Chapter 13

Purchasing Authority Application

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Chapter 13

Purchasing Authority Application

Overview

Introduction

In accordance with the PCC, DGS may grant its purchasing authority to departments. DGS is accountable and responsible for the purchasing authority it grants. The Purchasing Authority Application (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 types, category(ies), and dollar thresholds of authority requested.

This chapter describes how to complete the Application. Departments should refer to this chapter and to Chapter 1—Purchasing Authority, for guidance when completing the Application. Refer to Chapter 1—Purchasing Authority for general information regarding purchasing authority.

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Topic 1 – Part A: Department Information and Approvals

13.1.0 Introduction

This topic describes how to complete Part A of the Purchasing Authority Application.

13.1.1 What is the purpose of Part A?

The purpose of Part A is to:

- Identify the department requesting the purchasing authority.
- Identify the department's current purchasing authority, if applicable.
- Identify the PCO and the PAC(s).
- Obtain the PCO and PAC commitment to adhere to the purchasing authority requirements contained in the PAM.

13.1.2 When is Part A submitted?

Part A must be submitted when the department is:

- Renewing existing purchasing authority.
- Revising existing purchasing authority.
- Requesting new purchasing authority.
- Designating a new PCO or changing any of the PCO's information.
- Designating a new Purchasing Authority Contact or changing any of the PAC's information.

13.1.3 Application Part A

Click here to access the Purchasing Authority Application, Part A.

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13.1.4 Department information

The area of Part A that identifies the department requesting purchasing authority is titled "Purchasing Authority is Requested for Procurement Activities Conducted by". This refers to the department that will be granted the purchasing authority.

"Agency" is the cabinet-level entity to which the department reports (e.g. Resources Agency, Health and Human Services Agency). If the department reports directly to the Governor, enter "Direct Report to the Governor". If a department's executive officer is a constitutional officer, enter "Constitutional Officer".

"Department" is a department, board, commission or office (e.g. Department of Aging, Air Resources Board, Commission on the Status of Women, Office of Emergency Services). A department reports to one of the following as identified in the previous paragraph:

- An agency.
- The Governor.
- A constitutional officer.

"Sub-Department" is an area within a department previously granted purchasing authority that is separate from and in addition to the purchasing authority granted to the department's headquarters (e.g. veterans home, developmental center, mental hospital, district agricultural association).

Note: DGS/PD no longer grants new purchasing authority at the sub-department level. If a department has a business need for purchasing authority at the sub-department level, the department should discuss the department's business need with PAMS prior to preparing and submitting an Application.

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13.1.5 Current purchasing authority

The area of Part A that identifies the department's current purchasing authority is titled "Current Purchasing Authority Numbers, if Applicable." Enter all of the department's current purchasing authority numbers, separating each number by a comma. The following are examples of current types of purchasing authority:

- Non-IT
- IT
- Goods base
- Goods expanded

If the department does not currently have purchasing authority, enter "None" or "N/A".

Note: DGS/PD now grants two types of purchasing authority—non-IT and IT. A separate application is no longer required for base vs. expanded authority. A separate application is also not required to apply for authority to use the LPA's. See Chapter 1 for more information.

13.1.6 PCO and PAC information

The area of Part A that identifies the department's PCO and/or PAC(s) encompasses the majority of Part A. The following is an explanation of how to complete this area.

- All PCO information must be completed, including the PCO's signature. The signature must match the PCO "Name".
- If the department is designating a PAC, all PAC information must be completed for each purchasing authority type(s) requested (non-IT and/or IT), including the PAC's signature. The signature must match the PCO "Name".
- Addresses, mailing and physical, must include the street address or P.O. Box as applicable, city, state, and zip code. A P.O. Box may not be entered for the physical address. Phone and fax numbers must include the area code.
- If the department is designating a new PCO and/or PAC or revising the PCO and/or PAC information, the appropriate box in the applicable shaded header area must be marked and the PCO and/or PAC information must be completed.

Topic 2 – Part B: Procuring for Another Department

13.2.0 Introduction

This topic describes how to complete Part B of the Purchasing Authority Application.

