forward) are current year expenditures. The penalty is calculated at the current year rate and paid from a current year appropriation.

To calculate late payment penalties, multiply the amount due (gross amount of invoice less taxes) by the applicable daily penalty rate, as shown in the Penalty Payment Chart. The daily penalty is then multiplied by the number of calendar days the payment is late to calculate the total penalty amount.

CHAPTER 12

RECEIVING, INSPECTION, ACCEPTANCE AND REJECTION

Table of Contents

1. Introduction 1
2. Receiving Goods 1
3. Inspection of Goods 5
4. Acceptance Testing and Acceptance 6
5. Rejecting Damaged Deliveries 6
6. Receiving Service Deliverables 7

CHAPTER 12

RECEIVING, INSPECTION, ACCEPTANCE AND REJECTION

1. Introduction

This chapter describes the processes of receiving, inspection, accepting and/or rejecting IT goods and services acquired through the purchasing authority procurement process.

2. Receiving Goods

The Department of Technology policies and procedures provide a means for buyers and receiving staff to follow up on purchases of goods and services ordered and not yet received. PeopleSoft maintains time limitations for goods ordered but not yet received. An automatic email notice is sent to the Project Lead notifying them the product has not been received. The Project Lead follows up with purchasing and/or receiving to ascertain why the product has not yet been received.

Upon confirming that goods are received, inspected, and are in conformance with the terms of the purchase, the Department will document the results of the delivery and inspection. The receiving staff will use the Supplier Performance Report (SPR) to report on the quality and timeliness of the contractor's delivery. SPRs will be included in the Procurement File which can be accessed by all buyers.

If you are an authorized receiver and want to receive a shipment:

1. Logon to the PeopleSoft system and open the Receiving Transaction Entry window.
   (Transactions >> Purchasing >> Receiving Transaction Entry)
2. Select Shipment as the document type for the transaction.
3. Enter or select the receipt number.
4. Enter a vendor document number (optional).
5. Enter the receipt date.
   To enter a General Ledger posting date that is different from the transaction date, choose the Date expansion button; the Receiving Date Entry window will open, where you can enter date information.
6. Enter or select a batch ID (optional). See creating a purchasing receipt batch on page 122 for more information.
7. Enter or select the vendor ID.
8. Enter or select a currency ID. If a currency ID is assigned to the vendor you select, it will appear in the Currency ID field. The currency ID assigned to the invoice must match the currency ID of the purchase order being received against.
9. Enter the purchase order number for which you're receiving a shipment. You can receive items from multiple purchase orders by entering or selecting a different purchase order number in a new row.
   If the Allow Receiving without a Purchase Order option is marked in Purchase Order Processing Setup, you can leave the PO Number field blank.

10. Enter items using either the vendor's item number or your company's item number. You also can enter a non-inventoried item.
    You can display the vendor's item number by marking Extras >> Options >> Display Vendor Item. If the option is not marked, your company's item number will be displayed. You can change this selection at any time.
11. You can change the site ID to receive line items to a location other than the location specified on the purchase order, if the option is marked in Purchase Order Processing Setup. Changing the site on the receipt will not change the site on the purchase order.
12. Enter the quantity shipped.
    An icon will be displayed in the Qty Shipped field for purchase order line items with sales commitments. Select a line item and choose the button next to the Qty Shipped heading to view or prioritize commitments in the Sales Commitments for Purchase Order window.
13. You can edit the unit cost or extended cost, if the Allow Editing of Costs in receiving option is marked in Purchase Order Processing Setup.
14. If you are using landed costs, choose Landed Cost to open the Receiving Landed Cost Apportionment Entry window, where you can add landed costs to all line items on a receipt. See Entering landed costs for a shipment receipt on page 182 for more information. If you want to enter landed costs for an item, see Entering landed costs for a shipment item on page 184.
15. Choose Distributions to open the Purchasing Distribution Entry window, where you can make changes to account distributions.
    - To add additional accounts, select the account and enter an amount.
    - To remove an account in the scrolling window, select the row containing the account and choose Edit >> Delete Row.
    - To restore the original distributions, choose Default. If you are using landed costs, the distributions for a landed cost won't be displayed in the Purchasing Distribution Entry window. To view landed cost distributions, print the Receiving Edit List.
16. Choose User-Defined to open the Receiving User-Defined Fields Entry window, where you can enter user-defined information for this receipt.
17. Choose Save or Post. If you post the receipt, one or more posting journals and distribution breakdown registers may be printed, depending on the options selected in the Posting Setup window. If you've entered a batch ID, you can't post the transaction individually; you must use batch posting, series posting, or master posting.

A standard receiving package should, at a minimum, contain the following documentation. It is distributed to both the accounting and purchasing teams for payment and procurement file documentation:

- Invoice or packing slip
- Receiving copy of the purchase document (STD. 65)

- A completed Stock Received Report (STD. 106)
- Bill of lading/delivery receipt verifying shipping costs (if the freight terms required the consignee to pay the shipping costs - FOB Origin)
- A Stock Return Report (STD. 108), as applicable IT goods are being returned to supplier

Packing slips must be included in all shipments received by the Department of Technology. At a minimum and in accordance with the standard State's General Provisions (GSPD-401 IT), the supplier must provide the following information on the packing slip to ensure the receiving staff can verify products being acknowledged as received:

- Purchase document number as issued by the Department of Technology
- Item number
- Quantity and unit of measure
- Product part number
- Description of the goods shipped

In accordance with SAM §8422.20, receiving staff use a copy of the Purchasing Authority Purchase Order (STD. 65) as a stock received report to record receiving information at the time goods are received. The person checking the goods writes in the date received, the quantity received, and notes any defect in condition. The purchase document is forwarded to the accounting office and a copy provided to the acquisition specialist to file in the procurement file on the day the goods are received. The SR is routed back to the Project Lead via the CSS.

The STD. 65 is stamped or similarly designated as "complete" when the order is completely filled. Completely filled is determined by carefully checking the quantity, description, and condition of the goods. The CSS SR is closed by the requestor, thus completing the CSS process.

Staff responsible for checking and taking custody of the goods must sign the receiving document (STD. 65). If the STD. 65 signatory is not the person who physically checked and took possession of the goods, then whoever does sign the STD. 65 must take precautionary measures to assure that the goods were actually received and checked before signing.

The Receiving Coordinator is responsible for entering the receipt of goods into the PeopleSoft system. A receiving number is generated by the system which is required before the supplier invoice can be paid. If accounting is issued an invoice, but does not have a receiving number, accounting sends an email to receiving and the Project Lead to find out if the goods were received.
The Receiving Coordinator informs buyers when returning goods that are not as ordered, over-shipments, defective, or for any other non-conformance to the purchase

document. Buyers then contact suppliers. In accordance with SAM §8422.20, the Department of Technology Receiving Coordinator prepares form STD. 108 when returning goods to a supplier. The buyer will follow up with the supplier as necessary, and retain documentation in the procurement file.

If the Department of Technology elects to accept partial deliveries, a photocopy of the approved purchase document may be used as a stock received report. When using the purchase document as a stock received report, the receiving staff checking the goods will write the:

- Date received
- Quantity received
- Note any defect in condition

This process is followed for each partial shipment received through completion. The last stock received report for an order must be stamped or designated as “Complete” when the order is completely filled.

DGS/PD recommends that receiving staff notify the customer whenever a purchase is received as a partial delivery if the purchase transaction did not state whether or not partial deliveries are acceptable. Partial delivery documentation should be provided to the customer on a timely basis to allow for any necessary communications between the customer and the supplier to occur.

The Department of Technology sometimes receives goods at project sites or at data centers. The Receiving Coordinator remains responsible for such receipt, and most often is present for delivery and receipt. In instances when the Receiving Coordinator cannot be present, he or she ensures that all required activities and documents are completed. The Receiving Coordinator (or designee) performs a timely inspection of received goods and reports any issues directly to Customers. Duties include:

- Verifying that the shipper’s bill of lading and delivery receipt are correct.
- Verifying the unit count noted on the bill of lading/shipping receipt matches the units actually delivered.
- When damage is evident, determining if the supplier or the carrier caused it
- Documenting the following information:
  - Contact name and phone number of person receiving goods
  - Purchase Order number
  - List of what was actually delivered, verified to the purchase document, with clear notation and explanation of any discrepancies or partial shipments
  - Signature of receiving employee

The packing slip document initiates the payment process. Accounting personnel use this documentation to reconcile against the purchase document and supplier invoice.

The receiving documentation also provides the material necessary for the buyer to perform any post-award activities, including closing out the purchase or conducting follow up activities with the supplier regarding outstanding or incorrect deliveries
.
Customers and receiving personnel must keep purchase documents on file until suppliers have met all obligations and deliveries. This is particularly important when accepting any partial deliveries or staggered deliveries over a period of time or in future fiscal years. The Receiving Coordinator will immediately report any problems or questions in delivery, receipt or discrepancies in equipment received to the Customer.

3. Inspection of Goods

The State has standard inspection, acceptance and rejection requirements as described in the General Provisions for IT (Article #17) entitled “Inspection, Acceptance and Rejection” to ensure these activities are conducted in accordance with state requirements.

The receiving and/or designated staff must conduct an inspection for the following minimum conditions:

- Verify that what was ordered conforms to purchase document documentation (Statement of Work, specifications, attachments, etc.), including the product description, model, brand and product numbers
- Verify the quantity ordered against the quantity shipped or delivered
- Inspect for damage or breakage
- Check for operability/functionality
- Confirm instructions regarding special handling or packaging were followed
- Verify that the unit of measurement count is correct (e.g. if the unit of measurement on the purchase document is one dozen, count 12 in the unit package)
- Verify that delivery documentation (packing slip, certifications, etc.) is acceptable
- Verify that packaging integrity is preserved (no leakages, damages, etc.)
- Verify that perishable items are in good condition and expiration dates have not been exceeded

If the inspection will not be immediate, the Receiving Coordinator must update the purchase document with information regarding when the inspection will occur and how it will be accomplished.

In certain circumstances, such as when a systems integration vendor receives goods at a field location, vendors may inspect the goods on behalf of Department of Technology. The Receiving Coordinator remains responsible for such activities, and must make certain all appropriate actions are performed and documentation is completed.

The Department of Technology inspection and receiving documentation is retained in the procurement file. The Acquisition Specialist/Project Lead must monitor activities and documents to ensure the integrity of the Department of Technology procurement and contracting practices.

4. Acceptance Testing and Acceptance

The Department of Technology uses acceptance criteria as found in the State's General Provisions (GSPD-401 IT) for accepting software, either commercial software or custom software. Acquisition specialists must review these provisions to ensure that the acceptance criterion is sufficient for their procurement.

Acquisition specialist must be aware that if other acceptance criteria are used, they must be specified in the procurement document. The acceptance requirements must also be carried through the purchasing process into the executed purchase document.

5. Rejecting Damaged Deliveries

The following process is followed if the goods are not in conformance with any requirements of the purchase document.

Stage	Description
1	The person rejecting the IT goods must immediately communicate the problem(s) and rejection in writing to the buyer.
2	The buyer is responsible for notifying the supplier within a reasonable time after delivery or tender under UCC 2602, making arrangements to hold the rejected IT goods somewhere protected from damage, and taking reasonable care of rejected IT goods until the supplier can take possession of the IT goods and remove them from the site.
3	The buyer is responsible for providing a notice of rejection letter to the supplier describing the defect(s) that renders the delivery as non-conforming to the purchase document, what the delivery and inspection criterion was, and how the delivered product does not conform.
4	The buyer can accept any unit of measure (e.g., lot, case, and pallet) and reject the rest (UCC 2601). Example: A department executed a purchase document for 50 desktop monitors, but the supplier shipped 75 desktop monitors. The receiving staff may either reject the entire shipment or accept the 50 desktop monitors in accordance with the provisions of the purchase document. The remaining 25 desktop monitors will be rejected and returned to the supplier.
5	If the supplier, within a reasonable time period or as stated in the purchase documents, does not remove rejected IT goods, the department customer may: • Ship products back to the supplier at the supplier's expense. • Store the rejected IT goods with reimbursement required from the supplier for any incurred costs.

Suppliers may require customers to obtain a return merchandise authorization (RMA) before shipping goods back to the supplier. Customers should contact the supplier prior to returning goods to confirm and follow any return authorization processes as required by the supplier.

6. Receiving Service Deliverables

The Project Leads work closely with acquisition specialists to prepare purchase documents for services, including clear, concise, and detailed descriptions of the services to be performed. Most often, we develop a detailed Statement of Work for IT services. Project staff accepting written deliverables must provide the supplier with written documentation accepting the deliverable.

The Department of Technology follows standard policies and procedures for repair or maintenance services of equipment. When equipment is acquired, the warranty information and Service Maintenance Agreement for repair or maintenance on that equipment is kept in the central procurement library file. The customer also has a copy for their records. When repair or maintenance is required on equipment that is under warranty, the Project Lead contacts the vendor directly. If the equipment is off of warranty, but there is a maintenance service agreement, the Project Lead contacts the service vendor directly. If there is no maintenance service contract associated with the equipment, the Project Lead contacts the Acquisition specialist, who addresses the repair or maintenance request.

The Project Lead will document:

- The time the maintenance provider was notified by the State
- The time the maintenance provider personnel arrived to repair the malfunction
- The time the component and/or system was returned to service
- A description of the malfunction or incident
- Signature of the maintenance provider and a representative of the State

The Project Lead ensures all data relevant to the repair or service maintenance call including response time, quality of repair or maintenance, timeliness of completing the service, and charges incurred compared with the service contract are recorded and kept along with the maintenance form in the procurement file.

CHAPTER 13

CONTRACT ADMINISTRATION

Table of Contents

1. Contract Administrator Principals..... 1
2. Contract Document Retention..... 1
3. Contract Evaluation 1

CHAPTER 13

CONTRACT ADMINISTRATION

1. Contract Administrator Principals

Contract Administrators adhere to and conduct business by the same ethical standards as Acquisition Specialists. Purchasing personnel responsibilities extend beyond successful contract award, encompassing the entire lifecycle from planning to contract close-out. Acquisition Specialists in particular should remain cognizant of the activities occurring on contracts and help promote thorough documentation supporting the procurement and contracting lifecycle.

Contract administration begins with the hand-off from the buyer to the project manager/lead, from contract award to contract closeout. Department of Technology allocates sufficient resources so that adequate attention can be given to ensuring that the supplier delivers the product and/or service in conformance with the requirements set forth in purchase documents.

Department of Technology has developed a "Contract Administrator Checklist" to assist contract administrators with their responsibilities.

2. Contract Document Retention

Throughout this manual we stress the importance of adequate documentation. Acquisition Specialists and Contract Administrators have primary responsibilities in this area. The Department of Technology maintains records in sufficient detail to allow anyone to review documentation and understand how the procurement was requested, conducted, awarded and administered.

Department of Technology Acquisition Specialists are responsible for the procurement file, initiated during planning for the purchase. Contract Administrators are responsible for the vendor file, initiated upon contract signing. Once a contract is closed out, the vendor file and procurement project file are combined and retained by buyers in the Department of Technology centralized procurement library. Should records be required for audit or other purposes, acquisition specialists must be contacted. Department of Technology retains records for at least three years after payment of the last invoice unless a longer period is required in the contract. In addition, one copy of the master proposal from the successful supplier and the other bidders shall be kept for three years.

3. Contract Evaluation

Upon completion of a consultant contract, the Acquisition Specialist sends the user a Contractor Evaluation (STD. 4). The STD. 4 is used to determine if the contractor fulfilled all requirements of the contract including quality standards. When the STD. 4 is returned, the Acquisition Specialist should review it and then file it within the Yellow Forms tab of the Procurement File.

When a negative finding is made, the STD. 4 shall be forwarded to DGS/OLS within five days of completion of the evaluation.

Table 12.1
Contractor Evaluation Procedures

Steps	Activity	Responsibility/Contact
1	Send the user a Contractor Evaluation (STD. 4)	Acquisition Specialist
2	Complete the Contractor Evaluation (STD. 4) and return it to the Acquisition Specialist	Contract Administrator
3	Place the Contractor Evaluation in the file	Acquisition Specialist
4	**If a negative finding is annotated by the requestor**, then forward the Contractor Evaluation (STD 4) to DGS/OLS. (Validate with the requestor prior to sending to DGS/OLS)	Acquisition Specialist

CHAPTER 14

REPORTING REQUIREMENTS

Table of Contents

1. Introduction 1
2. Calendar of Reports 1

CHAPTER 14

REPORTING REQUIREMENTS

1. Introduction

This chapter describes the requirements relative to the reporting requirements related to Department of Technology's Purchasing Authority and additional acquisition reporting requirements.

2. Calendar of Reports

The IT Procurement and Contract Services Branch, in coordination with other areas of the department, is required to complete and submit the reports outlined in SCM Vol. 3, Chapter 12.

The reports and their due dates that we must complete and submit are as follows.

Table 13.1
Calendar of Reports

Report Title	Report Due Date	Report Submitted To	Report Purpose
Contract Award Report STD. 16	Within 10 days of contract award	By e-mail to: 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.
Purchasing Authority Transaction Monthly Reporting	10th day of the month following the reporting period	Department of General Services Procurement Division Data Entry Unit - Second Floor North P.O. Box 989052 West Sacramento, CA 95798-9052	For collection of DGS administrative fee and purchasing authority compliance.
Data Center Interagency Agreement Quarterly Report	1st Qtr. – October 10th 2nd Qtr. – January 10th 3rd Qtr. – April 10th 4th Qtr. – July 10th	Department of General Services Procurement Division Purchasing Authority Management Section Attn.: DIA Quarterly Report P.O. Box 989052 West Sacramento, CA 95798-9052	Review tracking and compliance of DIA transactions.

CHAPTER 14

REPORTING REQUIREMENTS

Table 13.1 Calendar of Reports			
Report Title	**Report Due Date**	**Report Submitted To**	**Report Purpose**
STD 810 Contracting Activity Report and Improvement Plan(s) • STD 810A Infrastructure Bond Activity • STD 810C Consulting Services Contract Report • STD 810S SB/DVBE Option and DVBE Incentive Report • STD 810E Ethnicity Race and Gender Report (ERG)	August 1st for prior fiscal year	Department of General Services Procurement Division Office of Small business and DVBE Services Attn: Reports Coordinator 707 Third Street, First Floor, Room 400 MS 210 West Sacramento, CA 95605	The report provides fiscal statistical information on Small Business/Microbusiness (SB/MB) and Disabled Veteran Business Enterprise contracting activities to the legislature.
Late Payment Penalties Paid During Prior Fiscal Year	September 30th for prior fiscal year	Department of General Services Procurement Division Office of Small Business and DVBE Services Attn: Reports Coordinator Prompt Late Payment Coordinator 707 Third Street, First Floor, Room 400 MS 210 West Sacramento, CA 95605	Reporting on late payment penalties paid in previous fiscal year.
State Agency Recycled Campaign Procurement Report	October 31st for prior fiscal year	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 recycled content products.
Loss Leader Annual Report	June 30, 2011 and June 30, 2012	Department of General Services Procurement Division Purchasing Authority Management Section Via e-mail: pams@dgs.ca.gov	Cumulative list of contracts that do not contain "loss leader" language.

CHAPTER 15

IRS FTI 45-DAY NOTIFICATION & APPROVAL

Table of Contents

1. Federal Tax Administration Requirements 1
2. FTI Identification 1
3. Before Soliciting/Contract Development 1
4. Procedures for 45-day Notification of Contractor Access to FTI 2
5. IRS Notification/Approval Requirements 3
6. Tax Modeling, Revenue Estimation or Statistical Data 3
7. Maintaining Documentation 3

CHAPTER 15

IRS FTI 45-DAY NOTIFICATION & APPROVAL

1. Federal Tax Administration Requirements

California Department of Technology (Department of Technology) must notify the United States Internal Revenue Service (IRS) prior to executing, or amending, any agreement to disclose, or provide access to, federal tax information (FTI) to a Contractor or Sub-Contractor, at least 45 calendar days prior to the disclosure of FTI, to ensure appropriate contractual language is included and that Contractors are held to safeguarding requirements. This procedure conforms to IRS Publication 1075, Exhibit 12 - 45-DAY NOTIFICATION REQUIREMENTS.

2. FTI Identification

Customers, who are also the application data owners both internal and external to Department of Technology, request data processing services from the Department of Technology, hereinafter referred to as requestors. They should know the data classification type for their application and should also know when FTI is used or accessed (both physically and/or electronically). Department of Technology will use this knowledge to identify confidential information (FTI). Customers fill out Service Requests (SR's) in an online application (Customer Service System (CSS)). The CSS application requires them to confirm if FTI is part of the request.

When the requestor identifies FTI in the SR, then Department of Technology initiates special handling of the SR. Department of Technology Security Management performs security and risk assessment of the request and Department of Technology Procurement follows the internal Federal Tax Administration Requirements process in order to notify the IRS.

3. Before Soliciting/Contract Development

All contracts identified, via CSS or the requestor, as containing FTI data and/or having **direct access** to FTI data must include Exhibit D, California Department of Technology Special Terms and Conditions to Safeguard Federal Tax Information. Department of Technology Exhibit D conforms to IRS Pub 1075 Exhibit 7 - SAFEGUARDING CONTRACT LANGUAGE.

- Language to be included in the solicitation:

FEDERAL TAX ADMINISTRATION REQUIREMENTS
The Department of Technology must notify the United States Internal Revenue Service (IRS) prior to executing, or amending, any agreement to disclose, or provide access to, federal tax information (FTI) to a Contractor or Sub-Contractor, at least 45 calendar days prior to the disclosure of FTI, to ensure appropriate contractual language is included and that Contractors are held to safeguarding requirements. This procedure conforms to IRS Publication 1075, Exhibit 12 - 45-DAY NOTIFICATION REQUIREMENTS.

- Language to be included in the statement of work (SOW):

FEDERAL TAX ADMINISTRATION REQUIREMENTS
Subject to the Internal Revenue Service (IRS), federal tax information (FTI) requirements, if an unfavorable response is received by the IRS, this contract will be terminated immediately, per General Provisions – Information Technology (GSPD-401), clause 23, Termination for Default.

Once evaluated and/or ready for award or amendment Contractors and Sub-Contractors must be approved by the IRS, per the procedures noted in paragraph 4, Procedures for 45-day Notification of Contractor Access to FTI, below.

4. Procedures for 45-day Notification of Contractor Access to FTI

Department of Technology must provide notification of intent to enter into an agreement and/or amend a contract where direct FTI access and/or data is involved. Letters may be submitted in electronic format, to: safeguardreports@irs.gov. A FTI 45-DAY NOTIFICATION template is located on the G: drive. Each letter must contain the following specific information:

	Table 15.1 **IRS FTI Notification Specifications**
1.	Name, address, phone number and email address of Agency point of contact
2.	Name and address of Contractor
3.	Contract number and proposed award date
4.	Period contract covers, e.g. 2003-2008 (Contract Term)
5.	Type of service covered by the contract
6.	Number of contracted workers
7.	Name and description of agency program Contractor will support
8.	Detailed description of the FTI to be disclosed to Contractor
9.	Description of the work to be performed by the Contractor, including phased timing, how the FTI will be accessed and how tasks may change throughout the different phases
10.	Procedures for agency oversight on Contractor access, storage and destruction of FTI, disclosure awareness training, and incident reporting
11.	Location where work will be performed (Contractor site or agency location) and how data will be secured if it is moved from the secure agency location
12.	Statement whether Sub-Contractor(s) will have access to FTI
13.	Name(s) and address(es) of all Sub-Contractor(s), if applicable
14.	Description of the FTI to be disclosed to the Sub-Contractor (s)
15.	Description of the work to be performed by Sub-Contractor (s)
16.	Location(s) where work will be performed by Sub-Contractor (s) and how data will be secured if it is moved from a secure agency location
17.	Certification that Contractor personnel accessing FTI and Contractor information systems containing FTI are all located within the United States or territories as FTI is not allowed off-shore.

5. IRS Notification/Approval Requirements

After emailing the notification to the IRS, the IRS will send an acknowledgment email that the request has been received and is being processed for review to ensure the Contractor access is authorized and consistent with all requirements. Once the acknowledgment email is received the contract and/or amendment can be fully executed, but if an unfavorable response is received, the contract and/or amendment must be terminated immediately.

6. Tax Modeling, Revenue Estimation or Statistical Data

If the 45-day notification pertains to the use of Contractors in conducting tax modeling, revenue estimation or other statistical purposes utilizing FTI, the agency must also submit a separate statement detailing the methodology and data to be used by the Contractor. The Office of Safeguards will forward the methodology and data statement to the IRS Statistics of Income office for approval of the methodology.

7. Maintaining Documentation

Department of Technology acquisition specialists must file a copy of all IRS correspondence by Contract and SR number in the IRS Correspondence folder located at G:\BureauAdmin\IRS-FTI Communication folder. This file will include the required email sent to IRS-FTI and all documentation received from IRS.

CHAPTER 16

PRE-EMPLOYMENT CRIMINAL BACKGROUND CHECK FOR CONTRACTORS

Table of Contents

1. Pre-Employment Criminal Background Check Policy Requirements..... 1
2. Identification of Which Contracts Requires Criminal Background Checks..... 1
3. Before Soliciting/Contract Development..... 1
4. Upon Award of Contract 2

CHAPTER 16

PRE-EMPLOYMENT CRIMINAL BACKGROUND CHECK FOR CONTRACTORS

1. Pre-Employment Criminal Background Check Policy Requirements

The California Department of Technology recognizes the need for hiring practices that will ensure the greatest degree of security for data center operations and the data maintained within the Department (Policy Number 2021). Under the authority of Government Code 11546.6, a criminal background check utilizing California Department of Justice (DOJ) and Federal Bureau of Investigation (FBI) records must be conducted on all prospective contractor, subcontractor, volunteer, or vendor whose duties include, or would include, working on data center, telecommunications, or network operations, engineering, or security with access to confidential or sensitive information and data on the network or computing infrastructure. All fingerprints shall be taken digitally using Live Scan technology and transmitted electronically to the DOJ.

2. Identification of Which Contracts Requires Criminal Background Checks

The Acquisition Specialist will identify which contracts require Contractor staff to be fingerprinted. Only the Contractor staff, including subcontractor(s), which have access to confidential or sensitive information, need criminal background checks. The Departments' Organization (ORG) Chart identifies with a notation of BC or BC2 to reflect the various units requiring fingerprint background checks for Contractor staff.

3. Before Soliciting/Contract Development

If any Contractor staff, including subcontractors, will be working directly with the units identified on the Departments' ORG Chart with a notation of BC or BC2, then the solicitation must include the Pre-Employment Criminal Background Checks for Contractors Attachment. The Pre-Employment Criminal Background Checks for Contractors Attachment is located on the G: drive.

The following language must be included in the solicitation:

PRE-EMPLOYMENT CRIMINAL BACKGROUND CHECK POLICY

The California Department of Technology recognizes the need for hiring practices that will ensure the greatest degree of security for data center operations and the data maintained within the Department. Under the authority of Government Code 11546.6, a criminal background check utilizing California Department of Justice (DOJ) and Federal Bureau of Investigation (FBI) records must be conducted on all prospective contractors, subcontractors, or volunteers technical staff who will have electronic access to confidential or sensitive information. All fingerprints shall be taken digitally using live scan technology and transmitted electronically to the DOJ.

PRE-EMPLOYMENT CRIMINAL BACKGROUND CHECK FOR CONTRACTORS

Upon award, the Contractor must have each and every employee (including any subcontracted employees) engaged in the resulting agreement to get a criminal background check utilizing California DOJ and FBI records. See Attachment **"[Click here and type NUMBER OF ATTACHMENT]"** , Pre-Employment Criminal Background Check Policy, for further instructions. Failure to comply with the criminal background check policy will result in disqualification or contract termination.

The State reserves the right to request substitution of employees who fail the criminal background check. Contractor must provide a substitute of equal or better qualifications for the same rate as proposed in Cost Worksheet.

4. Upon Award of Contract

Upon award of the contract, the Acquisition Specialist must send an email to the Contractor to obtain the list of name(s) of Contractor employee(s) to be fingerprinted. **The Acquisition Specialist must cc: Human Resources (HR) staff (Lori D'Agostini & Tammy Ervin) on all correspondence to the Contractor regarding Background Checks to keep everyone in the loop.**

The Acquisition Specialist must email Human Resources (HR) staff (Lori D'Agostini & Tammy Ervin) and cc: Sandy Louie, the following information:

- Name of Contractor & Contract Number
- List of Name(s) of Employee(s) to be fingerprinted
- Term dates of Contract
- Deadline for Fingerprint Results, if applicable

HR staff will be responsible for providing all the necessary form(s) to the Contractor employee(s) in order to complete the fingerprint process.

Once the Contractor staff gets their Live Scan complete and returns the form(s) to HR, it takes approximately 10 days, but could be up to 30 days, to process. The Acquisition Specialist can follow up with Lori D'Agostini (431-4283) for status.

HR staff will collect results from the DOJ secure mailbox and review the information to determine if clearance is met. If a criminal record exists HR will consult with the Background Check Committee members to make a final determination. HR will consider these results a priority for quick turnaround.

HR staff will notify the Acquisition Specialist whether the individual has been cleared. The Acquisition Specialist can then notify the Contractor that services can begin. If the individual is not cleared, then the Acquisition Specialist must request a new Contractor staff member to be sent to be fingerprinted.

HR staff will provide a response to the Contractor staff member that the requirements have not been met and will provide them with the record response received based on their fingerprint submission.

Note:
Confidentiality is strictly enforced. HR will not provide any details pertaining to background results to the Acquisition Specialist or Contractor, pursuant to DOJ requirements:

"Applicant agencies must not divulge or share criminal record history information, including responses that no criminal record history exists unless expressly authorized. Information received must be kept in a secure and confidential file with access restricted to a designated Records Custodian and/or person responsible for confirming the character and fitness of an applicant. Release of information to unauthorized individuals can result in civil fines and criminal penalties under California Penal Code sections 11142 and 11143. Applicant agencies must destroy criminal history record information once the organization's business need is fulfilled."

It is the responsibility of the Contractor to notify the Acquisition Specialist when one of the previously fingerprinted staff no longer works on any project for the Department, so all information received by the DOJ is destroyed. Once notification has been made, it is the responsibility of the Acquisition Specialist to notify HR staff the name(s) of Contractor Staff who no longer work on any projects with the Department, DOJ information to be destroyed.

California Department of Technology

IT Procurement and Contract Services Branch

Policies and Procedures Manual

August 2014

Non-IT Goods and LPA Goods & Services

NON- IT GOODS POLICIES AND PROCEDURES MANUAL

Chapter Table of Contents

1. Introduction
2. Procurement Planning
3. Pre-Procurement Reviews and Approvals
4. Procurement Process
5. Socioeconomic and Environmental Programs
6. Competitive Bid Process
7. Non-Competitively Bid (NCB)
8. Leveraged Procurement Agreements (LPA)
9. Protests and Post Award
10. Payment, Financing and Penalties
11. Receiving, Inspection, Acceptance and Rejection
12. Contract Administration
13. Reporting Requirements

List of Acronyms

The following are a list of acronyms used in this manual:

A

ADA	Americans with Disabilities Act
APP	Alternative Protest Process

C

CalRIM	California Records and Information Management
CARI	California Alliance of Rehabilitation Industries
CCR	California Code of Regulations
CIWMB	California Integrated Waste Management Board
CMAS	California Multiple Awards Schedules
CRP	Community-based Rehabilitation Program
CSCR	California State Contracts Register
CUF	Commercially Useful Function

D

DGS	Department of General Services
DVBE	Disabled Veteran Business Enterprise

F

FEMP	Federal Energy Management Program
FOB	Free on Board

G

GC	Government Code

I

IFB	Invitation for Bids
IT	Information Technology

L

LLC	Limited Liability Company
LLP	Limited Liability Partnership
LP	Limited Partnership
LPA	Leveraged Procurement Agreement

M

MA	Master Agreement
MB	Microbusiness
MM	Management Memo
MSA	Master Service Agreement
MVC	Military and Veterans Code

N

NCB	Non-Competitively Bid Contract Justification
NVSA	Nonprofit veteran service agency

O

OLS	Office of Legal Services, the DGS
OSDS	Office of Small Business and DVBE Services, the DGS/PD

P

PAC	Purchasing Authority Contact
PCC	Public Contract Code
PCD	Personal Communications Device
PCO	Procurement and Contracting Officer
PD	Procurement Division, the DGS
PRC	Public Resources Code

R

RFI	Request for Information
RFI	Request for Interest
RFO	Request for Offer
RFP	Request for Proposals
RFQ	Request for Quotations

S

SAM	State Administrative Manual
SB	Small Business
SC	Statewide Contract
SCM	State Contracting Manual
SCPRS	State Contract and Procurement Registration System
SCR	Special Category NCB Request
SFM	State Financial Marketplace
SIMM	Statewide Information Management Manual
SOW	Statement of Work
SPB	State Personnel Board
SPR	Supplier Performance Report
SPR	Special Project Report
SPS	State Price Schedule
STD	Standard Form

T

TACPA	Target Area Contract Preference Act

U

UC	University of California

V

VCGCB Victim Compensation and Government Claims Board

W

WSCA Western States Contracting Alliance

CHAPTER 1

NON-IT GOODS PROCUREMENT INTRODUCTION

Table of Contents

1. Purpose of Manual 1
2. Authority to Contract 1
3. Roles and Responsibilities 3
3.1 Procurement and Contracting Officer (PCO) 3
3.2 Purchasing Authority Contact (PAC) 3
3.3 Acquisition Specialist 3
3.4 Small Business Advocate 3
4. Ethics 4
5. Conflict of Interest 4
6. Separation of Duties 4
7. Internal Audits 5
8. Training 5

CHAPTER 1

NON-IT GOODS PROCUREMENT INTRODUCTION

1. Purpose of Manual

This manual provides policies and procedures for procurement activities performed within the California Department of Technology (Department of Technology), Procurement and Contracting Services Branch. The prevailing authority for non-information technology (IT) procurement of goods resides with the State Contracting Manual Volume 2 (SCM Vol. 2).

In addition to the SCM Vol. 2, Department of Technology must adhere to applicable statutory regulatory and procedural requirements, including but not limited to:

- Public Contract Code
- Government Code
- Military and Veterans Code
- Labor Code
- Revenue and Taxation Code
- Food and Agriculture Code
- California Code of Regulations
- State Administrative Manual
- Statewide Information Management Manual
- State Telecommunications Management Manual
- SCM Volume 1 and Volume 3

This manual is to be used in addition to the SCM Vol. 2 as resource to guide Acquisition Specialists involved with procurement activities of non-IT goods. The manual is located on the G: drive at the following path: G:\BureauAdmin\DESK PROCEDURES\Procurement Procedures Manual. Updates to this manual will be accomplished as changes occur to the prevailing authority and additional references. At a minimum, updates will occur once a year.

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.

CHAPTER 1

NON-IT GOODS PROCUREMENT INTRODUCTION

DGS approved Department of Technology's purchasing authority request and granted Department of Technology's delegation for the acquisition of Non-IT goods and Leveraged Procurement Agreement (LPA) goods and services as itemized in Figure 1-1 below.

Department of General Services
Procurement Division
Purchasing Authority Management Section

Purchasing Authority Approval

Purchasing Authority is Granted for Procurement Activities Conducted by:	
Agency	**Direct Report to the Governor**
Department	**California Technology Agency**
Part B(s)	**Governor's Office (IT Goods/Services ONLY)** **Office of the Lieutenant Governor (IT Goods/Services ONLY)**
Term	**August 1, 2013 through July 31, 2014**
Rev. Eff. Date	

Karin Hornbaker, Non-IT Purchasing Authority Contact **Jennifer Herrera, IT Purchasing Authority Contact**	**Copies to:** Marlon Paulo, Procurement and Contracting Officer, CaTA Stefanie Marchi & Beth Going, Audits, State Controller's Office

Purchasing Authority No.
9G-0714-CIO-HQ1

Non-IT Goods and LPA Goods & Services Purchasing Authority	**Maximum Amounts**
Competitive	$100,000.00
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 (NASPO, etc.)	$500,000.00
Western States Contracting Alliance (WSCA)	As noted in WSCA User Instructions
Statewide Contract Orders	Unlimited
Prison Industry Authority (PIA)	Unlimited

Purchasing Authority No.
9I-0714-CIO-HQ1

IT Goods & Services Purchasing Authority	**Maximum Amounts**
Competitive	$5,000,000.00
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 (NASPO, etc)	Unlimited
Western States Contracting Alliance (WSCA)	As noted in WSCA User Instructions
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 CMAS solicitation authority for the procurement of ***information technology goods and services*** over their approved amounts is **not** a general expansion of authority. This authority is limited as follows:

Please see backside for more details.

☐ 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: July 30, 2013

Ricardo Martinez, Chief, PT&CS Branch
(916) 375-4653
ricardo.martinez@dgs.ca.gov

Date

(Rev. 1/13/12)

3. Roles and Responsibilities

3.1 Procurement and Contracting Officer (PCO)

Department of Technology has designated the Data Processing Manager (DPM) III, Chief, Procurement and Contracting Services Branch, as the PCO. The PCO is the single point of contact for the DGS/PD and is responsible of ensuring the procedures outlined in this manual comply with all Purchase Authority Management Section (PAMS) requirements in order to ensure compliance with all applicable rules and regulations.

3.2 Purchasing Authority Contact (PAC)

Department of Technology has designated the DPM II, as the IT PAC and another DPM II, as the non-IT PAC. These positions have the responsibility of ensuring all staff within Department of Technology procurement are adequately trained and follow all procedures and guidelines in the day-to-day process of procurement and contracting.

3.3 Acquisition Specialist

The acquisition specialists are responsible for ensuring that all procurement and contracts meet all statutory and policy requirements and are based on sound business practices. The acquisition specialist must ensure that procurement and contracts are prepared with the appropriate clauses, phrases, prescribed format, proper approvals and required documents. The acquisition specialist also maintains proper files and documentation for all procurement and contracts.

3.4 Small Business Advocate

The small business advocate is responsible for assisting acquisition specialist in identifying potential small, micro and DVBE business and is responsible for:

- Serve as Department of Technology's subject matter expert of the SB/DVBE program
- Review and implement any new laws or policies that pertain to the
- SB/DVBE program
- Department of Technology's point of contact for SB/DVBE vendors needing assistance on prompt payments or questions on procurement issues
- Attend and network at Expo Summits and Collaboration Conferences offered by DGS or other agencies
- Attend SB/DVBE Quarterly Advocate meetings
- Attend, upon request, new project meetings and Bidder's Conference by educating Department of Technology staff and vendors on the mandated goals of 25% for SB and 3% for DBVE
- 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
- Prepare annual reports by compiling information and communicating with control agencies

4. Ethics

Department of Technology employees involved in procurement and contracting activities are either directly or indirectly spending public funds and are subject to public scrutiny; as such are reminded to:

- Act responsibly.
- Conduct business honestly.
- Avoid wasteful and impractical purchasing practices.
- Avoid real or perceived conflicts when conducting business on the State's behalf.
- Advise personnel of expected standards of ethical and moral behavior during any procurement activities involving their participation.

The PAC is responsible for ensuring all procurement and contracting personnel receive ethics training as required.

All Department of Technology staff assigned to work project teams which result in a procurement or service agreement shall sign a Conflict of Interest and Confidentiality Statement which is collected by the acquisition specialist and maintained in the procurement file

5. Conflict of Interest

Department of Technology's Conflict of Interest Policy Number 2015 follows the Political Reform Act, Government Code section 81000 et seq. of 1974, which requires State and local government agencies to adopt and promulgate conflict of interest codes.

Department of Technology requires and maintains a signed Conflict of Interest along with a Form 700 for every staff member in "Designated Positions" involved in the procurement process. Employees must sign the Form 700 at least once a year during their employment with Department of Technology.

6. Separation of Duties

Department of Technology procurement and contracting staff shall ensure adequate separation of duties.

- Procurements are conducted by staff designated as acquisitions specialists;
- Approving purchase documents is conducted by managers/supervisors, the designated POC or other designated staff;
- Acknowledging and receiving goods and services resides with Business Services for goods and the identified contract administrator for services;
- Approving invoices for payment resides with the requestor; and
- Preparing payments resides with Fiscal.

Department of Technology staff shall ensure their duties and responsibilities do not overlap in any of the elements identified above.

7. Internal Audits

The Department of Technology must also conduct an internal audit In between audits that are conducted by the DGS Office of Audit Services. Contact the Department's Chief Auditor, Audits and Accountability Unit, Legal Services Division.

8. Training

All acquisition specialists are required to attend the procurement and contracting training through DGS' California Procurement and Contracting Academy (Cal-PCA). DGS offers free development courses and seminars to the State's procurement staff to improve their state contracting knowledge**.** Acquisition specialists are encouraged to take other workshops and courses provided by DGS when such courses are relevant to the analyst's workload.

On-the-job training is also provided for all employees by Management and lead staff personnel.

CHAPTER 2

NON-IT GOODS PROCUREMENT PLANNING

Table of Contents

1. Procurement Methods 1
2. Checklists 2
3. Procurement Planning Checklist 2
4. Classifying the Purchase 2
4.1. Non-IT vs. IT 3
4.2. Distinguishing goods from services 3
5. Order Splitting 3
6. Emergency Purchases 3
6.1 Types of Emergencies 4
6.2 Required Documentation 4
6.3 Emergency Purchases in Response to a Natural Disaster 4
6.4 Emergency Purchases Not in Response to a Natural Disaster 5

CHAPTER 2

NON-IT GOODS PROCUREMENT PLANNING

1. Procurement Methods

Knowing the basic rules and applying them appropriately throughout the procurement process is key to executing any procurement activity. SCM Vol. 2, Chapter 2, section B, and Chapters 4 - 6, are used as a guideline to help determine the appropriate procurement method.