13.2.1 What is the purpose of Part A?

The purpose of Part B is to:

- Identify that the department requesting purchasing authority (referred to as Dept. A) will conduct procurement activities for another department (referred to as Dept. B).
- Identify Dept. B and Dept. B's PCO.
- Document Dept. B's authorization for Dept. A to conduct procurement activities for Dept. B.
- Document the understanding of Dept. B's PCO that Dept. A will be granted the purchasing authority, not Dept. B.

13.2.2 When is Part B submitted?

Part B must be submitted when:

- Dept. A is renewing existing purchasing authority to procure for Dept. B.
- Dept. A is requesting new purchasing authority to procure for Dept. B.
- Dept. B designates a new PCO or any of Dept. B's PCO information changes.

Dept. A must submit a separate Part B for each department for which it will procure. A separate purchasing authority number will be assigned for each Dept. B to enable tracking of transactions and DGS oversight of the authority. For additional information, see Chapter 1, Topic 1.

Part B must normally be submitted with Dept. A's renewal Application. Submission of Part B during the term of Dept. A's purchasing authority for a newly identified Dept. B should be on an exception basis only.

13.2.3 Application Part B

Click here to access the Purchasing Authority Application, Part B.

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13.2.4 Dept. A and Dept. B information

The area of Part B that identifies Dept. A is titled "Purchasing Authority is Requested for Procurement Activities Conducted by". This refers to the department that is requesting and will be granted purchasing authority.

The area of Part B that identifies Dept. B is titled "Procurement Activities to be Conducted for". This refers to the department for which Dept. A will conduct procurement activities. Approval of the Application does not grant Dept. B purchasing authority.

For both Dept. A and Dept. B, "Agency" is the cabinet-level entity to which the department reports (e.g. Resources Agency, Health and Human Services Agency). If the department reports directly to the Governor, enter "Direct Report to the Governor". If a department's executive officer is a constitutional officer, enter "Constitutional Officer".

For both Dept. A and Dept. B, "Department" is a department, board, commission or office (e.g. Department of Aging, Air Resources Board, Commission on the Status of Women, Office of Emergency Services). A department reports to one of the following as identified in the previous paragraph:

- An agency.
- The Governor.
- A constitutional officer.

For both Dept. A and Dept., B, purchasing authority for one department to procure for another is not allowed at the sub-department level.

13.2.5 Current purchasing authority

The area of Part B that identifies Dept. A's current purchasing authority to procure for Dept. B is titled "Current Purchasing Authority Numbers, if Applicable." Enter all of the department's current purchasing authority numbers, separating each number by a comma. If the department does not currently have purchasing authority, enter "None" or "N/A".

See Chapter 1, Topic 7 for more information.

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13.2.6 PCO and PAC information

The first area of Part B related to PCO and PAC information is the area that identifies Dept. B's PCO and documents Dept. B's authorization for Dept. A to conduct procurement activities for Dept. B. The next area of Part B related to PCO and PAC information is the area that documents Dept. A's PCO and PAC understanding of Dept. A's responsibilities in conducting procurement activities for Dept. A. The following is an explanation of how to complete these areas.

- All PCO information for Dept. B must be completed, including the PCO's signature. The signature must match the PCO "Name".
- The PCO information for Dept. A must be completed only if Part B is not submitted with Dept. A's purchasing authority renewal (Dept. A has already provided this information in Part A). If it is necessary to complete Dept. A's PCO information in Part B, all PCO information must be completed, including the PCO's signature. The signature must match the PCO "Name".
- The PAC information for Dept. A must be completed only if Part B is not submitted with Dept. A's purchasing authority renewal (Dept. A has already provided this information in Part A). If it is necessary to complete the Dept. A's PAC information in Part B, all PAC information must be completed for each purchasing authority type(s) requested, including the PAC's signature. The signature must match the PAC "Name".
- Addresses, mailing and physical, must include the street address or P.O. Box as applicable, city, state, and zip code. A P.O. Box may not be entered for the physical address. Phone and fax numbers must include the area code.
- If Dept. B is designating a new PCO or changing the current PCO information, Dept. A must submit a new Part B that includes the required information as stated previously. The appropriate box in the shaded header area for the Dept. B PCO must be marked.

Topic 3 – Part C: Purchasing Authority Types, Categories, and Dollar Thresholds Requested

13.3.0 Introduction

This topic describes how to complete Part C of the Purchasing Authority Application.