The following table identifies the procurement methods available for the purchase of 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 2.1 Procurement Methods

Procurement Method	Non-IT Goods and LPA Good & Services: Dollar Thresholds	Desk Manual Reference Chapter
One-time Delegation Request for Competitive or Request for DGS to Conduct Procurement	Over $100,000.00	Chapter 6
Community Rehabilitation Program Orders	Unlimited	Chapter 3
Fair and Reasonable (F&R)	Under $5,000.00	Chapter 6
Competitive	Up to $100,000.00	Chapter 6
NCB Contract Approval by Department of Technology	$25,000.00 and under	Chapter 7
NCB Contract Approval DGS	Over $25,000.00	Chapter 7
SB/DVBE Option per GC section 14838.5(a)	$5,000.01 through $249,999.99	Chapter 5
LPA: CMAS Non-IT Goods	$100,000.00	Chapter 8
LPA: CMAS Non-IT Services*	$250,000.00	Chapter 8
LPA: Master Agreements Non-IT Goods	$500,000.00	Chapter 8
LPA: Master Agreements Non-IT Services	$500,000.00	Chapter 8
LPA: Cooperative Agreements NASPO, etc.)	$500,000.00	Chapter 8
LPA: Western States Contracting Alliance (WSCA)	As noted in WSCA Instructions	Chapter 8
LPA: Statewide Contracts	Unlimited	Chapter 8
LPA: State Price Schedules	$25,000.00	Chapter 8
Prison Industry Authority (PIA)	Unlimited	Chapter 3

***CMAS Non-IT Service orders above $50,000.00 must be approved by DGS prior to award (SCM Vol. 2, Ch. 6, 6A1.4)**

2. Checklists

Checklists are provided for each procurement method as a tool for acquisition specialists to use during the procurement process and to perform a final check of their documents before submitting them for review. The checklists will be in each corresponding Chapter.

3. Procurement Planning Checklist

The first step in the planning and scheduling of a procurement effort is the initial review of Department of Technology Customer Service system (CSS) Service Request (SR). Refer to the CSS Online Guide for further assistance. Reviewing the request in terms of the following information will assist the acquisition specialist in determining any impact in relationship to the procurement planning and scheduling activities. Acquisition specialists shall ensure they review the full impact of all requests and that all appropriate approvals have been sought.

✓	Description	Performed By	Systems and Forms
	Identify business need	Requestor (working with sponsor and project executives)	Project Plan
	Begin formal documentation	Requestor	SR/CSS
	Verify approvals/ funding	Requestor Acquisition Specialist	BCP
	Request Procurement assistance	Requestor	
	Obtain federal approval if applicable	Requestor	
	Document dollar value	Requestor	SR/CSS
	Classify purchase	Acquisition Specialist	SR/CSS
	Analyze applicable procurement methods	Acquisition Specialist	www.pd.dgs.ca.gov
	Document selected procurement method	Acquisition Specialist	SR/CSS
	Request DGS/PD assistance As needed and always for dollar value above Department of Technology delegated authority	Procurement Supervisor/PAC	STD.66 or memo for services
	Conduct market survey if concerns about competition or need for more information	Acquisition Specialist	RFI
	Work with legal staff on procurement issues	Procurement Supervisor/PAC	SCM Vol. 2 and SAM
	Prepare Statement of Work	Requestor Acquisition Specialist	SOW
	Approve project purchase	Procurement Manager	PeopleSoft

4. Classifying the Purchase

The ability to properly classify purchases enables correct execution of procurements:

- Apply the appropriate laws, regulations, policies, and procedures (e.g., selection of the correct solicitation type, identification of the correct advertising threshold)
- Identify whether or not the department has the applicable purchasing authority to conduct the purchase activity or if it requires purchase by the DGS/PD
- Secure additional approvals and/or waivers as applicable

The impact of not correctly classifying a purchase may result in:

- Delaying a department's program or project
- Waste of time and effort, ultimately wasting taxpayer money
- Loss of funding
- Disputes, protests, and/or lawsuits
- Illegal contracts

4.1. Non-IT vs. IT

There are many items that require IT technologies to function, yet they may not be considered to be IT. If the item is determined to be a non-IT good, the transaction will be treated as a "good" and be acquired under the non-IT goods purchasing authority.

4.2. Distinguishing goods from services

When determining if an acquisition is for goods only, the DGS/PD recommends that the acquisition specialist consider the following concepts:

- Does the contract have as its sole or main purpose the acquisition of tangible items, such as equipment, parts, supplies or other merchandise?
- If the main value is a good with minimal or no non-IT or IT services, the purchase is conducted under the non-IT goods purchasing authority.
- What is the main value of the contract – the good or the service?
  - If the main value is the service, the transaction should be treated as a service contract.
  - If the service is non-IT, then the purchase is acquired in accordance with PCC section 10335, SAM section 1200, and the SCM, Vol. 1.
  - If the service is IT, then the purchase is acquired in accordance with PCC section 12100 et seq., SAM sections 4800 et seq., 5200 et seq., SCM, Vol. 3 and the Statewide Information Management Manual (SIMM)

5. Order Splitting

PCC section 10329 for non-IT goods and by policy for IT good and services state that "no person shall willfully split a single transaction into a series of transactions for the purpose of evading the bidding requirements of this article."

Department of Technology acquisition specialists may not spilt orders to circumvent approved purchasing authority dollar thresholds.

6. Emergency Purchases

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."

Department of Technology acquisition specialists shall ensure approval from the PCO is obtained prior to proceeding with any emergency purchase.

6.1 Types of Emergencies

Emergencies are divided into two classifications that affect how purchasing may be approached:

- An emergency purchase in response to a natural disaster, such as fire, flood or earthquake; or
- An emergency purchase not in response to a natural disaster.

6.2 Required Documentation

Regardless of the classification of an emergency, the Department of Technology must document (in the procurement file) and/or provide to DGS/PD, as applicable, the following information:

- A description of the emergency.
- Explanation of why the situation warranted 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.

6.3 Emergency Purchases in Response to a Natural Disaster

Table 2.2 Emergency Purchases in Response to a Natural Disaster

If the purchase activity	Then the acquisition specialist will proceed with the purchase
Is within Department of Technology's $25,000 purchasing authority for Non-Competitively Bid (NCB) contracts	• Documenting the circumstance of the emergency purchase. • Issuing the purchase document, identifying the Purchasing Authority (PA) number in the PA number box on the purchase document. • Reporting the transaction on the NCB contract quarterly report.
Exceeds Department of Technology's $25,000 purchasing authority for NCB contracts	• Documenting the circumstance of the emergency purchase. • Issuing the purchase document, leaving the PA number box on the purchase document blank.

6.4 Emergency Purchases Not in Response to a Natural Disaster

Table 2.3 Emergency Purchases Not in Response to a Natural Disaster	
If the purchase activity	**Then the acquisition specialist will proceed with the purchase**
Is within Department of Technology's $25,000 purchasing authority for Non-Competitively Bid (NCB) contracts	• Documenting the circumstance of the emergency purchase. • Documenting names and quotations of suppliers contacted. • Issuing the purchase document, identifying the PA number in the PA number box identified on purchase document. • Reporting the transaction on the NCB contract quarterly report.
Exceeds Department of Technology's $25,000 purchasing authority for NCB contracts	• Contacting DGS/PD immediately or within the next business day to provide the circumstance of the emergency at the One-Time Acquisition support number: 916-375-4471 • DGS/PD contact reviews the circumstance and if approved, assigns the transaction an Authorization to Exceed Monetary Limits (Form 42) number. • Documenting the circumstance of the purchase. • Recording the Form 42 number in the PA number box on the purchase document prior to issuing the purchase document.

CHAPTER 3

NON-IT GOODS PRE-PROCUREMENT REVIEWS AND APPROVALS

Table of Contents

1. Pre-Procurement Review and Approval Categories 1
2. Office of Fleet and Assest Management (OFAM) 1
2.1 Mobile equipment purchases and repairs 2
3. Transportation Management Unit 3
4. Surplus Property Program 3
4.1. Electronic Surplus Property System 3
4.2. Reuse of Surplus Furniture 4
5. Prison Industry Authority (PIA) 4
5.1 PIA Waiver Process 4
5.2 Ordering Procedures 5
6. Office of State Publishing (OSP) 6
7. Community-based Rehabilitation Programs (CRP) 6
7.1 California Alliance of Rehabilitation Industries (CARI) 6
8. Authority over Negotiations 7
11. State Personal Board (SPB) 7
11.1 Personal Services Contracts 8
11.2 Justification for Personal Service Contracts 8
11.3 Bargaining Unit Notification of Proposed Personal Services Contracts 9
11.4 Resumes for Consultant Contracts 10
11.5 Consultant Negative Evaluations 10
12. Records Management Requirements 10
13. Mission Critical Certification for DGS 11

CHAPTER 3

NON-IT GOODS PRE-PROCUREMENT REVIEWS AND APPROVALS

1. Pre-Procurement Review and Approval Categories

There are certain categories of purchases that require review and approval before Department of Technology can proceed with a purchasing activity. SCM Vol.2, Chapter 2 describes those requirements and processes.

At this point, the acquisition specialist has determined the class and category of a purchase request before initiating a procurement activity. Next, the acquisition specialist needs to analyze the request to validate any pre-approval requirements, as follows.

2. Office of Fleet and Assest Management (OFAM)

In accordance with GC section 13332.09, Department of Technology may not procure mobile equipment without first securing approval from OFAM. OFAM approvals must be documented in the procurement file.

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

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

- Golf Cart
- Mower
- Generator
- Mobile home and/or office
- Forklift
- Pallet jack
- Personnel hoist
- Trailer
- Agriculture or construction equipment pulled by a vehicle
- Other fleet-related equipment as determined by the OFAM

2.1 Mobile equipment purchases and repairs

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

Description	Pre-Approval Requirements
Vehicle Acquisition Request (0FA-160) replacement or additional	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.

NOTE: Mobile equipment are considered non-IT services and may not be purchased under a department's purchasing authority.

Departments may not modify and/or repair mobile equipment without OFAM approval if the modification/repair exceeds the OFAM-established dollar thresholds. When contracting for mobile equipment modifications/repairs, departments must obtain OFAM approval when the transactions are expected to exceed specific dollar thresholds as established by OFAM. In addition to obtaining advance OFAM approval, when required, for vehicle modifications/repairs, departments must also get OFAM post approval once the modifications/repairs have been completed. All repairs and/or replacement of upholstery and glass require OFAM approval.

Department's should consult the OFAM Fleet Handbook and the SCM, Vol. 1 regarding these services.

Click here to access the list of OFAM forms.

Department of Technology will submit completed forms and attachments to:
Office of Fleet Administration
Attention: Statewide Equipment Coordinator
1700 National Drive
Sacramento, CA 95834

3. Transportation Management Unit

The Transportation Management Unit (TMU) provides specialized services, as described in the SAM section 3800 to all State agencies. They have expert knowledge of rates and tariffs regarding the movement of all State materials in the most expeditious, economical and efficient manner.

The TMU was established in accordance with the provisions of GC section 14920 et seq. Departments shall contact TMU at (916) 376-1888 to determine the cost and routing of freight whenever the weight of the purchase is 100-lbs or more and F.O.B. Destination, Freight Prepaid is not used. See TMU web page for further details.

4. Surplus Property Program

Department of Technology 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

4.1. 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.

Click here to access the Surplus Property Program web page.

4.2. Reuse of Surplus Furniture

Departments that require new modular systems (MSF) furniture and conventional furniture shall contact the OFAM for reuse of surplus furniture. Departments that have been notified by the OFAM that their requirements cannot be met by the reuse of surplus shall contact CALPIA. In the event that the OFAM or CALPIA cannot meet the department's requirements, departments may then purchase new MSF and/or conventional furniture. Documentation of the contacts with OFAM and CALPIA must be kept in the procurement file. For additional information see Management Memo 11-01.

If Department of Technology functional needs cannot be met by the Surplus Property Program, then Department of Technology must next consider if its needs can be met by the California Prison Industry Authority (CALPIA).

5. Prison Industry Authority (PIA)

Pursuant to Penal Code (PC) section 2807, Department of Technology 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).

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.

Department of Technology currently has DGS/PD approved delegated purchasing authority to purchase from PIA.

5.1 PIA Waiver Process

Department of Technology may be granted a CALPIA exemption to procure goods from other sources when sufficiently justified. Acquisition specialists shall seek approval from the PCO prior to proceeding with the PIA waiver process. If given the approval to proceed with the waiver process follow as instructed below.

Below describes the CALPIA exemption process that must be followed:

1. Contact the CALPIA sales branch at (916) 323-2419 or access and complete the Exemption Request.

2. Complete a CALPIA exemption request and mail it to:
   CALPIA Sales Branch
   560 East Natoma Street
   Folsom, CA 95630-0040

   Note: Expedite requests may be faxed to (916) 322-1184, however, expedites must be justified and a hard copy of the exemption request with original signatures is required prior to CALPIA approval.

3. All exemption requests will be faxed back to the department. Copies of the exemption request approved by CALPIA must be retained in the procurement file as proof of exemption determination. Documentation of only the CALPIA exemption number is insufficient to comply with the exemption documentation requirement.

4. The CALPIA Sales Representative will contact the department when an exemption request is denied. The denied exemption request with original signatures will be sent to the department.

5.2 Ordering Procedures

Acquisition specialists must use the Purchasing Authority Purchase Order (STD. 65) to execute CALPIA purchases. Refer to the PIA on-line catalog for additional ordering information.

The STD. 65 must detail the catalog item number, description, unit price and extended dollar amount. Calculate the total amount of the purchase document and issue the STD. 65 (contractor-original and packing slip copies) to:

California Prison Industry Authority
Attn: Customer Service
560 East Natoma Street
Folsom, CA 95630-2200

Do not include sales, use or federal excise taxes as they do not apply. Payment terms are “net 45 days” or Controller Transfer. Contact PIA, Customer Services for FOB point and deliver due dates.

To identify this as a CALPIA purchase, the acquisition specialist must enter “PIA” in the Purchase Authority Number box on the STD. 65.

6. Office of State Publishing (OSP)

Pursuant GC section 14612.5 regarding state printing procurements, printing is not considered a "*personal service contract*" as defined in GC section 19130. Consequently, printing procurements are conducted as non-IT goods purchases. http://www.documents.dgs.ca.gov/osp/sam/mmemos/MM07_06.pdf

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

Activity	Pre-Approval Requirements
Solicit OSP for requests over $5,000.00, in accordance with GC section 14612.5. PIA also can provide printing services and should be considered.	Acquisition Specialist
Contact the OSP Customer Service Representative: James Griffin Phone: (916) 322-1006 e-mail: james.griffin@dgs.ca.gov or http://www.dgs.ca.gov/osp/Programs/CustomerService.aspx	Acquisition Specialist

7. Community-based Rehabilitation Programs (CRP)

DGS/PD encourages departments with purchasing authority to consider purchasing products and services from rehabilitative or sheltered workshops. In accordance with Welfare and Institutions Code 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 the non-competitively bid (NCB) contract requirements. GC 19130 must still be met.

Department of Technology acquisition specialists shall not use these programs at the risk of attaining other mandated procurement goals such as SB and DVBE participation. Additionally, when utilizing these programs, Department of Technology acquisition specialist shall ensure the price offered by these programs is fair and reasonable.

7.1 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.

8. Authority over Negotiations

PCC section 6611(a) authorizes DGS to use a negotiation process under certain circumstances when procuring or contracting for goods, services, information technology, and telecommunications. DGS recommends that during the acquisition planning phase departments plan accordingly and consider whether a negotiation process is appropriate for a given procurement. If so, Department of Technology should contact DGS for assistance prior to issuing a solicitation to add language to our solicitation document indicating our intent to utilize PCC section 6611(a) during the solicitation process.

See SCM Vol.2, Chapter 2, Topic 2.B6.1 for the procedure to follow.

9. 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, Department of Technology must contact RESD.

10. Department of Conservation (DOC)

PCC section 10295.5 prohibits Department of Technology 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 Department of Technology 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.

11. State Personal Board (SPB)

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

In conformance with GC section 19131, if we propose to execute a personal services contract pursuant to GC section 19130(a), we must notify the SPB of our intent to award a contract.

11.1 Personal Services Contracts

Review GC sections 19130(a) and (b) to justify contracting personal services rather than using civil service personnel. To apply section 19130(b)(3), work with the business area making the requests to determine the answers to the following five questions:

1. What is the technical nature of the work? What are the specific provisions pertaining to the qualifications of the staff that will perform the work under the contract?
2. Will the contract result in actual overall cost savings to the State? How much?
3. Does the amount of savings clearly justify the size and duration of the contracting agreement?
4. Is the potential economic advantage of contracting not outweighed by the public's interest in having a particular function performed directly by State government?
5. Will the contract cause the displacement of civil service employees? The term "displacement" includes layoff, demotion, involuntary transfer to a new class, involuntary transfer to a new location requiring change of residence, and time base reduction. Displacement does not include change in shift or days off, nor does it include reassignment to another position with the same class and general location.

If the answers justify contracting for a consultant, check for Conflicts of Interest if the proposed contracting staff are current and former State employees or retired annuitants. State employees shall not engage in any employment, activity, or enterprise from which he receives compensation or has a financial interest unless required as a condition of regular State employment. For a two-year period from the date of termination from State employment, no former employee can negotiate, transact, or plan any part of the decision-making process relevant to a contract while employed by the State. (Refer to SCM Vol.1 Section 7.10 and PCC sections 10410 and 10411 for more detail.)

11.2 Justification for Personal Service Contracts

The GC 19130 Exemption Justification guidelines are designed to ensure that the Department of Technology has exhausted all reasonable means, as required by Section 19130(b), to hire civil service employees to perform personal services. The requestor shall complete the GC Section 19130 Request for Exemption template when requesting a contract for consulting or personal services. Justification for these types of services is most commonly acquired through use of GC 19130(b)(3) or GC 19130(b)(10), but there are eight (8) other exemptions to consider. All evidence used for an exemption justification must be attached as well. The addition documentation should include an email sent to other CIO's to support that there are not State Employees available in other departments or

agencies. Documentation and justifications will be reviewed by Department of Technology Labor Relations, Procurement, and Legal Counsel, for approval.

11.3 Bargaining Unit Notification of Proposed Personal Services Contracts

Per Management Memo (MM) 14-01, the Department of Technology must provide notification of proposed personal services contract to the Bargaining Unit that represents state employees who perform the type of work being contract out prior to execution of the contract.

It is up to the Requestor to note in the CSS SR Worklog what bargaining unit the personal services contract needs to notify. The Requestor can go to the following links for assistance to determine in notification is required:

- Class Specification information: http://jobs.spb.ca.gov/wvpos/payscales.cfm
- Bargaining Units: http://www.calhr.ca.gov/state-hr-professionals/Pages/bargaining-contracts.aspx

The only exception is if the personal services contract is necessary due to a sudden and 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, then notification shall be as soon as possible after execution.

The Acquisition Specialist is responsible for sending the following via e-mail also cc: Jeff Pudoff (jeff.pudoff@state.ca.gov) to the appropriate Bargaining Unit contact person listed on the AB 906 Contract Recipient:

- Unsigned PDF copy of the proposed contract including all exhibits
- Completed Notification Proposed Prsnl Srvcs Template

DO NOT SEND THE STD 215 OR CERTIFICATION TECH 409 FORM

This should be done at the time of award or when the contract is sent to the Contractor for signature.

The Acquisition Specialists must check and sign the STD 215 in box 17(b) that they have complied with this requirement or if the contract does not require a STD 215, the acquisition specialist must complete and sign the TECH 409 - Certification of Bargaining Unit Notification form. A copy either the STD 215 or TECH 409 shall be filed in the procurement file.

The Acquisition Specialists must file a copy of the documents e-mailed to the Bargaining Unit(s) by Contract and SR number in the BU Correspondence folder located at: G:\BureauAdmin\DESK_PROCEDURES\Bargaining_Unit_Notification for Personal Services Contracts\BU Correspondence.

If the contract requires DGS or STPD approval the following should be included in the contract package for approval:

- For contracts requiring a STD 215
  - A signed STD 213
  - A signed STD 215

- For contracts NOT requiring a STD 215
  - A signed STD 65
  - A signed TECH 409

If the Bargaining Unit challenges the proposed contract, follow the steps below:

- Immediately notify Procurement & Contracting Services Management
- Immediately notify Jeff Pudoff, in Labor Relations, Human Resources

11.4 Resumes for Consultant Contracts

Obtain a resume for every consultant performing services on the contract and also made it a part of the contract. For Master and CMAS contracts, also verify the classification and pay scale listed on the cost worksheet meet the requirements and resume meet any applicable requirements.

11.5 Consultant Negative Evaluations

Verify with DGS OLS there are no negative evaluations on file by sending a fax to DGS OLS (916) 376-5088 with the Name of the Company along with their FEIN number to see if there are any negative evaluations on file. Retain DGS OLS response in file for documentation.

12. Records Management Requirements

Prior to the purchase or rental of any file, microfilm, optical disk and/or records destruction equipment, Department of Technology acquisition specialists shall review and coordinate the purchase activity through the Department of Technology Business Services records manager in accordance with the DGS California Records and Information Management (CalRIM) manual. Department of Technology acquisition specialists shall ensure the request is “impacted” in CSS by Business Services prior to proceeding with a solicitation.

Click here to access the DGS CalRIM web page.

13. Mission Critical Certification for DGS

No work will be initiated, no documents will be reviewed and no contracts will be approved by DGS that would result in the expenditure of funds unless a Mission Critical Certification is received in writing and signed by the Agency's Secretary or Department's Director or their designees. The Department has designated, the Deputy Director of the Administration Division to sign the memo. A template of the Mission Critical Certification Memo is located on the G: drive. This signed memo shall accompany the PO or Contract package to DGS. A copy should be retained in the procurement file.

CHAPTER 4

NON-IT GOODS PROCUREMENT PROCESS

Table of Contents

1. Signature Authority 1
2. Procurement Request for Purchases 1
3. Assigning the Request 2
4. Execution Timelines for Processing 2
5. Unique Numbering 2
6. Solicitation Numbers 3
7. Purchasing Authority Purchase Order (STD. 65) 3
8. Standard Agreement (STD. 213) 3
9. Amended Purchase Orders or Standard Agreements 3
10. Completing the Purchase 3
10.1 Payee Data Record (STD. 204) 3
10.2 Seller's Permit 4
10.3 Certification with the Secretary of State 4
10.4 Voluntary Statistical Data 4
10.5 Largest Tax Delinquent Companies 4
10.6 Security and Confidentiality Statement for Contractors 5
10.7 Pre-Employment Criminal Background Investigation Policy 5
10.8 Loss Leader 5
10.9 Darfur Contracting Act 6
10.10 Iran Contracting Act 6
10.11 State Contract and Procurement Registration System (SCPRS) 6
10.12 Contract Award Report (STD. 16) 7
11. Purchase Order/Contract Distribution 7
12. Official Procurement File 8
13. Location and Access to Files 9
13.1 Physical Files 9
13.2 Electronic Files 10

CHAPTER 4

NON-IT GOODS PROCUREMENT PROCESS

1. Signature Authority

Department of Technology's Procurement and Contracting Officer (PCO) has implemented the following signature authority guideline for all acquisition specialists to follow.

Table 4.1 Signature Authority Guideline

Form	Purpose	Authorized Signature
STD. 65 – Purchasing Authority Purchase Order	To contract with supplier for non-IT goods up to delegation.	• Procurement Managers or Chief AND • Accounting Officer
	Over delegation.	• Director and Agency Secretary AND • Accounting Officer AND • Oversight Agency
STD. 66 – Purchase Estimate	Request for DGS for them to conduct bid.	• Procurement Chief AND • Procurement Manager AND • Accounting Officer
STD. 16 – Contract Award Report	Notification of Award to Department of Fair Employment and Housing for orders over $5,000	• Acquisition Specialist
STD. 213 – Standard Agreement	To contract with suppler for non-IT Services and IAs up to delegation.	• Procurement Manager or Chief
	Over delegation.	• Director and Agency Secretary AND • Oversight Agency
STD 213A – Standard Agreement Amendment	To process Amendments up to delegation.	• Procurement Managers or Chief
	Over delegation.	• Director and Agency Secretary AND • Oversight Agency
STD. 215 – Agreement Summary	To provide overview of Contact purposes. used in conjunction with the STD 213	• Acquisition Specialist AND • Accounting Officer
Approval of Untimely Submitted Procurements to DGS Memo	Justification for contract not sent within the DGS approval timeframes. (See Administrative Order 06-05.1)	• Director (up to 30 days late) OR • Agency Secretary (over 30 days late)
Mission Critical	When any document needs to go over to DGS for review/approval	• Deputy Director, Administration
STD. 821 – Contract Advertising Exemption	Advertising Exemption and with NCBs	• Procurement Chief
Non-Competitively Bid (NCB) Contract Justification	To request approval of a contract with the only known supplier	• Director or Designee AND • Agency Secretary AND • DGS (only if over $25,000)
GSPD-08-001 – Limit to Brand or Trade Name (LTB) Bid	When product is limited to a specified brand or trade name and is the only product that will meet our needs	• Procurement Chief OR • Director or Designee AND • DGS (only if over $25,000)
GSPD-07-04 – DVBE Program Requirements and DVBE Incentive Waiver	To waive the DVBE Program Requirements. (Requirement Only)	• Procurement Chief or designee
TECH 407 - SB/DVBE Under $250K Waiver	To request approval to waive the SB/DVBE Under $250K Policy	• Procurement Chief or designee

2. Procurement Request for Purchases

All requests for purchases of Non-IT goods and LPA goods and services (including amendments and renewals) are submitted through a Service Request (SR) in the Customer Service System (CSS) Website.

The requestor completes an online service request and the request is electronically routed for approvals. The requestor should upload all applicable documents, i.e. Statement of Work, GC 19130 justification, etc. Refer to the CSS Online Guide, Preparing a Service Request for further assistance.

3. Assigning the Request

Once the SR has been approved it goes to the CPMGR in CSS. Support Staff will print out the SR list, create the SR folder, and assign the SR to the appropriate unit's manager to assign to an acquisition specialist. Refer to Support Staff's Desk Procedures for further details.

The acquisition specialist will receive an e-mail from CSS that a request has been assigned to them. It is the acquisition specialist's responsibility to update the SR in CSS with the estimated availability date and the status on the OTech Worklog. The acquisition specialist will also receive the SR procurement folder from their manager. Refer to Procedures for Processing a Service Request (SR) for further details.

4. Execution Timelines for Processing

Department of Technology has established timelines for processing non-IT goods and LPA goods and services. Refer to the established Contract Timelines.

5. Unique Numbering

To avoid duplicate and/or incorrect supplier invoicing, and to facilitate tracking, Department of Technology order number must be unique from transaction to transaction and from year to year.

Example: 11-001, 11-002, 11-003.

The first two digits represent the fiscal year of the purchase order issue date. The digits following the fiscal year are automatically assigned by the PeopleSoft database. Refer to the PeopleSoft manual for further assistance.

Amendments must be identified using the original agency order number and an amendment number. The amendment number must be numeric and must not exceed 2 digits.

Example: 11-001 Amendment No. 01, 11-001 Amendment No. 02, 11-001 Amendment No. 03

The amendment number must be entered in the "Amendment No." box on the STD. 65 or on the STD. 213A.

6. Solicitation Numbers

Solicitations are to be assigned numbers using the following naming convention: Solicitation Type - Fiscal Year - SR Number. Example: Request for Offer (RFO) 11-120000.

7. Purchasing Authority Purchase Order (STD. 65)

The Purchasing Authority Purchase Order (STD. 65) is used for the majority of competitive and non-competitive non-IT goods and most often non-IT LPA orders.

Acquisition specialists will enter information into the PeopleSoft database that will produce the STD. 65.

8. Standard Agreement (STD. 213)

The Standard Agreement (STD. 213) is used for non-IT services issued against a master service agreement.

If the purchase document requires a STD. 213 instead of a STD. 65, the acquisition specialist will need to enter information into the PeopleSoft database which will produce an electronic purchase order for encumbrance purposes only (EPO). The purchase order number generated will be used on the STD. 213.

9. Amended Purchase Orders or Standard Agreements

A new SR number will be assigned to all amendments. The amended SR folder will also include a copy of the original purchase and any prior amended purchase documents. The file will also reference all prior SR numbers.

10. Completing the Purchase

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

10.1 Payee Data Record (STD. 204)

Acquisition specialists must obtain a completed Payee Data Record (STD. 204) from a supplier prior to executing a purchase document whenever the Department of Technology engages in an activity leading to a payment to an entity other than a government entity. In accordance with SAM Section 8112.3 and 8422.190, the completed STD. 204 must be provided to Department of Technology accounting office. The procurement file substantiates that the STD. 204 has been obtained.

LPA contracts generally include the STD. 204. Acquisition specialists must obtain a copy of the supplier's LPA to ensure a completed STD. 204 is included. If not, then the acquisition specialist must obtain a completed STD. 204 from the supplier.

Regardless of the procurement approach or payment method, Department of Technology accounting office must verify the receipt of a completed STD. 204 prior to releasing any payments.

10.2 Seller's Permit

A copy of the seller's permit or certificate of registration must be obtained on any tangible personal property purchase regardless of the dollar value. This requirement does not apply to a credit card purchase of goods of $2,500.00 or less. The total amount per year for each company using a credit card shall not exceed $7,500.00.

To validate seller's permits, enter the number on the State Board of Equalization's website. Print the validation page to include in the procurement file.

10.3 Certification with the Secretary of State

Domestic (within California) and foreign (outside California) Corporations, Limited Liability Companies (LLCs), Limited Liability Partnerships (LLPs) and Limited Partnerships (LPs) must be registered with the California Secretary of State's (SOS) office in order to be awarded an Agreement.

To validate the companies' status, enter the name of the Company and other required information on the California Secretary of State's website. Print the validation page to include in the procurement file.

10.4 Voluntary Statistical Data

PCC section 10111 (f) requires Department of Technology to report voluntarily submitted information by business owners by race, ethnicity and gender. The Voluntary Statistical Data Sheet (VSDS) form is used to capture this information and should be sent with every new contract.

10.5 Largest Tax Delinquent Companies

Per PCC Section 10295.4 et seq., Department of Technology shall not enter into any contract for the acquisition of goods or services with a contractor whose name appears on either list of the largest tax delinquencies. Acquisition specialists must check with the State Board of Equalization List of Largest Sales & Use Tax Delinquencies in California at: http://www.boe.ca.gov/cgi-bin/deliq.cgi and the Franchise Tax Board List of Top 250 Delinquent Taxpayers at: https://www.ftb.ca.gov/aboutFTB/Delinquent_Taxpayers.shtml?WT.mc_id=News_Sidebar_Top500#PIT. For verification, make a note on the record of discussion in the procurement file and on the OTech Worklog in CSS.

10.6 Security and Confidentiality Statement for Contractors

The Security and Confidentiality Statement is a requirement for suppliers who will have personnel on any of Department of Technology's premises or access to Department of Technology's documents. This normally applies to personal/consultant and maintenance contracts, and may also apply to equipment installation services. This document should be sent out in the bid and returned with the contractor's response. A copy will be retained in the procurement file.

10.7 Pre-Employment Criminal Background Investigation Policy

The Department of Technology recognizes the need for hiring practices that will ensure the greatest degree of security for data center operations and the data maintained within the Department (Policy Number 2021). Under the authority of GC section 11546.6, a criminal background check utilizing California Department of Justice (DOJ) and Federal Bureau of Investigation (FBI) records must be conducted on prospective contractors, subcontractors, volunteers, or vendor whose duties include, or would include, working on data center, telecommunications, or network operations, engineering, or security with access to confidential or sensitive information and data on the network or computing infrastructure. All fingerprints shall be taken digitally using Live Scan technology and transmitted electronically to the DOJ..

Upon award, the Contractor must have each and every employee (including any subcontracted employees) engaged in the resulting agreement to get a criminal background check utilizing California DOJ and FBI records. Failure to comply with the criminal background check policy will result in disqualification or contract termination.

10.8 Loss Leader

Pursuant to PCC section 10302(b)(1), every solicitation for non-IT goods shall contain the following statement:

"It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code."

The above statement shall be deemed to be part of a solicitation even if the statement is inadvertently omitted from the solicitation (PCC § 10302(b)(4)).

The following acquisitions do not require loss leader language:
- RFOs for acquisitions from Leveraged Procurement Agreements (LPAs)
- Acquisitions made using Fair and Reasonable pricing
- Acquisitions made using the SB/DVBE Option

10.9 Darfur Contracting Act

Pursuant to PCC sections 10475 through 10481, for acquisitions of non-IT goods or services, departments must require vendors to certify whether they are a scrutinized company. This applies regardless of the procurement approach, method, or solicitation format used including, but not limited to: Formal Bids, Informal Bids, Request for Proposals, Invitation for Bids, Non-Competitive Bids, the SB/DVBE Option, and under $5,000 fair and reasonable pricing. This sample or a similar code-compliant document should be used to satisfy the Act's certification requirements. Departments that elect to develop their own processes and/or documents to suit their business needs should work with their legal counsel to ensure compliance with the Act.

The only exception to departments obtaining this information is for contracts awarded using the DGS LPAs.

10.10 Iran Contracting Act

Pursuant to the Iran Contracting Act of 2010 (PCC sections 2200 through 2208 are "the Act"), vendors are ineligible to bid on, submit a proposal for, enter into, or renew any contract with the state for goods or services of one million dollars ($1,000,000.00) or more if the vendor engages in investment activities in Iran, as defined in the Act.

Also, pursuant to the Act, financial institutions are ineligible to bid on, submit a proposal for, enter into, or renew any contract with the state for goods or services of one million dollars ($1,000,000.00) or more if the financial institution extends credit, as defined in the Act, to a business identified on the DGS list of ineligible vendors that will use the credit to provide goods or services in the energy sector in Iran.

The Iran Contracting Act Certification form should be completed by a vendor for all contracts valued over $1,000,000.00.

Prior to submitting a bid or proposal and prior to executing any state contract or renewal for non-IT goods or services of $1,000,000.00 or more a vendor must certify that they are not on the prohibited list. it is the acquisition specialist's responsibility to check the list of ineligible vendors to confirm that the vendor is not on the list.

10.11 State Contract and Procurement Registration System (SCPRS)

The State Contract and Procurement Registration System (SCPRS), an internet-based application incorporated into DGS' eProcurement system (BidSync), was developed as a contract tracking system to provide a centralized database for state contracting and purchasing transactions.

In accordance with Management Memo 03-09, Department of Technology must register all purchase documents including all amendments valued more than $5,000 in SCPRS. DGS Broadcast dated September 3, 2009 encourages recording all transactions no matter what the dollar value. Department of Technology has elected to enter all purchase documents in SCPRS regardless of the dollar value.

Acquisition Specialist will be responsible for:

- Entering purchase document information into eProcurement;
- Printing the SCPRS confirmation for the procurement file; and
- Entering the registration number assigned by SCPRS on the purchasing document (STD. 65/STD. 213) prior to issuing the transaction to the supplier.
- Entering SCPRS confirmation number into PeopleSoft database.

For additional information, see SCRPing Instructions and access DGS' eProcurement Resources link.

10.12 Contract Award Report (STD. 16)

In accordance with the CCR Title 2, Division 4, Chapter 5, section 8117.5, Department of Technology will notify the Department of Fair Employment and Housing (DFEH) of any contract award in excess of $5,000.00.

A completed Contract Award Report (STD. 16) for any contract award in excess of $5,000.00 must be e-mailed within 10 days of contract award to: CompliancePrograms@dfeh.ca.gov.

This requirement does not apply to contracts with other California State departments or with the federal government.

11. Purchase Order/Contract Distribution

Prepare the package and submit for review to your lead and manager for approval. After the STD. 65 or STD. 213 is approved, complete distribution as shown in the following table:

Table 4.2 Purchase Order/Contract Distribution

STEPS	RESPONSIBLE PARTY	TASKS
1.	Acquisition specialist	• Make sure appropriate Route Slip is on top of approved procurement ▪ Blue for STD. 65 ▪ Goldenrod for STD. 210/213/215 ▪ Pink for Delegation B ▪ Yellow for IAA Payable • Approved STD. 65, STD 210 or STD 213 and STD 215 and attachments (if applicable) to Support Staff.
2.	Support Staff	• Stamp FY to the left of the Contract # on all contracting documents. • Log Contract in PO Log. • Route to Fiscal for signature.
3.	Fiscal	Fiscal will either approve it by signing the contract documents or will return it unsigned. If approved go to step 4 and if returned unsigned then give back to the acquisition specialist to correct.
4.	Support Staff	• Log return in PO Binder and Procurement Tracking Log. • Return completed contract to acquisition specialist

Table 4.2 Purchase Order/Contract Distribution		
STEPS	**RESPONSIBLE PARTY**	**TASKS**
5.	Acquisition Specialist	• Enter contract in SCPRS • Print SCPRS Confirmation Page • Add SCPRS number on contracting document and PeopleSoft database • Scan contract document (cc: Contract Routing) • Mail or e-mail contract document to Vendor along with Voluntary Statistical Data Sheet form to vendor; fax or e-mail confirmation saved in hard & eSR files • E-mail a STD. 16 to DFEH and put copy in contract file • Mail contract to SCO and DGS • Upload contract to Worklog in CSS • Closeout contract in CSS • Complete SR closing Checklist • Route Completed folder to Support Staff
6.	Support Staff	• Scan contract to in G:\Purchase_Orders & eSR file • Add vendor name to eSR file • Send Completed Contract email. • Color code for Archiving • File folder

12. Official Procurement File

The official procurement file should be consistently organized. Documentation should be retained in the file for audit purposes. Procurements will be placed in the manila folders with six-tabs in order from top to bottom as described in the following table. You may ask support staff for assistance organizing the final file.

Table 4.3 Procurement File	
Title of Tab	**File Documentation**
Left side of folder	▪ Contract Route Slip ▪ Procurement Methodology/Acquisition Reference Guide
Acquisition Document Tab	▪ Amendment(s) to purchase document; ▪ Originally-signed STD. 65, STD. 210 or STD. 213 contract plus complete agreement ▪ Encumbrance PO (when applicable) ▪ Post Award DVBE Letter (if applicable) ▪ Record of Discussion
Service Request and Required Approvals Tab	▪ Approved NCB, Agency Transmittal Memo (if required) ▪ Routing approval sheet w/signatures (if used) ▪ Approved STD. 215 (if using a STD. 213) ▪ “Unauthorized” PO with Supervisor initials for budget check ▪ Approved DVBE waiver form, and/or for: non-certified business if under $100K or non-certified business CMAS ▪ Modified service request (if any) ▪ Original service request

Table 4.3 Procurement File	
Solicitation Documentation Tab	▪ Bid/Quote Worksheet or Evaluation/Selection Report (include certified SB/DVBE confirmation from DGS website) ▪ Complete copies of all vendor bids ▪ Addendums to RFQ, RFO, IFB (if any) ▪ Vendors question sand your answers, if any ▪ Vendor list or vendor download from CSCR (if CMAS include listing from CMAS website to validate CMAS status) ▪ Copy of CSCR ad (if used) ▪ Approved RFQ, RFO, IFB
Forms Tab	▪ STD 204-Payee Data Record ▪ STD 4-Contract/Contractor Evaluation ▪ Any other forms that may be required for your procurement ▪ SCPRS registration confirmation ▪ Copy of SCPRS data entry screen ▪ Seller's Permit (Required for all tangible procurements) ▪ Secretary of State Cert. for Doing Business in CA ▪ Copy of STD 16 (if over $5,000.00) – (Be sure to e-mail one to DFEH.) ▪ Confidentiality forms (if used)
Related Correspondence/emails Tab	▪ Vendor Confirmation (fax report/email confirmation) ▪ Any written correspondence, such as a transmittal letter to the vendor ▪ Emails between you and end user, manager that are for clarification, confirmation, or authorization (don't include incidental emails)
Closing Checklist Tab	▪ SR Folder Closeout Checklist

13. Location and Access to Files

Physical procurement files are located in the file room. For official auditing purposes a hard copy of the purchase documentation is located in these files. An electronic file is also kept of the purchase document. These are filed by the Purchase Order number and SR number.

13.1 Physical Files

Support Staff is in charge of all filing.

All contract files from the current fiscal year (CFY) plus two FYs back. The current year is kept in the center filing area. FY+1 and FY +2 are in the Filing Machine.

As the folders are completed and closed by the acquisition specialists, they are put in the appropriate filing area (above the drawers of the CFY or the appropriate FY baskets for the others).

Daily or at least once a week, support staff should go through and file all SRs placed in these areas. Files are filed in numerical order by SR#

When filing, Support Staff is to complete the Top Tab so it reads as follows:
SR # - Vendor-Expiration Date – Contract #
11-123456 – Hidden Valley – 12/31/11 – 1234
No SR – Vendor – 12/31/11 – Department of Technology PO #/PS PO#

13.2 Electronic Files

All contracting documents should be saved by Contract # - SR #. They are saved in the following places:

- G:\Purchase_Order\FY
- G:\BureauAdmin\SR\FY

As these are saved, the eSR file's name should be changed to include the Vendor name. It should look like this: 123456 Hidden Valley

CHAPTER 5

NON-IT GOODS SOCIOECONOMIC AND ENVIRONMENTAL PROGRAMS

Table of Contents

1. Americans with Disabilities Act (ADA) 1
2. SB/DVBE Advocate Responsibilities 1
3. SB/DVBE Policy 1
4. SB/DVBE Under $250 Waiver 2
5. SB/DVBE Option 2
6. SB/DVBE Certified Lists 2
7. Commercially Useful Function 3
6. DVBE Participation Program Requirements 3
6.1 DVBE Participation Waiver 3
6.2 Competitive Solicitation and DVBE Requirement 3
6.3 Meeting DVBE Program Requirements 4
6.4 Additional DVBE Information 4
7. DVBE Incentive and Competitive Solicitations 4
7.1 Incentive Application 4
7.2 Incentive Amount 5
8. SB and DVBE Participation Reporting Requirements and DVBE Substitution 5
9. Small Business Preference and Competitive Solicitations 6
10. Non-Small Business Subcontractor Preference and Competitive Solicitations 7
11. Small Business/Nonprofit Veteran Service Agencies and Competitive Solicitations 8
12. Reporting 8
13. TACPA Preference for Competitive Solicitations 9
13.1 Solicitation Language 9
13.2 Program Descriptions 10
13.3 Preference Procedures 10
13.4 Maximum Preference Allowed 10
14. Recycle 11
15. Environmentally Preferable Purchasing 11

CHAPTER 5

NON-IT GOODS SOCIOECONOMIC AND ENVIRONMENTAL PROGRAMS

1. Americans with Disabilities Act (ADA)

Acquisition specialists ensure that all procurement related activities and services are available to all persons, including persons with disabilities. In addition, the acquisition specialist ensures that the department's ADA coordinator will be available to assist and respond to persons with disabilities needing a reasonable accommodation to participate in the procurement process.

2. SB/DVBE Advocate Responsibilities

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

- Identify potential SB and/or DVBE prime contractors or subcontractors and potential contracting opportunities
- Making information regarding pending solicitations available to and consider offers from certified SB and/or DVBE firms capable of meeting the State's business need.
- Department of Technology's point of contact for SB/DVBE vendors needing assistance on prompt payments or questions on procurement issues.

3. SB/DVBE Policy

The Department of Technology has adopted a SB/DVBE Policy to ensure that the Department meets and exceed the annual statewide participation goals of 25% to SBs and 3% to DVBEs.

It is our policy that all procurements under $250,000.00 must be awarded to a SB, MB and/or DVBE whenever feasible. If the following requirements are not met, then acquisition specialist must obtain a waiver (See #4 for waiver).

- **Procurements under $5,000.00:** Use the Fair and Reasonable (F&R) methodology to award orders to SBs and DVBEs. The criteria described in the State Contracting Manuals (SCM) Volumes (Vols.) 2 and 3 must be met to establish F&R costing.
- **Procurements from $5,000.01 to $249,999.99:** Must be conducted utilizing the SB/DVBE Option methodology or utilize the Leverage Procurement Agreement (LPA) method soliciting only SB or DVBE (Should the LPA method be utilized and a large business is awarded, then a waiver must be approved prior to award).
- **Non-IT Goods under $100.00:** Must be awarded to a SB or DVBE.
- **Proprietary product, service, and subscription** per SCM Vol. 2, section 5.5.1; SCM Vol. 3, section 5.6.1; or additional purchases exempt by Department of General Services (DGS) policy: Please inquire with the company if there are SB or DVBE possibilities.

4. SB/DVBE Under $250 Waiver

A waiver is required for every purchase under $250,000.00 that will not be awarded to a SB or DVBE. The acquisition specialist must complete the SB/DVBE Under $250K Waiver, TECH 407 form on the G: drive, summarizing the steps taken, research conducted, and the justification for not awarding to a SB or DVBE. The Procurement and Contracting Services Branch Chief or designee shall approve and sign off on waivers, with a copy placed in the procurement file for documentation.

5. SB/DVBE Option

Government Code section 14838.5 (a) and (b) enables a department to conduct a competitive solicitation for IT goods or services valued at $5,000.01 through $249,999.99 that targets only certified SB, including micro businesses, or certified DVBE supplier, as long as price quotations are obtained from two or more certified SB/MBs or two or more DVBEs. Department of Technology buyers shall ensure that all solicitations meeting this option are utilized first, if possible.

To utilize the SB/DVBE Option, Department of Technology acquisition specialist's must:

- Create the solicitation (informal competitive bid);
- Release the solicitation package only to certified SB/MB or DVBE businesses;
- Verify SB/MB or DVBE certification status; and
- Receive responsive price quotations from at least two (2) responsible California certified SB/MB or DVBE and award must be made based upon the solicitation format used.

The procurement file must be documented to support the contract award under this option.

6. 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.

For contact information regarding the Office of Small Business and DVBE Services (OSDS), access Office of Small Business and DVBE Services.

7. Commercially Useful Function

In accordance with GC section 14837, all SB and DVBE contractors, subcontractors and suppliers that bid on or participate in a state contract, regardless of being a verbal or written solicitation must perform a commercially useful function (CUF).

In addition, the requirement to determine CUF is not affected by the applicability of the five percent SB preference and/or the DVBE incentive program. There is no exception to this requirement. Department of Technology acquisition specialists shall determine that a CUF will be performed using the CUF Evaluation and Determination Worksheet prior to contract award. For additional information, please see the DVBE and SB Program Violations and Sanctions web page.

6. DVBE Participation Program Requirements

The DVBE participation program for state contracts is established in PCC section 10115 et seq., Military and Veterans Code (MVC), section 999 et seq. and CCR, Title 2 section 1896.60 et seq. Pursuant to Executive Order D-37-01 and PCC §10115, Department of Technology seeks to meet the annual statewide participation goals in state contracting of not less than three percent for DVBE. Department of Technology competitive solicitations include language that complies with the DVBE program.

6.1 DVBE Participation Waiver

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

The acquisition specialist must submit the waiver form to their manager who will forward it to the PCO for approval. A copy of the waiver form and justification should be placed in the procurement file.

6.2 Competitive Solicitation and DVBE Requirement

Department of Technology acquisition specialists shall ensure the inclusion of DVBE solicitation language in all solicitations that are not waived by the Department of Technology PCO. Department of Technology DVBE solicitation language shall always include the DVBE incentive program. Acquisition specialists shall ensure any solicitation which does not contain DVBE requirement language is so indicated.

6.3 Meeting DVBE Program Requirements

Acquisition specialists shall ensure applicable DGS forms (e.g., STD. 843) for DVBE program requirements and the DVBE incentive program is included in all solicitations. Deviations to these forms shall be used only if pre-approved by the PCO.

If DVBE participation is a requirement of the competitive solicitation then a bidder must document commitment to full DVBE participation, i.e., locate and commit to using certified DVBE firms who will perform the percent of work specified by the solicitation.

The DGS/PD publishes on their website approved DVBE trade and focus paper listings to assist bidders with meeting the requirement.

There are two methods of meeting the goals:

1. For non-DVBE bidders: Commit to use DVBEs for not less than the percentage specified in the solicitation, or
2. For DVBE bidders: Commit to perform not less than the percentage specified in the solicitation with its own forces or in combination with other DVBEs

6.4 Additional DVBE Information

Please see the DGS/PD DVBE web page for additional information: DGS/PD DVBE Participation web page.

7. DVBE Incentive and Competitive Solicitations

PCC section 10115 et seq., MVC section 999 et seq., and CCR, 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.

The statewide DVBE participation goal of 3% applies to the total contract dollars expended each year by Department of Technology. Department of Technology has established a method for attaining this goal and 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.

7.1 Incentive Application

- Incentive is required in solicitations that include the DVBE program requirement and may be offered in other competitive solicitations.

- Incentive is applied during the evaluation process and is only applied for responsive bids from responsible bidders proposing the percentage(s) of DVBE participation for the incentive(s) specified in the solicitation. For evaluation purposes only:
  - Incentive is applied by reducing the bid price by the amount of incentive as computed from the lowest responsive and responsible bid price.
  - Application of the DVBE incentive cannot displace an award to a small business with a non-small business.
  - Incentive points are included in the sum of non-cost points.
  - Incentive points cannot be used to achieve any applicable minimum point requirements.

7.2 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, Department of Technology'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.

8. SB and DVBE Participation Reporting Requirements and DVBE Substitution

State law requires that vendors must:

- Report actual SB and DVBE utilization within 60 days of the end of the contract (GC 14841)
- Request DGS Office of Small Business and DVBE Services (OSDS) approval prior to replacing a DVBE subcontractor using DGS' DVBE Substitution form and instructions

Section 55 of GSPD-401 Non-IT Commodities includes the language advising vendors of these requirements and must be referenced in all solicitations and purchase documents.

Additionally, SCM Vol. 3, Chapter 3, sections 3.5.6, requires the following language be included in **all** solicitations and purchase documents with the exception of acquisitions made using F&R pricing[1]. The language must be included even if there is no DVBE requirement or incentive.

> *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 MVC section 999.9; Public Contract Code (PCC) section 10115.10.*

9. Small Business Preference and Competitive Solicitations

A five percent (5%) preference shall be offered to California certified SBs when any competitive solicitation is being conducted with the exception of the SB/DVBE Option.

The SB preference is only used for computation 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/MBs be more competitive in the bid process.

Prior to the review of preferences, the acquisition specialist will determine whether SB bidders are responsive to the solicitation requirements, are responsible bidders and are otherwise eligible to receive the contract under all applicable laws and regulations.

The following steps should be used to apply the 5% preference:
Step 1: Calculate 5% of the low net non-SB bid.
Step 2: Subtract this amount from all qualifying bids.

---

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

Step 3: If no other preferences or the DVBE incentive are applicable, re-rank bids to determine which bidder has the low responsible bid. Award is made to the #1 ranked bid.
Step 4: Document the procurement file with sufficient detail to support the award showing the SB preference calculations.

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

- DGS PD's preference program for TACPA or the non-SB subcontracting preference cannot displace a direct award to a certified SB/MB.
- 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 15% of the bid amount or $100,000.00 whichever is less.
- 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.

10. Non-Small Business Subcontractor Preference and Competitive Solicitations

A five percent (5%) preference shall be offered to non-small business (non-SB) that subcontract at least 25 percent (25%) of its net bid price to a California certified SBs when a competitive solicitation is being conducted with the exception of the SB/DVBE Option.

An non-SB claiming 25 percent (25%) California certified SB subcontractor participation must identify applicable subcontractor information in their bid response to support the subcontracting claim. Completion of the Bidder Declaration serves this purpose.

- Subcontractor name(s)
- Subcontractor address(es)
- Subcontractor phone number(s)
- A description of the work to be performed and/or the products supplied
- The dollar amount or percentage of the net bid price (as specified in the solicitation) per subcontractor

The following steps should be used to apply the 5% preference:
Step 1: Calculate 5% of the net price of the lowest responsible and responsive bid.
Step 2: Subtract the preference value from the bid amount of Bidder claiming non-SB subcontractor preference.
Step 3: Re-rank bids to determine which bidder has the low responsible bid. Award is made to the #1 ranked bid.
Step 4: Document the procurement file with sufficient detail to support the award showing the non- SB preference calculations.

The following general rules relate to the application of the non-SB preference:

- In no event shall the non-SB subcontracting preference exceed $50,000 in any single bid.
- In no event shall the combined cost of available preferences exceed 15% of the bid amount or $100,000.00 whichever is less.
- In the event of a tie between a California certified SB/MB and a non-SB subcontracting with California certified SB, the award shall be made to the California certified SB/MB.
- 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.
- Only the recycle preference can preclude award to a SB that is either ranked #1 or moves into the #1 rank following application of the SB preference. However, one SB can displace another SB for award as a result of application of other preferences and/or the DVBE incentive.

11. Small Business/Nonprofit Veteran Service Agencies and Competitive Solicitations

Nonprofit veteran service agencies (NVSA) that have been California certified as a small business nonprofit veteran service agency are eligible to claim the five percent (5%) SB preference when responding to competitive solicitations.

California NVSA certification status can be verified by accessing the SB and DVBE Services certified firm inquiry database located on the DGS/PD web page at http://www.bidsync.com/DPXBisCASB. The database printout in support of the NVSA must be maintained in the procurement file.

The following steps should be used to apply the 5% preference:
Step 1: If the NVSA is claiming an SB preference, it shall be 5% of the lowest responsible bidder meeting specifications.
Step 2: Subtract this amount from all qualifying bids.
Step 3: If not other preferences or the NVSA are applicable, re-rank bids to determine which bidder has the low responsible bid.
Step 4: Document the procurement file with sufficient detail to support the award showing the NVSA preference calculations.

12. Reporting

Department of Technology must report annually to DGS our total SB/MB and DVBE contracting participation. If the 25% goal for SB/MB or the 3% goal for DVBE participation is not met, we must provide the reasons for not meeting the goal and an implementation plan for future improvements on our SB/MB and/or DVBE participation. See Chapter 13 of this manual for further details on reporting.

13. TACPA Preference for Competitive Solicitations

The Department of Technology must offer the Target Area Contract Preference Act (TACPA) preference program with IT competitive solicitations valued at $100,000.00 or more.

Although the Department of Technology is required to include this preference in competitive procurements with a value of $100,000 and greater, the Department of Technology includes it in all IT competitive solicitations valued at $85,000 or more. The department does this to avoid the possibility of having to cancel and re-issue the solicitation if the lowest responsive bid received in response to a solicitation is $100,000 or more.

The TACPA preferences only apply to California based firms that demonstrate and certify under penalty of perjury that at least 50% of the total labor hours for manufactured goods or 90% of the total labor hours for services will be performed in distressed areas.

- Bidders may also apply for additional work force preference of one to four percent if the bidder agrees to hire certain identified persons equal to a percentage of its work force during the contract performance period (See GC section 4534.1)

13.1 Solicitation Language

Procurement documents must include language that identifies to bidders that the TACPA preference is applicable to that competitive solicitation. Department of Technology uses the following solicitation language in all IT competitive solicitations valued at $85,000.00 and greater.

The following preference will be granted for this procurement. Bidders wishing to take advantage of this preference will need to review the following website and submit appropriate response with their bid: http://www.documents.dgs.ca.gov/pd/poliproc/tacpapage.pdf

Bidders wishing to take advantage of this preference are required to submit the following applications/forms:

- TACPA application (STD 830)
- Manufacturer's Summary of Contract Activities and Labor Hours (DGS/PD 525)
- Bidder's Summary of Contract Activities and Labor Hours (DGS/PD 526).

13.2 Program Descriptions

An overview of the TACPA preference program is provided below:

- Pursuant to GC section 4530 et. seq.
- Encourages and facilitates job maintenance and job development in distressed and declining areas found in California cities and towns.

13.3 Preference Procedures

The DGS, PD reviews all TACPA applications. Departments must submit the following to the DGS, Preference Unit for review:

- Copies of the TACPA (STD 830) application
- Bidder's Summary of Contract Activities and Labor Hours (goods and
- services)
- Manufacturer's Summary of Contract Activities and Labor Hours (goods)
- Copy of Solicitation
- Delivery Schedule (if applicable)

Preference requests are reviewed and processed within 5 working days and a recommendation memo (approval/denial) will be faxed to the originating department's contract analyst.

After receipt of the recommendation memo, the contract analyst must notify the Preference Unit if an award is made based on the approved preference points. The Preference Unit monitors the contract for compliance. Non-compliance contract performance has the following consequences:

(A) Pay to the state any difference between the contract amount and what the state's cost would have been if the contract had been properly awarded;

(B) In addition to the amount specified in (A) above, be assessed a penalty in an amount of not more than 10 percent of the amount of the contract involved; and

(C) Be ineligible to directly or indirectly transact any business with the state for a period of not less than six months and not more than 36 months.

Note: Prior to the imposition of any sanction under this chapter, the contractor or vendor shall be entitled to a public hearing and to five days' notice of the time and place thereof. The notice shall state the reasons for the hearing.

13.4 Maximum Preference Allowed

The maximum preference allowed for TACPA is 9 percent of the bide amount but may not exceed $50,000 for any bid. In combination with any other preferences (TACPA SB, non-SB subcontracting participation, recycled, etc.), the maximum limit of the combined preferences is 15 percent of the bid amount and, in no case, more than $100,000 per bid, whichever is less.

14. Recycle

Department of Technology is committed to meet the Reportable Product Category set forth by the State Agency Buy Recycled Campaign (SABRC), CalRecycle, and DGS.

The reportable product category applicable to IT goods would be plastic products including printer or duplication cartridges that:

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

SCM Vol. 2, Chapter 3, provides the requirements for buying recycled products.

15. Environmentally Preferable Purchasing

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.

Department of Technology realizes it is imperative that State agencies purchase energy efficient products in order to conserve electrical power and lower energy costs to State agencies.

In addition, Department of Technology 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. Department of Technology utilizes recycled content products and considers recycled products in conducting its purchasing activities. Department of Technology 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.

CHAPTER 6

NON-IT GOODS COMPETITIVE BID PROCESS

Table of Contents

1. Introduction 1
2. Delegated Procurement Authority Thresholds 1
3. Confidentiality 1
4. One-time Delegation Request for Formal Competitive or Request for DGS to Conduct Procurement 1
5. Establishing Bidder Lists 2
5.1 Know the Supplier Pool 2
5.2 Request for Interest (RFI) 3
5.3 Limit to Brand or Trade Name (LTB) 3
6. Advertising 4
6.1 How to Place a BidSync Advertisement 4
7. Fair and Reasonable (F&R) Pricing 4
8. Bidder Instructions 5
9. General Provisions 6
10. Solicitation Formats 6
10.1. Informal Solicitations 6
10.1.1 Phone Quotes 7
10.1.1.1 Documenting the Results 7
10.1.1.2 Contract Award 7
10.1.2 Request for Quotation (RFQ) 7
10.1.2.1 Required Language 8
10.1.2.2 Distribution Method 8
10.1.2.3 Supplier Signatures 8
10.1.2.4 Documenting the Results 8
10.1.2.5 Contract Award 8
10.2. Formal Solicitations 8
10.2.1. Required Language 9
10.2.2. Distribution Method 9
10.2.3. Supplier Signatures 9
10.2.4. Documenting the Results 9
10.2.5. Contract Award 10
11. Clarification or Changes to a Solicitation (addenda) 10
12. Supplier Selection 10
13. Determining Responsive Bid and Responsible Bidder 11
13.1. Award to other than low bidder 11
14. Ineligible Business 11
15. Deviations 12
16. Evaluation and Award 12
16.1. Bid Submission 12
16.2. Procurement Summary 13
16.3. Intent to Award 13
16.4. Tie Bids 14

CHAPTER 6

NON-IT GOODS COMPETITIVE BID PROCESS

1. Introduction

This chapter describes the requirements relative to conducting competitive solicitations under Department of Technology'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. Refer to SCM Vol. 1 for non-IT services.

2. Delegated Procurement Authority Thresholds

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

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

3. Confidentiality

During the development and management of the competitive solicitation and throughout the evaluation and award process, all information must remain confidential. Documentation must be maintained in a secured area. Once bids are opened and evaluated and an Intent to Award is released, all documentation becomes available to participating bidders. Once an award is executed, all documentation becomes public record available to anyone that requests a review of the procurement file. Refer to Public Records Act, GC section 6250 et seq, for exceptions from disclosure. In general, public records include all bids, the contract, and the evaluation selection report. Public records do not include working papers or the cost portion of bids that were deemed unresponsive.

In addition to the assigned acquisition specialist, written competitive solicitations will often have other participants from Department of Technology and other State agencies involved in the solicitation development, evaluation, and selection process. All of these personnel must sign Conflict of Interest and Confidentiality Statement.

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

If the purchase exceeds Department of Technology's delegation authority of $100,000.00 and Department of Technology chooses to request a one-time delegation to conduct the procurement, before commencing formal procurement activities, the acquisition specialist must complete the Request for One-Time Procurement to Increase Purchasing Authority, Non-IT Goods in Word format and submit it to DGS for approval.

When a purchase transaction exceeds or is expected to exceed our delegation authority, and Department of Technology chooses to request DGS to conduct competitive and/or non-competitive informal procurements of non-IT goods, the acquisition specialist must complete a Purchase Estimate (STD. 66) or a memo must be submitted instead of the STD. 66 when the transaction is for a formal procurement request. The completed STD. 66 should be submitted to DGS/PD a minimum of 45 days prior to the anticipated delivery date.

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

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

5. Establishing Bidder Lists

The first step in the competitive process is to establish a bidder list. SB/DVBE suppliers interested in conducting business with the Department of Technology will be provided and included in appropriate bid lists. Bid lists shall be updated prior to each use to ensure the most up-to-date information, e.g., CMAS vendor e-mail contact, etc. Department of Technology acquisition specialists should get a bid list from the requestor even when advertising is required.

Resources available to Department of Technology to identify bidders are:

- Phone books
- 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
- Internet
- BidSync eProcurement

Bidder lists may also be used in conjunction with advertising.

5.1 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. Department of Technology acquisition specialists shall give special attention to SB/DVBE bidders.

5.2 Request for Interest (RFI)

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

The RFI should:

- Be short, concise and to the point;
- Include the solicitation number and title;
- Include a general description of the equipment to be solicited;
- Include estimated quantities, features, general time frames, any pertinent geographic information, acquisition specialist's name and telephone number, etc.;
- Not provide or 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.

A Request for Information may also be used to "survey" the marketplace to understand what products or services may be available and to approximate the dollars that may be needed for procurement.

5.3 Limit to Brand or Trade Name (LTB)

Pursuant to PCC sections 10301 and 10302, Department of Technology 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 Department of Technology's needs or is an emergency, where immediate acquisition is necessary to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

- If the competitive solicitation is valued at $25,000 or less, approval is only required from Department of Technology's Executive Officer, or designee, and Department of Technology may conduct the solicitation without DGS' approval. Use the LTB Statement (GSPD-08-001) to document the procurement file.
- If Department of Technology plans to conduct an LTB solicitation valued at greater than $25,000, then DGS/PD agreement must be obtained prior to conducting the solicitation by submitting the LTB Statement to DGS/PD. DGS will return the approved or denied LTB Statement to Department of Technology. If the LTB Statement is denied, Department of Technology may not limit the competitive bidding to the specified brand or trade name. If the LTB Statement is approved, Department of Technology may conduct the solicitation limited to the specific brand or trade name. Refer to SCM Vol. 2, Chapter 4, Section C, Topic 3 for more information.

6. Advertising

A solicitation requiring advertisement must be published in DGS' eProcurement website. The eProcurement website was established to maximize competition through advertising State purchasing and contracting opportunities. Department of Technology 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 Department of Technology to solicit California certified SB and DVBE suppliers and award purchase documents valued from $5,000.01 to $250,000, provided responsive bids are obtained from at least two responsible bidders.

Table 6.1 Advertising Requirements

If the purchase is classified as	And the dollar threshold is valued at	Then advertising is
Non-IT Goods	Under $5,000 is not considered Competitive; see section 7 of this chapter	Not Required
Non-IT Goods	$5,000 - $50,000	Not Required-Recommended
Non-IT Goods	In excess of $50,000	Required

Department of Technology shall not release solicitations prior to publication in DGS' eProcurement website. Department of Technology must release solicitations after or simultaneously with the contract advertisement publication. If the acquisition specialist attaches the solicitation document to the contract advertisement, then the solicitation is being released simultaneously at the time the contract advertisement is posted.

Department of Technology 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.

6.1 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.

7. Fair and Reasonable (F&R) Pricing

Competition is always the preferred method of acquisition. However, Department of Technology may acquire non-IT goods valued less than $5,000.00 if F&R pricing can be established without receiving alternate quotes.

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

Table 6.2 Determining F&R Pricing	
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.

F&R evaluations must be conducted and documented in the procurement file for all transactions under $5,000.00 whenever an acquisition specialist 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 $5,000.00, acquisition specialists 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.

8. Bidder Instructions

The State's Bidder Instructions (GSPD-451) 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. No changes may be made to the Bidder Instructions without prior approval of DGS/PD.

9. General Provisions

The State's General Provisions (GSPD-401 Non-IT Commodities) must be used or incorporated by referenced in all competitive solicitations (written or verbal) and purchase documents for Non-IT goods valued over $4,999.99.

If an election is made not to include or reference the State's General Provisions, then written confirmation must be obtained before award is made that the supplier will abide by the following required contract provisions:

- Americans 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 Code
- Expatriate PCC 10286

The procurement file must include this documentation.

Unless otherwise specified these General Provisions may not be modified; however, they may be supplemented with additional provisions tailored to a specific solicitation.

10. Solicitation Formats

Solicitations are purchase documents used to request quotes, bids, or proposals from suppliers and are characterized as either informal or formal. Templates for all solicitation formats may be found in Templates folder in the Bureau Admin folder of the G: Drive. Refer to SCM Vol. 2, Chapter 4, Section B, Topic 2, for information on developing competitive solicitations.

10.1. Informal Solicitations

Informal solicitations are generally straightforward or uncomplicated and usually of lower dollar value. Informal solicitations may be used for solicitations for $100,000.00 or less. An informal solicitation may be conducted using a Phone Quote or Request for Quotations (RFQ), depending on the degree of specific language needed.

Table 6.3 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**
Non-IT Goods	$4,999.99 or Less*	Oral, Fax, or Written	Bid Quote Worksheet & Script	Request for Pricing	Lead/Manager
Non-IT Goods	$5,000.00-$50,000.00	Oral, Fax, or Written Advertising recommended	Bid Quote Worksheet & Script	Request for Quote (RFQ)	Lead/Manager
Non-IT Goods	$50,000.00-$100,000.00	Fax or Written, Advertising required	N/A	Request for Quote (RFQ)	Lead/Manager

*Could use fair and reasonable

10.1.1 Phone Quotes

Acquisition specialists shall not use this method unless pre-approval is obtained by the PCO/PAC. In the event a phone quote is approved and the value is less than $50,000.00, the acquisition specialist using this solicitation method must prepare a script or narrative of the quote requirements so that each bidder is informed equally and the acquisition specialist can evaluate quotes fairly. The script must include referring bidders to the PD web page for the current bidder instructions and applicable general provisions associated with the purchase.

10.1.1.1 Documenting the Results

The acquisition specialist must document the quotes received over the phone by using the Bid/Quote Worksheet. Supplier signatures are not required, but the acquisition specialist 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.

10.1.1.2 Contract Award

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

10.1.2 Request for Quotation (RFQ)

The most common written solicitation format used for conducting informal competitive solicitations is the RFQ for solicitations valued between $5,000.00 and $100,000.00. The RFQ is a straightforward procurement format identifying the items and quantities needed and requesting a quote.

Acquisition specialists are to use the Elements of a Competitive Solicitation for non-IT Goods as a checklist to assist with the solicitation.

10.1.2.1 Required Language

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

- Bidder Instructions and applicable General Provisions for the solicitation.
- Requirements to fax bid responses.
- Language addressing the socioeconomic and environmental programs as applicable (SB, DVBE, TACPA, Recycle, etc.)
- Bidder's Declaration – GSPD-05-105
- Darfur Contracting Act
- Commercially Useful Function Documentation
- Postconsumer Recycled-Content Certification – CIWMB 74

10.1.2.2 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 acquisition specialist must document the distribution method in the procurement file.

10.1.2.3 Supplier Signatures

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

10.1.2.4 Documenting the Results

The acquisition specialist must document quotes received by using the Bid/Quote Worksheet. The Worksheet must be retained in the procurement file.

10.1.2.5 Contract Award

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

10.2. Formal Solicitations

Formal solicitations are more complicated, higher in risk and usually of higher dollar value. A formal solicitation must be used for solicitations of more than $100,000.00. The IFB is a written procurement method used to solicit bid responses for non-IT goods exceeding $100,000.00.

Acquisition specialists are to use the IFB format for non-IT goods to assist with the solicitation.

Table 6.4 Competitive Formal Acquisition Reference Guide				
Classification	**Formal Dollar Levels**	**Applicable Method**	**Document Used**	**PO/Contract Approvals**
Non-IT Goods	$100,000.01 or Greater	Written Must Advertise	IFB	Manager
DVBE Program Requirements and DVBE Incentive Waiver – For any of the above procurements, where applicable, the acquisition specialist may obtain a waiver for the DVBE Program Requirements portion only by getting approval on a DVBE Program Requirements and DVBE Incentive Waiver Form (GSPD-07-04).				

10.2.1. Required Language

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

- Bidder Instructions and applicable General Provisions for the solicitation.
- Requirements to fax bid responses.
- Language addressing the socioeconomic and environmental programs as applicable (SB, DVBE, TACPA, Recycle, etc.)
- Bidder's Declaration – GSPD-05-105
- Darfur Contracting Act
- Commercially Useful Function Documentation
- Postconsumer Recycled-Content Certification – CIWMB 74

10.2.2. 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 acquisition specialist must document the distribution method in the procurement file.

10.2.3. Supplier Signatures

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

10.2.4. Documenting the Results

The acquisition specialist must document responses received by using the Bid/Quote Worksheet. This worksheet must be retained in the procurement file.

The evaluation and selection may be documented using the Procurement Summary Form.

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

10.2.5. Contract Award

Contract award will be to the responsible bidder that submits the responsive bid that is the lowest cost after application of any preference and/or DVBE incentive points are applied. If the award is protested, refer to Chapter 9 of this manual.

11. Clarification or Changes to a Solicitation (addenda)

Clarifications or changes to a solicitation must be transmitted to all participating bidders by an addendum. An addendum documents all changes or revisions to the solicitation and shall include at a minimum the following information:

- Addendum number, (must be numbered consecutively), solicitation title and solicitation number.
- Indication of where the revision or change is occurring in the solicitation. This may include deleting and inserting changed solicitation pages.
- Revised or unchanged quote/bid opening date.

A solicitation may be modified prior to quote/bid response due date. The addendum may be accomplished verbally (for phone quotes only) or written to coincide with the original solicitation format.

Note: An addendum to a solicitation shall be issued a minimum of five days prior to the final bid due date to allow prospective bidders sufficient time to prepare their bids. Otherwise the due date must be extended in the addendum.

12. Supplier Selection

The evaluation and section process is to ensure impartiality and comprehensive evaluation of all responses received.

Evaluator's are expected to:

- Be unbiased and to evaluate all bids fairly
- Excuse themselves from participating in an evaluation if the evaluator or a family member has a personal involvement with the bidder or firm

All evaluators must sign a Conflict of Interest and Confidentiality Statement

For informal phone quotes and RFQs under $100,000 the Bid/Quote Worksheet must be used to document the bids received. For non-IT good solicitation IFBs exceeding $100,000 the evaluation and selection process must be used for contract award as outlined in the Evaluation and Selection Report template.

13. Determining Responsive Bid and Responsible Bidder

A bidder is responsible if they possess the experience, facilities, reputation, financial resources and are fully capable of performing the contract and a bid is considered responsive if it indicates compliance without material deviation from the requirements of the solicitation and the terms and conditions of the proposed contract.

13.1. Award to other than low bidder

If it's determined that the low bidder will not be awarded the contract and the solicitation is being conducted as a non-IT informal solicitation, (valued less than $100,000.00), the acquisition specialist will document the procurement file in sufficient detail to justify the determination of the lowest bidder being non-compliant then award the purchase to the next lowest bidder.

For non-IT goods formal procurement evaluations (those valued more than $100,000.00) when the low bidder will not be awarded the contract, documentation explaining why the Department of Technology recommends rejecting the lower bid must be forwarded to DGS/PD for concurrence prior to contract award. An award may not be made without DGS/PD concurrence. The acquisition specialist must contact the PAMS to facilitate determination of award.

Note: This does not apply if any bidder submits a lower bid that is compliant, but will not receive the award because another bidder (i.e. small business) has a lower bid after application of a preference.

14. Ineligible Business

Public Resources Code (PRC) section 42290 et seq. is collectively referred to as the "Recycled Content Plastic Trash Bag Law." The law requires that plastic trash bag manufacturers and wholesalers certify their compliance with the law.

Manufacturers and wholesalers who are non-compliant with the Plastic Trash Bag Law cannot contract with the State regardless of the product being provided in the contract (i.e. plastic trash bags, janitorial supplies or services, or any other products or services).

A listing of compliant and noncompliant trash bag manufacturers and wholesalers is available on the CalRecycle website at:

http://www.calrecycle.ca.gov/BuyRecycled/TrashBags/ComplyList/.

The State cannot solicit offers from, award contracts to, or renew, extend, or modify a current contract or subcontract with a business identified as noncompliant. Check the CalRecycle website for both primes and subcontractors (as applicable):

- When creating mail lists or prior to soliciting bids or requesting offers
- During the evaluation of competitive bids or assessment of offers

Prior to creation of amendments or other purchase documents.

15. Deviations

A deviation from a requirement is material if the deficient response is not in substantial accord with the solicitation requirements, provides an advantage to one bidder over other bidders or has a potentially significant effect on the delivery, quantity or quality of items bid, amount paid to the supplier or on the cost to the State. Acquisitions specialist should use the Deviation Worksheet to determine if the deviation is material or immaterial.

There are two types of deviations.

- Immaterial Deviation: A deviation can be accepted when it is determined to be of such a minor concern that it carries little or no importance, and by accepting it, it doesn't provide the bidder with any material advantage over other bidders. Example: A bidder referenced the wrong page in their supporting technical literature. The bidder directed the evaluator to page 4 and the correct page should have been page 5.
- Material Deviation: A deviation in the bid response that cannot be accepted because by accepting it, the response will provide the bidder with an advantage over other bidders either for cost, quantity or quality. Example: The solicitation required a system that would serve 500 users and the bidder only offered a system that would serve 250 users.

16. Evaluation and Award

Acquisition specialist shall follow the process below for evaluation and award of solicitations

16.1. Bid Submission

Bid submissions will be handled as follows or as stated in the solicitation document:

- Bids will be hand-delivered or sent by mail unless the solicitation stated another method, i.e., fax
- Bids are due by the close of the business day, which is considered 5:00 pm PT on the date indicated unless otherwise stated in the solicitation
- When sealed bids are required, each bid must be:
  - Separately sealed inside an envelope

  - Received by the closing time and date specified
  - Signed on all forms furnished in the solicitation to be considered for award
- Bids must be date and time stamped upon receipt
- Buyers are advised to create a bidder response list recording date and time bids are submitted along with the bidder's company name, the bidder's contact person submitting the bid response and the amount quoted
- Bids must be kept in a secured area and remain confidential until bid opening
- Bids submitted after the closing time and date will be considered non-responsive

16.2. Procurement Summary

Acquisition specialist must document the evaluation process and resulting source selection decision for every procurement effort in a procurement summary. The purpose of the procurement summary is to provide a single document that provides the history of those particular procurement transactions by explaining the significant facts, events and decisions leading up to the contract award.

Procurement summary information includes but is not limited to:

- Documenting the offered prices
- Determining that the selected supplier is responsible and the bid is responsive.
- Attaching the Bid/Quote Worksheet or the Evaluation and Selection Report

The acquisition specialist must evaluate the solicitation responses in accordance with the evaluation methodology established in the solicitation.

16.3. Intent to Award

For non-IT goods formal solicitations exceeding $100,000.00, upon receiving a written request from a bidder or when the lowest bid is rejected, to notify the bidder of the proposed award 24 hours prior to award of the contract. Acquisition specialist shall post in an area accessible to the public, a letter of Intent to Award.

Inspection of bids is permitted as follows:

- The contents of all proposals, draft bids, correspondence, agenda, memoranda, working papers, or any other medium which discloses any aspect of a bidder's proposal are available for inspection by participating bidders upon notice of intent to award.
- After contract award all procurement documents are available for public inspection through a Public Records Acts (PRA) request, which are handled by Department of Technology's Legal Office. The interested party should submit a request through Department of Technology's Legal Office by following the procedure at: http://www.cio.ca.gov/Contact_Us/records_request.html

16.4. Tie Bids

In the event of a tie, Departments should allow for a tiebreaker in the solicitation document, indicating how the contract award will be made. Examples of permissible tiebreakers are a coin toss or other similar objective method. Such event must be observed by witnesses and the affected bidders should be invited.

Note: In the event of a precise tie between suppliers claiming the incentive, the bid of an SB and the bid of a DVBE that is also a SB, the award shall go to the DVBE that is also an SB. (Reference Chapter 3 and GC section 14838 (f) and 2 CCR section 1896.8(f)).

Note: Recycled tire product contracts will be awarded to the bidder whose product has the greatest percentage of recycled tire content if the fitness, quality, and price are equal. (PRC section 42894) "Recycled tire product" means a product with not less than 50 percent of its total content derived from recycled used tires. (PRC section 42890.)

CHAPTER 7

NON-IT GOODS NON-COMPETITIVELY BID (NCB)

Table of Contents

1. Introduction 1
2. NCB Procedures 1
3. LPA transaction and NCB 2
4. Amendments 2
5. Special Category NCB Contract Request (SCR) 3
6. Purchases Exempt from the NCB Process by Statute or DGS Policy 3
6.1 Procurement Approach for Exempt and NCB Purchases 4

CHAPTER 7

NON-IT GOODS NON-COMPETITIVELY BID (NCB)

1. Introduction

Department of Technology is committed to promote and provide for open and fair competition when seeking to execute a contract or amendment without competition. Competition is always required when available. 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 Goods NCBs, refer to SCM Vol. 2, Chapter 5.

NCB signature approval authority may not be delegated further than the next highest-ranking official for each level. Department of Technology Acquisition Specialist and project personnel executing NCB contract justifications must obtain PAC (if the NCB is $5,000 - $25,000) and Department of Technology Deputy approvals and signatures, regardless of whether or not the justification is submitted to DGS/PD for approval. All signatures must be originals.

2. NCB Procedures

Acquisition specialists who will utilize the NCB contract process for non-IT goods purchases should follow the following checklist.

Table 7.1
NCB Checklist

✓	Description	Performed By	Forms/Documents
	Determine if NCB is required according to SCM Volume 2, Chapter 5	• Requestor • Acquisition Specialist	Procurement file
	Determine dollar value of purchase	• Requestor • Acquisition Specialist	
Within NCB Purchasing Authority (Up to $25,000.00)			
	Prepare NCB documentation (Follow SCM Volume 2, Chapter 5 guidelines for NCB requirements)	• Requestor • Acquisition Specialist	• NCB Contract Justification
	Review NCB documentation	Acquisition Specialist	
	Approve NCB	Executive Officer	Procurement file
	Executes the appropriate purchase documents (prepare purchase order in PeopleSoft)	Acquisition Specialist	STD. 65
	File and retain all documents	• Acquisition Specialist • Contract Administrator	Procurement file
Over NCB Purchasing Authority but within Department of Technology Purchasing Authority ($25,000.01 - $100,000.00)			
	Prepare NCB documentation (Follow SCM Volume 2, Chapter 5 guidelines for NCB requirements)	• Requestor • Acquisition Specialist	• NCB Contract Justification • Secretary Action Request (SAR)
	Review NCB documentation	Acquisition Specialist	
	Approves NCB	• Executive Officer • Agency Secretary	
	Route to DGS/PD for review and approval	Acquisition Specialist	

CHAPTER 7

NON-IT GOODS NON-COMPETITIVELY BID (NCB)

Table 7.1 NCB Checklist			
✓	**Description**	**Performed By**	**Forms/Documents**
	Approve/disapprove NCB	• DGS Director	
	If approved: Executes the appropriate purchase documents (prepare purchase order in PeopleSoft)	Acquisition Specialist	STD. 65
	File and retain all documents	• Acquisition Specialist • Contract Administrator	Procurement file
Exceed both NCB and Department of Technology Purchasing Authority (Over $100,000.01)			
	Prepare NCB documentation (Follow SCM Volume 3 guidelines for NCB requirements, Chapter 5)	• Requestor • Acquisition Specialist	• NCB Contract Justification
	Review NCB documentation	Acquisition Specialist	
	Approve NCB	• Executive Officer • Agency Secretary	
	Route to DGS/PD for approval	Acquisition Specialist	• NCB Contract Justification • Purchase Estimate (STD. 66)
	Approve/disapprove NCB	• DGS Director	
	If approved: DGS will conduct the appropriate procurement method and process and executed the purchase document of behalf of the Department.	DGS/PD	
	File and retain all documents	• Acquisition Specialist • Contract Administrator	Procurement file

3. LPA transaction and NCB

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.

Exception: The NCB contract justification process is not required if an individual LPA user instructions states that the contract is exempt from obtaining 3-offers or if the value of the transaction is under $5,000.00 and fair and reasonable pricing has been established and documented.

Review the LPA user instructions to determine if the LPA is exempt from competitive bidding.

4. Amendments

If the original transaction did not evaluate option(s) for changes, then the amendment must comply with the NCB process. This includes amendments for increases and decreases to quantity, dollar amount and/or time.

Amendments to existing purchase documents are not subject to the NCB contract requirements if the following occurred:

- Competitively bid contracts:
  - Which included option(s) for changes (e.g., quantity and/or time) may be amended consistent with the terms of the original contract providing for such amendment(s) if such options were evaluated during the solicitation process.
  - LPAs for non-IT goods or non-IT services: Original orders, which include options for changes (e.g., quantity and/or time), that were evaluated and considered in the selection for award during the Request for Offer (RFO) process, may be amended consistent with the terms of the original order, provided that the original order allowed for amendments

- Competitive contracts and LPA orders amended for incidental omissions such as:
  - Transposition of numbers from the solicitation bid response or Request for Offer (RFO) response to the purchase document, or for inadvertent failures to include such things as contact names or for mistyped addresses. This does not apply to changes in quantity or time.

5. Special Category NCB Contract Request (SCR)

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

All SCRs must use the Special Category NCB Request form for each category of non-IT goods, being requested and submitted for consideration and approval by DGS PD.

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

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

Certain purchases may be awarded without advertising or competitive bidding as a result of being exempt by statute or by DGS policy. For purchases that exceed the Department's purchasing authority the purchase requests must be submitted to the DGS/PD for review, approval, and execution of the purchase.

The following purchases may be awarded without advertising or competitive bidding subject to the restrictions noted as a result of being exempt by statue:

- Emergency contracts, which are necessary for the immediate preservation of life or state property, are exempt from the Non-Competitive Bid Contract (NCB) justification process. Contracts issued as a result of an emergency may be entered into immediately. However, such contracts are subject to otherwise applicable statutory approval requirements and the reporting requirements.
- Non-IT goods and services for which the state has entered into an LPA. Note: This is limited to those LPAs that have been competitively bid or that have been determined to be required for essential services and which have been established by a methodology that assures the state of a reasonable price for the non-IT goods/services offered.

The following purchases may be awarded without advertising or competitive bidding subject to the restrictions noted as a result of being exempt by DGS Policy:

- Proprietary subscriptions, proprietary publications, and/or technical manuals (manuals, law books, technical manuals, technical services related to publications, etc.) regardless of media format, up to $250,000.00.
- Contracts with business entities operating Community Based Rehabilitation Programs (CRP), which meet the criteria established by Welfare and Institutions Code Section 19404. Note: Exception does not apply to contracts justified pursuant to GC section 19130(a).
- Amendments to existing purchase documents under the same terms and the same or lower rates, where a protest or other legal action delays the award of a new contract. These amendments should only last during the period the protest or legal action is pending and a new purchase document can be executed, but in no case shall this exemption extend beyond six (6) months for a particular amendment.

6.1 Procurement Approach for Exempt and NCB Purchases

Acquisition specialists conducting non-IT goods purchasing activities for transactions that are exempt from competitive bidding or advertising or that are NCB contract purchases shall obtain a written offer and acceptance of the state's terms and conditions when transacting business with the only known supplier.

The written offer and acceptance may be obtained by having the supplier respond to an RFQ solicitation document that is only provided to the one supplier. The acquisition specialist also has the option to develop their own solicitation document that contains the following elements:

- Date and time the response is due
- Details of the purchase, including quantities, description, support coverage, coverage dates, etc.
- Fill-in space or a cost sheet for the supplier to provide pricing
- Request for the signature of the authorized supplier representative that can bind the company contractually

- Reference or hardcopy the applicable state General Provisions and any additional contract modules (specific to non-IT goods and service) or special provisions applicable to the department

Acquisition specialists, when conducting business with the only known supplier, must provide the supplier with an opportunity to review and accept the State's terms and conditions prior to the State executing a purchase document. This practice avoids the possibility of a dispute with suppliers once the purchase document is executed.

Contract forms, license agreements or ordering documents provided by suppliers should not be signed by state employees. These most often contain terms and conditions inconsistent with the State's contract terms and conditions and can result in conflict.

Acquisition specialists shall seek department legal advice and may contact PAMS at PAMS@dgs.ca.gov for assistance.

CHAPTER 8

NON-IT GOODS & SERVICES LEVERAGED PROCUREMENT AGREEMENTS

Table of Contents

1. Leveraged Procurement Agreements (LPA) Basics 1
2. California Multiple Award Schedule (CMAS) 3
3. Statewide Contracts (SC) 4
4. State Price Schedule (SPS) 5
5. Master Agreement (MA) 6
6. Cooperative Agreements - Western States Contracting Alliance (WSCA) 7

CHAPTER 8

NON-IT GOODS & SERVICES LEVERAGED PROCUREMENT AGREEMENTS

1. Leveraged Procurement Agreements (LPA) Basics

The LPA program, established by DGS/PD as set forth in PCC sections 10290 et.seq. and 12101.5, enables Department of Technology to streamline State purchases by removing repetitive, resource intensive, costly and time consuming bid processes. A variety of LPA contracts offer non-IT goods and services that have been competitively assessed, negotiated, or bid. Each LPA commonly includes a unique user guide or ordering instructions. Before using any LPA, acquisition specialists should refer to applicable DGS/PD website and the SCM Vol. 2 for up-to-date information.

Department of Technology uses an established process to help ensure that all appropriate steps are considered in LPA procurements. Acquisition specialists shall follow the checklist listed below (as applicable).

✓	Description	Performed By	Systems and Forms*
	Submit GC 19130 Justification for Personal Services only to HR and Legal for approval	Requestor	CSS/SR
	Verify the following: Is this order within the LPA dollar thresholds? Is use of the LPA mandatory or non-mandatory?	Requestor and/or Acquisition Specialist	Document in procurement file
Pre-Release of RFO			
	Establish timeframes and finalize purchasing documents	Requestor Acquisition Specialist	
RFO for non-mandatory LPA			
	Select valid vendor pool from on-line sources	Requestor and/or Acquisition Specialist	LPA lists
	Prepare a Request for Offer (RFO) using Department of Technology's RFO Template. The RFO needs to be sent to a minimum of three suppliers, including at least one small business and/or DVBE (if available).	Acquisition Specialist	RFO Template
	Send RFO to vendors	Acquisition Specialist	Email
	Coordinate vendor questions regarding RFO	Requestor and/or Acquisition Specialist	Email answers
Comparison of Offers			
	Receive vendor responses and verify for completeness	Acquisition Specialist	Administrative MQs criteria
	Review vendor technical responses, if applicable	Requestor, Project Manager, and team	Published "Best Value" criteria
	Coordinate interviews, if applicable (Acquisition Specialist must be present)	Requestor and Acquisition Specialist	
	Schedule product demonstration, if applicable	Requestor and/or Acquisition Specialist	
	Review best value offer of product demonstration, if applicable	Requestor, Project Manager, Acquisition Specialist	
	Document Selection Results	Acquisition Specialist	Best Value Determination Worksheet or Procurement Summary

CHAPTER 8

NON-IT GOODS & SERVICES LEVERAGED PROCUREMENT AGREEMENTS

✓	Description	Performed By	Systems and Forms*
	Route for DGS/PD approval of CMAS non-IT services exceeding $50,000.00 ONLY	Acquisition Specialist	Purchase document (STD. 65/STD 213 & STD.215) Copy of RFO Listing of all CMAS contractors contacted All RFO submitted Complete copy of awarded supplier's CMAS contract Assessment and selection documents Mission Critical Certification
	Route for DGS/OLS approval of Master Agreement non-IT services over $50,000.00 ONLY	Acquisition Specialist	Memo requesting approval
	If vendor is new to Department of Technology, get Payee Data Record and give to Support Staff to enter vendor into PeopleSoft	Acquisition Specialist and Support Staff	STD. 204 Payee Data Record
Supplier Selection			
	Generate purchasing documents per the user instructions of LPA.	Acquisition Specialist	STD. 65 or STD. 213IT
	Route for internal signatures	Acquisition Specialist	Evaluation Package Contract Summary Department of TechnologyApproval - Route Slip STD. 65 or STD. 213
	Send PO to vendor and control agencies, if applicable	Support Staff	STD. 65 or STD. 213
	Complete Fair Housing Contract Over $5,000	Acquisition Specialist	STD 16
	SCPRS All purchases/contracts regardless of amount	Support Staff	eProcurement website
During Contract			
	Monitor contract	Contract Administrator	
	Approve replacements or additions to contract, if applicable	Contractor Administrator Acquisition Specialist	
	Process Amendment	Acquisition Specialist	STD 65 or STD 213A Original contract Contractor replacement info
	Resolve invoice issues as applicable	Contractor Administrator Accounting	
	Resolve contract issues, as applicable	Contractor Administrator Acquisition Specialist Legal	
	Process 'for cause' termination letters, if applicable (DGS must initiate 'for convenience' terminations) Elevate as necessary	Acquisition Specialist	

✓	Description	Performed By	Systems and Forms*
Upon Contract Closure			
	Evaluate contractor performance Copy for Procurement file and Negative to DGS/OLS	Contract Administrator	Contractor Evaluation STD. 4
	File contract documentation for 3 years after last payment on contract	Acquisition Specialist	

2. California Multiple Award Schedule (CMAS)

CMAS contracts are established for non-IT products and services that have been competitively assessed, negotiated, or bid primarily, but not exclusively, by the Federal General Services Administration (GSA).

Only the prime CMAS contractor and resellers who are explicitly listed in the CMAS contract can sell the non-IT goods and/or services using CMAS terms and conditions listed in their CMAS contract.

Department of Technology is authorized to purchase up to $100,000.00 for non-IT goods and $250,000.00 for non-IT services on CMAS orders per Department of Technology's purchasing authority approval.

CMAS Order is for:	And Dollar Threshold is:	The Department of Technology Buyer Must:
Non-IT Goods and Services	Less than $5,000.00	May be executed without obtaining multiple offers if fair and reasonable pricing has been established and documented.
Non-IT Goods	$5,000.00 - $100,000.00	Obtain 3 offers, including one SB or DVBE, if available. Document responses and execute purchase document. Execute purchase document per the user instructions.
Non-IT Services	$5,000.00 - $50,000.00	Obtain 3 offers, including one SB or DVBE, if available. Document responses and execute purchase document. Execute purchase document per the user instructions.
Non-IT Services	$50,000.01 - $250,000.00	Obtain 3 offers, including one SB or DVBE, if available. Document responses. Submit to the DGS/PD for review and approval: • Completed Purchase document (STD. 65) with all attachments. • Summary Agreement – STD.215 • Copy of RFO • Listing of all CMAS contractors contacted on this RFO, with one SB or DVBE if available • Copies of all supplier responses to the RFO • Complete copy of awarded supplier's CMAS contract • Copy of assessment and selection documents • Mission Critical Certification Once the purchase document is approved by DGS/PD, it will be stamped approved and signed by the DGS/PD on the face of the purchase document. It will be returned to the department to issue to the contractor.

3. Statewide Contracts (SC)

Statewide Contracts (SCs) are competitively bid and awarded contracts established by the DGS/PD to take advantage of lower costs passed on by suppliers bidding on large quantities of goods repetitively used by multiple State departments. Use of most SCs is mandatory, but the use of some SCs is non-mandatory. Acquisition specialists must verify the mandatory or non-mandatory status of a contract by reviewing the contract.

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.

The following must be verified prior to executing a SC order:

- Departments must have non-IT purchasing authority;
- Is the contract mandatory or non-mandatory?
- Does the order require any CALPIA waivers?
- Does the order require additional review and approval prior to issuing the order (i.e., Fleet etc.)?
- Obtaining multiple offers is not required since these SCs are established as a result of competition.
- Each SC provides a set of user instructions unique to each contract. This includes instructions to departments for obtaining the DGS written approval for any exemption to conduct a purchase outside of an authorized SC.
- Purchasing authority numbers and SC numbers must be identified on the purchase document in the appropriate location.
- Procurement files must be documented in sufficient detail to support the purchase transaction in the same fashion as any other LPA purchase activity.
- Purchasing dollar thresholds although unlimited, must remain within the department's approved purchasing authority dollar threshold for SCs.
- That all certified SB or DVBE purchases made through the SCs will be reported monthly by the contract holder and be credited to the purchasing department.

Contracts are available on PD's eProcurement web page or by contacting the PD contract manager for the specific contracts.

4.1 SB/DBVE Off-Ramp for Mandatory SC

Mandatory SC awarded by the DGS for non-IT goods may have a Small Business/Disabled Veteran Business Enterprise (SB/DVBE) Off-Ramp, meaning departments will be permitted to purchase equivalent products at the same or lower price from other sources that are certified SBs or DVBEs. To determine whether a particular mandatory contract has an SB/DVBE Off-ramp, consult the user instructions for that contract or checking the State Contracts Index Listing.

In order to utilize the SB/DVBE Off-ramp, departments must document in the procurement file that the non-IT goods being purchased are

1) Equivalent to the non-IT goods available from the SC including product description, functional requirements, and manufacturer warranties as provided in the SC; and
2) Equal to or less expensive than the pricing offered from the SC for the same products based on the total order value before taxes.

Additional rules for the SB/DVBE Off-ramp are:

- Departments must have the appropriate non-IT purchasing authority granted by the DGS/PD in order to utilize the SB/DVBE Off-ramp as identified by the statewide contract (see the Approved Purchasing Authority link);
- Transactions must be less than $250,000 excluding sales and use tax, finance charges, postage, and handling charges;
    - For purchases greater than $0 and less than $5,000, departments must document in the procurement file that the price is less than or equal to the pricing on the statewide mandatory contract unless otherwise stated in the user instructions;
    - For purchases of $5,000 and up to $249,999.99 departments must obtain price quotations from two or more certified SBs or two or more DVBEs (must be the same certification type) unless otherwise stated in the user instructions;
- SB/DVBE Off-ramp purchases must be made from a supplier with a current California SB or DVBE certification.

If these rules cannot be applied, departments may not use the SB/DVBE Off-ramp provision to buy outside of the mandatory statewide contract. The purchase must be made through the mandatory statewide contract.

4. State Price Schedule (SPS)

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

Department of Technology is authorized to purchase up to $25,000.00 on SPS orders per Department of Technology's purchasing authority approval.

Acquisition specialists must verify the following, prior to executing an SPS order:

- Is execution of the order authorized under the department's purchasing authority?
- Are there comparable products available from outside sources where there is a need to obtain a CALPIA waiver?
- Is the purchase for special adaptive equipment where pricing is required from other providers?

- Are there any pre-approval requirements?

SPS agreements are available on PD's eProcurement web page or by contacting the PD contract manager for the specific SPS.

5. Master Agreement (MA)

Master Agreements (MAs) are one of the State's main procurement vehicles for leveraging its buying power. Department of Technology is authorized to purchase up to $500,000.00 for non-IT goods and non-IT services on MA orders per Department of Technology's purchasing authority approval. MA contracts are not mandatory.

Department of Technology may not execute a non-IT services MA transaction in excess of $500,000.00. Additionally, a non-IT services transaction of $50,000.00 or more from a non-IT MA must obtain the DGS/Office of Legal Services (OLS) review and approval prior to executing the purchase document. Refer to the individual non-IT services MA user instructions for further requirements regarding the OLS review and approval process. (See SCM Vol. 1)

The acquisition specialist must review the MA in its entirety (contract, supplements and unique user instructions) to determine what requirements are applicable to Department of Technology's business need. An MA will usually require seeking offers from authorized suppliers to determine and obtain best value. Some MAs have been designated "exempt" either by statute or policy from obtaining multiple offers.

Orders issued against an MA use either the STD.65 for non-IT goods or the STD.213 for non-IT services, as identified within the individual master agreement user instructions.

Acquisition specialists must verify the following, prior to executing an MA order:
- Is execution of the order authorized under the department's purchasing authority?
- Does execution of the order require prior approval or any other approvals identified within the individual contract user instructions?
- Does use of the MA require additional requests for offers from other authorized providers identified within the contract?
- Does the estimated dollar threshold require prior the DGS review and approval before issuing an award?

MAs are available on PD's eProcurement web page by contacting the PD contract manager for the specific contract

MA transactions valued less than $5,000.00 may be executed without obtaining offers if fair and reasonable pricing has been established and documented. Documentation to support fair and reasonable pricing must be retained in the procurement file.

6. Cooperative Agreements - Western States Contracting Alliance (WSCA)

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.

Click here to access the WSCA website and obtain supplier contact names and numbers.

To use WSCA:

- Define the project scope to determine which non-IT goods and services are needed.
- Obtain a complete copy of the WSCA agreement (WSCA base contract, CA participating addendum, CA terms and conditions and ordering instructions).
- Check the electronic catalog and print a copy of an e-quote supporting the order.
- Execute the order using the STD.65, unless otherwise directed within the specific WSCA user instructions.
- Retain all documentation in the procurement file.

Departments executing WSCA/NASPO orders over $500,000.00 for non-IT goods must obtain the DGS/PD approval prior to executing the purchase document. The following information must be documented and submitted to the DGS/PD:

- Identify the need for the non-IT goods and/or services and the dollar value of the impending purchase document.
- Explain how the issuance of a purchase document to this particular contractor makes good business sense and how best value for the department has been achieved.

Upon review and approval of the documentation submitted, the DGS/PD will issue an approval letter concurring with the department's request. Upon receiving approval from the DGS/PD, the order may be executed.

CHAPTER 9

NON-IT GOODS PROTEST AND POST AWARD DISPUTES

Table of Contents

1. Protest 1
1.1. Traditional Protest 1
1.2. Alternative Protest Process (APP) 2
2. Post Award Disputes 2

CHAPTER 9

NON-IT GOODS PROTEST AND POST AWARD DISPUTES

1. Protest

1.1. Traditional 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). DGS will work with the Victims Compensation and Government Claims Board (VCGCB) who will render the final decision on the protest.

Per PCC section 10306, prior to award, 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. When a contract or purchase order is not to be awarded to the lowest bidder, the bidder must be notified 24 hours prior to awarding the contract or purchase order. If protested, the award shall not be made until either the protest has been withdrawn or the VCGCB has made a final decision as to the action to be taken relative to the protest. The 24 hour periods exclude Saturdays, Sundays and legal holidays.

The table below describes the process that shall be followed when a protest has been filed.

Table 9.1 Protest Process Steps

Step	Description
1	The bidder notifies the acquisition specialist identified in the solicitation in writing of an objection to the selection of the intended award.
2	The acquisition specialist immediately upon having knowledge of or having received a written protest notifies DR by phone, fax or electronic mail: Renata Rasberry, Manager, Dispute Resolution PH: 916/375-4623 FAX: 916/375-4611 E-mail: PDProtest@dgs.ca.gov
3	The acquisition specialist stops any further action of the proposed contract award until resolution of the protest of proposed award has occurred.
4	The acquisition specialist provides DR with copies of all documents meeting the regulatory definition of the solicitation file including, though not limited to, the solicitation and all addenda, the evaluation and selection analysis, the bidder recap, the recommendation for award, and any other documentation or information used to determine the proposed award. DR works with the acquisition specialist to validate documents to be submitted to the VCGCB.
5	DR staff prepares and transmits all required formal documentation to meet regulatory notification and submission of the protest to the VCGCB.
6	Within ten calendar days after filing the intent to protest, the bidder/protestant, in their detailed statement of protest, must provide relevant facts and evidence to support their claim. The detailed statement should include citations to pertinent laws, rules, regulations or procedures on which the protest is based.
7	The DR, buyer and legal counsel ensure that the State's response is drafted to represent the facts and legal standing of the State's decision to defend its proposed award. The DR ensures that all deadlines and milestones are met.
8	The DR, buyer and legal counsel review the protestant's rebuttal to prepare for a potential hearing or next steps

Table 9.1 Protest Process Steps	
Step	**Description**
9	The VCGCB reviews all submitted documentation and will determine notification and hearing dates to be scheduled as necessary. The hearing officer prepares his/her proposed decision which is decided by the three-member board, resulting in a final administrative decision regarding the protest.
10	The DR responds to all inquiries from the VCGCB.

1.2. Alternative Protest Process (APP)

The Alternative Protest Process (APP) was implemented in 1998 in accordance with PCC section 12125, et seq., to decrease the number of frivolous protests occurring in IT procurements

Pursuant to PCC section 12125, et. seq., any non-IT goods competitive solicitation may include the alternative protest procedure.

Departments interested in information regarding the APP shall contact the DGS/PD Dispute Resolution Manager, who acts as the APP Protest Coordinator.

For additional information refer to Office of Administrative Hearings arbitration regulations - CCR, Title 1 Division 2, Chapter 5 section 1400 et seq.

2. Post Award Disputes

A post award dispute is a disagreement or conflict between a bidder/contractor and a department after a purchase document has been executed. Most often, contract disputes arise due to contract performance issues on the part of either the contractor or the State.

Disputes can occur in any purchasing authority type or in any purchasing category. It makes no difference whether the purchase document was the result of a competitive solicitation, LPA order or an NCB contract.

Disputes may also result from not having a clear understanding of the State's General Provisions or Terms and Conditions or a Statement of Work that is not clearly defined.

The DGS/PD general provisions provide bidders with the process for disputing after an award has been executed. This language is found in the General Provisions – Non-IT Commodities (GSPD-401), Article #38-Disputes.

CHAPTER 10

NON-IT GOODS PAYMENTS, FINANCING, AND PENALTIES

Table of Contents

1. Basic Requirements 1
2. Advance Payments 1
3. Financing 1
4. California Prompt Payment Act 2
5. Cal-Card Program 3
6. California Prompt Payment Penalty (aka Late Payment Penalty) 3

CHAPTER 10

NON-IT GOODS PAYMENTS, FINANCING, AND PENALTIES

1. Basic Requirements

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

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

Payments are to be made in accordance with the provisions of the California Prompt Payment Act, GC section 927 et. seq. See section 4 below.

2. Advance Payments

California Constitution, Article XVI, sections 3 and 6, prohibits gifts/donations of public funds, so therefore an advance payment or pre-payment is considered a gift of public funds since the State has received no benefit and the subsequent receipt of goods/services cannot be guaranteed.

GC section 11019 allows advance payment for services only under limited, narrowly defined circumstances, e.g., between specific departments and certain types of non-profit organizations, or when paying another government entity.

Subscriptions, magazines, and periodicals can be paid upon receipt of an undisputed invoice.

3. Financing

The financial marketplace 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.
- 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.

- 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.

Only approved lenders and lessors participate in the programs. The State Financial Marketplace (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.

See SCM Volume 2, Chapter 9, Section B for further details.

4. California Prompt Payment Act

The Department of Technology understands the responsibility and adheres to the provisions of the California Prompt Payment Act, GC section 927 as listed below:

- Date stamping supplier invoice upon initial receipt by the Department of Technology.
  - To accurately measure and track payment timeliness, invoices are date stamped the front of the invoice (to accommodate photocopying) when first received at the “billed to” the Department of Technology location as identified in the purchase document.
- 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.
- Department of Technology’s Accounting Section may dispute 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 by phone and follow up in writing via an Invoice Dispute Notification (STD. 209) within 15 working days. Accounting 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 Department of Technology each fiscal year. (Refer to Chapter 13 of this manual)
- Prompt payment penalties are applicable even when the budget is not yet signed during the fiscal year.

5. Cal-Card Program

Department of Technology has been granted purchasing authority allowing us to participate in the State's CAL-Card Purchase Card Program. A CAL-Card Coordinator within the IT Procurement and Contract Services Branch for all of Headquarters is appointed and is the responsible party for questions related to the department's purchasing program.

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

Detailed policies and procedures are in the CAL-Card Policies and Procedures Manual available on the intranet.

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

6. California Prompt Payment Penalty (aka Late Payment Penalty)

The California Prompt Payment Act (Act), GC section 927 et seq., requires state departments to automatically calculate and pay the appropriate late payment penalties if they fail to pay properly submitted, undisputed invoices or grants for victim services or prevention programs, and refunds or other undisputed payments due to individuals on the date required by the Act. The Act applies to invoices for goods and/or services acquired by state departments and specific grant claims.

The Act requires different rates for penalty payments paid as follows:

A. Small businesses, nonprofit organizations, nonprofit public benefit corporations, including grantees that provide victim services and prevention programs as defined in GC section 927.2.
B. Other businesses, including local government grantees that provide victim services or prevention programs as defined in GC section 927.2.
C. Refunds or other payments due to individuals.

Penalty Payment Chart

Description	Interest Penalty Threshold		Penalties Incurred FY 2010-11 (7/1/10-10/18/10) Rate	Penalties Incurred FY 2010-11 (10/19/10-6/30/11) Rate	Penalties Incurred FY 2011-12 Rate	
A) -Small Businesses -Nonprofit Organizations -Nonprofit Public Benefit Corporations	Greater than $10		91.25% 0.0025	13.25% 0.000363	13.25% 0.000363	Annual rate Daily rate
B) -Other Businesses	Greater than		1.65%	1. 528%	1.37%	Annual rate
C) -Refunds -Other payments due to Individuals	Not applicable		Not applicable for FY 2010-11	Not applicable for FY 2010-11	Not applicable for FY 2011-12	Annual rate Daily rate

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

- Penalties incurred in the prior fiscal year (prior July 1 to June 30) are prior year expenditures. The penalty is calculated at one of the prior year rates and paid from a prior year appropriation. (Refer to Penalty Payment Chart).

- Penalties incurred in the current fiscal year (July 1 forward) are current year expenditures. The penalty is calculated at the current year rate and paid from a current year appropriation.

To calculate late payment penalties, multiply the amount due (gross amount of invoice less taxes) by the applicable daily penalty rate, as shown in the Penalty Payment Chart. The daily penalty is then multiplied by the number of calendar days the payment is late to calculate the total penalty amount.

CHAPTER 11

NON-IT GOODS RECEIVING, INSPECTION, ACCEPTANCE AND REJECTION

Table of Contents

1. Introduction 1
2. Receiving Goods 1
3. Inspection of Goods 5
4. Acceptance Testing and Acceptance 6
5. Rejecting Damaged Deliveries 6
6. Receiving Service Deliverables 7

CHAPTER 11

NON-IT GOODS RECEIVING, INSPECTION, ACCEPTANCE AND REJECTION

1. Introduction

This chapter describes the processes of receiving, inspection, accepting and/or rejecting non-IT goods acquired through the purchasing authority procurement process.

2. Receiving Goods

The Department of Technology policies and procedures provide a means for buyers and receiving staff to follow up on purchases of goods and services ordered and not yet received. PeopleSoft maintains time limitations for goods ordered but not yet received. An automatic email notice is sent to the Project Lead notifying them the product has not been received. The Project Lead follows up with purchasing and/or receiving to ascertain why the product has not yet been received.

Upon confirming that goods are received, inspected, and are in conformance with the terms of the purchase, the Department will document the results of the delivery and inspection. The receiving staff will use the Supplier Performance Report (SPR) to report on the quality and timeliness of the contractor's delivery. SPRs will be included in the Procurement File which can be accessed by all buyers.

If you are an authorized receiver and want to receive a shipment:

1. Logon to the PeopleSoft system and open the Receiving Transaction Entry window.
   (Transactions >> Purchasing >> Receiving Transaction Entry)
2. Select Shipment as the document type for the transaction.
3. Enter or select the receipt number.
4. Enter a vendor document number (optional).
5. Enter the receipt date.
   To enter a General Ledger posting date that is different from the transaction date, choose the Date expansion button; the Receiving Date Entry window will open, where you can enter date information.
6. Enter or select a batch ID (optional). See creating a purchasing receipt batch on page 122 for more information.
7. Enter or select the vendor ID.
8. Enter or select a currency ID. If a currency ID is assigned to the vendor you select, it will appear in the Currency ID field. The currency ID assigned to the invoice must match the currency ID of the purchase order being received against.
9. Enter the purchase order number for which you're receiving a shipment. You can receive items from multiple purchase orders by entering or selecting a different purchase order number in a new row.
   If the Allow Receiving without a Purchase Order option is marked in Purchase Order Processing Setup, you can leave the PO Number field blank.

10. Enter items using either the vendor's item number or your company's item number. You also can enter a non-inventoried item.
    You can display the vendor's item number by marking Extras >> Options >> Display Vendor Item. If the option is not marked, your company's item number will be displayed. You can change this selection at any time.
11. You can change the site ID to receive line items to a location other than the location specified on the purchase order, if the option is marked in Purchase Order Processing Setup. Changing the site on the receipt will not change the site on the purchase order.
12. Enter the quantity shipped.
    An icon will be displayed in the Qty Shipped field for purchase order line items with sales commitments. Select a line item and choose the button next to the Qty Shipped heading to view or prioritize commitments in the Sales Commitments for Purchase Order window.
13. You can edit the unit cost or extended cost, if the Allow Editing of Costs in receiving option is marked in Purchase Order Processing Setup.
14. If you are using landed costs, choose Landed Cost to open the Receiving Landed Cost Apportionment Entry window, where you can add landed costs to all line items on a receipt. See Entering landed costs for a shipment receipt on page 182 for more information. If you want to enter landed costs for an item, see Entering landed costs for a shipment item on page 184.
15. Choose Distributions to open the Purchasing Distribution Entry window, where you can make changes to account distributions.
    - To add additional accounts, select the account and enter an amount.
    - To remove an account in the scrolling window, select the row containing the account and choose Edit >> Delete Row.
    - To restore the original distributions, choose Default. If you are using landed costs, the distributions for a landed cost won't be displayed in the Purchasing Distribution Entry window. To view landed cost distributions, print the Receiving Edit List.
16. Choose User-Defined to open the Receiving User-Defined Fields Entry window, where you can enter user-defined information for this receipt.
17. Choose Save or Post. If you post the receipt, one or more posting journals and distribution breakdown registers may be printed, depending on the options selected in the Posting Setup window. If you've entered a batch ID, you can't post the transaction individually; you must use batch posting, series posting, or master posting.

A standard receiving package should, at a minimum, contain the following documentation. It is distributed to both the accounting and purchasing teams for payment and procurement file documentation:

- Invoice or packing slip
- Receiving copy of the purchase document (STD. 65)

- A completed Stock Received Report (STD. 106)
- Bill of lading/delivery receipt verifying shipping costs (if the freight terms required the consignee to pay the shipping costs - FOB Origin)
- A Stock Return Report (STD. 108), as applicable non-IT goods are being returned to supplier

Packing slips must be included in all shipments received by the Department of Technology. At a minimum and in accordance with the standard State's General Provisions (GSPD-401 Commodities), the supplier must provide the following information on the packing slip to ensure the receiving staff can verify products being acknowledged as received:

- Purchase document number as issued by the Department of Technology
- Item number
- Quantity and unit of measure
- Product part number
- Description of the goods shipped

In accordance with SAM section 8422.20, receiving staff use a copy of the Purchasing Authority Purchase Order (STD. 65) as a stock received report to record receiving information at the time goods are received. The person checking the goods writes in the date received, the quantity received, and notes any defect in condition. The purchase document is forwarded to the accounting office and a copy provided to the acquisition specialist to file in the procurement file on the day the goods are received. The SR is routed back to the Project Lead via the CSS.

The STD. 65 is stamped or similarly designated as "complete" when the order is completely filled. Completely filled is determined by carefully checking the quantity, description, and condition of the goods. The CSS SR is closed by the requestor, thus completing the CSS process.

Staff responsible for checking and taking custody of the goods must sign the receiving document (STD. 65). If the STD. 65 signatory is not the person who physically checked and took possession of the goods, then whoever does sign the STD. 65 must take precautionary measures to assure that the goods were actually received and checked before signing.

The Receiving Coordinator is responsible for entering the receipt of goods into the PeopleSoft system. A receiving number is generated by the system which is required before the supplier invoice can be paid. If accounting is issued an invoice, but does not have a receiving number, accounting sends an email to receiving and the Project Lead to find out if the goods were received.

The Receiving Coordinator informs buyers when returning goods that are not as ordered, over-shipments, defective, or for any other non-conformance to the purchase document. Buyers then contact suppliers. In accordance with SAM section 8422.20, the Department of Technology Receiving Coordinator prepares form STD. 108 when returning goods to a supplier. The buyer will follow up with the supplier as necessary, and retain documentation in the procurement file.

If the Department of Technology elects to accept partial deliveries, a photocopy of the approved purchase document may be used as a stock received report. When using the purchase document as a stock received report, the receiving staff checking the goods will write the:

- Date received
- Quantity received
- Note any defect in condition

This process is followed for each partial shipment received through completion. The last stock received report for an order must be stamped or designated as “Complete” when the order is completely filled.

DGS/PD recommends that receiving staff notify the customer whenever a purchase is received as a partial delivery if the purchase transaction did not state whether or not partial deliveries are acceptable. Partial delivery documentation should be provided to the customer on a timely basis to allow for any necessary communications between the customer and the supplier to occur.

The Department of Technology sometimes receives goods at project sites or at data centers. The Receiving Coordinator remains responsible for such receipt, and most often is present for delivery and receipt. In instances when the Receiving Coordinator cannot be present, he or she ensures that all required activities and documents are completed. The Receiving Coordinator (or designee) performs a timely inspection of received goods and reports any issues directly to Customers. Duties include:

- Verifying that the shipper’s bill of lading and delivery receipt are correct.
- Verifying the unit count noted on the bill of lading/shipping receipt matches the units actually delivered.
- When damage is evident, determining if the supplier or the carrier caused it
- Documenting the following information:
  - Contact name and phone number of person receiving goods
  - Purchase Order number
  - List of what was actually delivered, verified to the purchase document, with clear notation and explanation of any discrepancies or partial shipments
  - Signature of receiving employee

The packing slip document initiates the payment process. Accounting personnel use this documentation to reconcile against the purchase document and supplier invoice. The receiving documentation also provides the material necessary for the buyer to perform any post-award activities, including closing out the purchase or conducting follow up activities with the supplier regarding outstanding or incorrect deliveries
.
Customers and receiving personnel must keep purchase documents on file until suppliers have met all obligations and deliveries. This is particularly important when accepting any partial deliveries or staggered deliveries over a period of time or in future fiscal years. The Receiving Coordinator will immediately report any problems or questions in delivery, receipt or discrepancies in equipment received to the Customer.

3. Inspection of Goods

The State has standard inspection, acceptance and rejection requirements as described in the General Provisions for non-IT (Article #17) entitled “Inspection, Acceptance and Rejection” to ensure these activities are conducted in accordance with state requirements.

The receiving and/or designated staff must conduct an inspection for the following minimum conditions:

- Verify that what was ordered conforms to purchase document documentation (Statement of Work, specifications, attachments, etc.), including the product description, model, brand and product numbers
- Verify the quantity ordered against the quantity shipped or delivered
- Inspect for damage or breakage
- Check for operability/functionality
- Confirm instructions regarding special handling or packaging were followed
- Verify that the unit of measurement count is correct (e.g. if the unit of measurement on the purchase document is one dozen, count 12 in the unit package)
- Verify that delivery documentation (packing slip, certifications, etc.) is acceptable
- Verify that packaging integrity is preserved (no leakages, damages, etc.)
- Verify that perishable items are in good condition and expiration dates have not been exceeded

If the inspection will not be immediate, the Receiving Coordinator must update the purchase document with information regarding when the inspection will occur and how it will be accomplished.

In certain circumstances, such as when a systems integration vendor receives goods at a field location, vendors may inspect the goods on behalf of Department of Technology.

The Receiving Coordinator remains responsible for such activities, and must make certain all appropriate actions are performed and documentation is completed.

The Department of Technology inspection and receiving documentation is retained in the procurement file. The Acquisition Specialist/Project Lead must monitor activities and documents to ensure the integrity of the Department of Technology procurement and contracting practices.

4. Acceptance Testing and Acceptance

The Department of Technology uses acceptance criteria as found in the State's General Provisions (GSPD-401 Commodities). Acquisition specialists must review these provisions to ensure that the acceptance criterion is sufficient for their procurement.

Acquisition specialist must be aware that if other acceptance criteria are used, they must be specified in the procurement document. The acceptance requirements must also be carried through the purchasing process into the executed purchase document.

5. Rejecting Damaged Deliveries

The following process is followed if the goods are not in conformance with any requirements of the purchase document.

Stage	Description
1	The person rejecting the non-IT goods must immediately communicate the problem(s) and rejection in writing to the buyer.
2	The buyer is responsible for notifying the supplier within a reasonable time after delivery or tender under UCC 2-602, making arrangements to hold the rejected non-IT goods somewhere protected from damage, and taking reasonable care of rejected non-IT goods until the supplier can take possession of the non-IT goods and remove them from the site.
3	The buyer is responsible for providing a notice of rejection letter to the supplier describing the defect(s) that renders the delivery as non-conforming to the purchase document, what the delivery and inspection criterion was, and how the delivered product does not conform.
4	The buyer can accept any unit of measure (e.g., lot, case, and pallet) and reject the rest (UCC 2-601). Example: A department executed a purchase document for 50 cases of bond paper, but the supplier shipped 150 cases of bond paper. The receiving staff may either reject the entire shipment or accept the 50 cases of bond paper in accordance with the provisions of the purchase document. The remaining 100 cases of paper will be rejected and returned to the supplier.

5	If the supplier, within a reasonable time period or as stated in the purchase documents, does not remove rejected non-IT goods, the department customer may: • Ship products back to the supplier at the supplier's expense. • Store the rejected non-IT goods with reimbursement required from the supplier for any incurred costs.

Suppliers may require customers to obtain a return authorization before shipping goods back to the supplier. Customers should contact the supplier prior to returning goods to confirm and follow any return authorization processes as required by the supplier.

6. Receiving Service Deliverables

The Department of Technology follows standard policies and procedures for repair or maintenance services of equipment. When equipment is acquired, the warranty information and Service Maintenance Agreement for repair or maintenance on that equipment is kept in the central procurement library file. The customer also has a copy for their records. When repair or maintenance is required on equipment that is under warranty, the Project Lead contacts the vendor directly. If the equipment is off of warranty, but there is a maintenance service agreement, the Project Lead contacts the service vendor directly. If there is no maintenance service contract associated with the equipment, the Project Lead contacts the Acquisition specialist, who addresses the repair or maintenance request.

The Project Lead will document:

- The time the maintenance provider was notified by the State
- The time the maintenance provider personnel arrived to repair the malfunction
- The time the component and/or system was returned to service
- A description of the malfunction or incident
- Signature of the maintenance provider and a representative of the State

The Project Lead ensures all data relevant to the repair or service maintenance call including response time, quality of repair or maintenance, timeliness of completing the service, and charges incurred compared with the service contract are recorded and kept along with the maintenance form in the procurement file.

CHAPTER 12

NON-IT GOODS CONTRACT ADMINISTRATION

Table of Contents

1. Contract Administrator Principals..... 1
2. Contract Document Retention..... 1

CHAPTER 12

NON-IT GOODS CONTRACT ADMINISTRATION

1. Contract Administrator Principals

Contract Administrators adhere to and conduct business by the same ethical standards as Acquisition Specialists. Purchasing personnel responsibilities extend beyond successful contract award, encompassing the entire lifecycle from planning to contract close-out. Acquisition Specialists in particular should remain cognizant of the activities occurring on contracts and help promote thorough documentation supporting the procurement and contracting lifecycle.

Contract administration begins with the hand-off from the buyer to the project manager/lead, from contract award to contract closeout. Department of Technology allocates sufficient resources so that adequate attention can be given to ensuring that the supplier delivers the product and/or service in conformance with the requirements set forth in purchase documents.

Department of Technology has developed a "Contract Administrator Checklist" to assist contract administrators with their responsibilities.

2. Contract Document Retention

Throughout this manual we stress the importance of adequate documentation. Acquisition Specialists and Contract Administrators have primary responsibilities in this area. The Department of Technology maintains records in sufficient detail to allow anyone to review documentation and understand how the procurement was requested, conducted, awarded and administered.

Department of Technology Acquisition Specialists are responsible for the procurement file, initiated during planning for the purchase. Contract Administrators are responsible for the vendor file, initiated upon contract signing. Once a contract is closed out, the vendor file and procurement project file are combined and retained by buyers in the Department of Technology centralized procurement library. Should records be required for audit or other purposes, acquisition specialists must be contacted. Department of Technology retains records for at least three years after payment of the last invoice unless a longer period is required in the contract. In addition, one copy of the master proposal from the successful supplier and the other bidders shall be kept for three years.

CHAPTER 13

NON-IT GOODS REPORTING REQUIREMENTS

Table of Contents

1. Introduction 1
2. Calendar of Reports 1

CHAPTER 13

NON-IT GOODS REPORTING REQUIREMENTS

1. Introduction

This chapter describes the requirements relative to the reporting requirements related to Department of Technology 's Purchasing Authority and additional acquisition reporting requirements.

2. Calendar of Reports

The IT Procurement and Contract Services Branch, in coordination with other areas of the department, is required to complete and submit the reports outlined in SCM Vol. 2, Chapter 12.

The reports and their due dates that we must complete and submit are as follows.

Table 13.1
Calendar of Reports

Report Title	Report Due Date	Report Submitted To	Report Purpose
Contract Award Report STD. 16	Within 10 days of contract award	E-mail to: Compliance@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.
Purchasing Authority Transaction Monthly Reporting	10th day of the month following the reporting period	Department of General Services Procurement Division Data Entry Unit - Second Floor North P.O. Box 989052 West Sacramento, CA 95798-9052	For collection of DGS administrative fee and purchasing authority compliance.

CHAPTER 13

NON-IT GOODS REPORTING REQUIREMENTS

Table 13.1 Calendar of Reports			
Report Title	**Report Due Date**	**Report Submitted To**	**Report Purpose**
STD 810 Contracting Activity Report and Improvement Plan(s) • STD 810A Infrastructure Bond Activity • STD 810C Consulting Services Contract Report • STD 810S SB/DVBE Option and DVBE Incentive Report • STD 810E Ethnicity Race and Gender Report (ERG)	August 1st for prior fiscal year	Department of General Services Procurement Division Office of Small business and DVBE Services Attn: Reports Coordinator 707 Third Street, First Floor, Room 400 MS 210 West Sacramento, CA 95605	The report provides fiscal statistical information on Small Business/Microbusiness (SB/MB) and Disabled Veteran Business Enterprise contracting activities to the legislature.
Late Payment Penalties Paid During Prior Fiscal Year	September 30th for prior fiscal year	Department of General Services Procurement Division Office of Small Business and DVBE Services Attn: Reports Coordinator Prompt Late Payment Coordinator 707 Third Street, First Floor, Room 400 MS 210 West Sacramento, CA 95605	Reporting on late payment penalties paid in previous fiscal year.
State Agency Recycled Campaign Procurement Report	October 31st for prior fiscal year	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 recycled content products.

Purchasing Authority Application Attachment 3

DGS Billing Codes for California Department of Technology

033000, 072001 & 45000

Purchasing Authority Application
Secondary Department Information

PRIMARY DEPARTMENT PCO – General Information			
Department:	Department of Technology		
CURRENT PURCHASING AUTHORITY NUMBER(S), IF APPLICABLE:			
Non-IT Goods:		**IT Goods and Services:**	9I-0714-CIO-HQ1

PCO Name	Marlon Paulo
Title & Classification	Branch Chief, Data Processing Manager III
Office	Procurement and Contract Services Branch (916) 431-5488
E-mail	Marlon.paulo@state.ca.gov

My signature certifies that 1) I understand and commit to the responsibilities (as defined in the State Contracting Manual) as the department's Procurement and Contracting Officer (PCO) and 2) I have assessed and determined that my department meets all requirements as specified in the State Contracting Manual and the Public Contract Code (PCC) for the requested purchasing authority dollar threshold levels.

1. M Paulo — 6/13/14

Signature of Procurement & Contracting Officer (must match the name above) — *Date*

SECONDARY DEPARTMENT PCO – General Information	
Department:	Governor's Office
Name	Becky Curler
Title & Classification	CIO
Office	Governor's Office 1303 10th St. Suite 1020 Sacramento, CA 95814 (916) 324-0404 / (916) 322-0611
E-mail	Becky.curler@gov.ca.gov

*My signature certifies that I, the Procurement & Contracting Officer, affirm my understanding that the department has not been granted purchasing authority under this application and that the purchasing authority will be granted to the **Primary Department** identified **above**, which will conduct the procurement activities.*

2. Becky J Curler — 6/13/14

Signature of Procurement & Contracting Officer (must match the name above) — *Date*

SECONDARY DEPARTMENT – JUSTIFICATION

Department of Technology is currently providing procurement assistance to the Governor's Office due to the lack of procurement staff and resources within the Governor's Office.

Purchasing Authority Application
Secondary Department Information

PRIMARY DEPARTMENT PCO – General Information			
Department:	Department of Technology		
CURRENT PURCHASING AUTHORITY NUMBER(S), IF APPLICABLE:			
Non-IT Goods:		**IT Goods and Services:**	9I-0714-CIO-HQ1

PCO Name	Marlon Paulo
Title & Classification	Branch Chief, Data Processing Manager III
Office	Procurement and Contract Services Branch (916) 431-5488
E-mail	Marlon.paulo@state.ca.gov

My signature certifies that 1) I understand and commit to the responsibilities (as defined in the State Contracting Manual) as the department's Procurement and Contracting Officer (PCO) and 2) I have assessed and determined that my department meets all requirements as specified in the State Contracting Manual and the Public Contract Code (PCC) for the requested purchasing authority dollar threshold levels.

1. MPaulo — 6/16/14

Signature of Procurement & Contracting Officer (must match the name above) — *Date*

SECONDARY DEPARTMENT PCO – General Information	
Department:	Lt. Governor's Office
Name	Kevin Schmidt
Title & Classification	Director
Office	Lt. Governor's Office 1303 10th St. Suite 1114 Sacramento CA 95814
E-mail	Kevin.Schmidt@ltg.ca.gov

*My signature certifies that I, the Procurement & Contracting Officer, affirm my understanding that the department has not been granted purchasing authority under this application and that the purchasing authority will be granted to the **Primary Department** identified **above**, which will conduct the procurement activities.*

2. — 6/12/14

Signature of Procurement & Contracting Officer (must match the name above) — *Date*

SECONDARY DEPARTMENT – JUSTIFICATION

Department of Technology is currently providing procurement assistance to the Lieutenant Governor's Office. And they must continue to provide IT procurement activities on behalf of the Lieutenant Governor's office.