13.3.1 What is the purpose of Part C?

The purpose of Part C is to identify the types, categories, and dollar thresholds of purchasing authority the department is requesting.

13.3.2 When is Part C submitted?

Part C must be submitted when the department is:

- Renewing existing purchasing authority.
- Revising existing purchasing authority.
- Requesting new purchasing authority.

If the department that is requesting the purchasing authority will conduct procurement activities for another department, it is not necessary to submit a separate Part C for the other department.

13.3.3 Application Part C

Click here to access the Purchasing Authority Application, Part C.

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13.3.4 Non-IT table vs. IT table

While the categories within each of the non-IT and IT tables are not identical, they are very similar. Therefore, the general instructions that follow are the same for both tables. If the department is requesting both types of purchasing authority, complete both tables. If the department is requesting only one type of purchasing authority, complete only the applicable table.

A primary difference between the two tables is the ability under the non-IT purchasing authority to request formal competitive solicitation authority for a specific category(ies) of goods, rather than a general expansion of authority. If the department is requesting this type of authority, the related box under the non-IT table must be completed. The ability to request this authority for a specific category(ies) is not available for IT purchasing authority.

13.3.5 Which types and category(ies) of authority should the department request?

It is the department's decision whether to request authority for one or both types of authority, as well as whether to request authority for all, some or none of the categories of authority. DGS/PD cannot make this decision for the department. The department must specify the types, category(ies), and dollar threshold(s) for which it is requesting authority.

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13.3.6 New, renewal or revised application

The shaded header in each table provides selections for the department to identify whether the Application is for new purchasing authority, to renew existing purchasing authority or to revise existing purchasing authority. The department must select and check one of these boxes in each table, as applicable.

13.3.7 Available Dollar Thresholds

The dollar values in the "Available Dollar Thresholds" column reflect the dollar thresholds currently available to departments. This information is provided for ease of reference by the department. For each category, except competitive, the department may apply for the dollar thresholds listed or may elect to not apply for a category(ies). For competitive, the department has the following choices:

- Minimum, which is the lowest dollar threshold of authority available.
- Introductory, which is the entry dollar threshold for IT purchasing authority. This threshold is for informal solicitations. This choice is not available for non-IT purchasing authority.
- Standard, which is the general dollar threshold of authority available. This threshold is for informal solicitations.
- Formal, which does not have a dollar threshold. The threshold for formal solicitations is considered and granted on a case-by-case basis

The requirements for obtaining purchasing authority for any category or competitive sub-category(ies) are commensurate with the applicable dollar threshold. Purchasing authority for contracts identified as exempt by statute or by policy will be granted at the same dollar threshold granted for competitive solicitations.

13.3.8 Current Approved Dollar Thresholds

The dollar values entered in the "Current Approved Dollar Thresholds" column reflect the department's current authority for each category. The department must make an entry in this column for each category. If the department does not have current authority for a category(ies), enter "None". Completion of this column will help to ensure that the department requests authority commensurate with its current authority or that the department requests an increase that is relative to its current authority.

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13.3.9 Dollar Thresholds Requested

The dollar values entered in the "Dollar Thresholds Requested" column reflect the authority for each category for which the department is requesting authority. The department must make an entry in this column for each category for which it is requesting authority. If the department is not requesting authority for a category(ies), enter "None".

The department may enter only the dollar value choices identified in the column titled "Available Dollar Thresholds" or "None". Entry of any other dollar value or multiple dollar values for a specific category will result in authority granted commensurate with the "Available Dollar Thresholds" column or as determined by review of the department's complete Application.

Note: The department should review Chapter 1, Topic 1, prior to completing this column to gain a clear understanding of purchasing authority types, categories, and dollar thresholds.

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13.3.10 Request for increased purchasing authority

The department may submit a Request for One-Time Procurement to Increase Purchasing Authority, Information Technology or Non-IT Goods as applicable. The Request must be submitted when the department is requesting an increase in dollar threshold for the following categories of purchasing authority:

- Informal IT competitive solicitation authority valued at $500,000.
- Formal non-IT competitive solicitation authority valued at any amount above $50,000.00.
- Formal IT competitive solicitation authority valued at any amount above $500,000.00.

The Request should be submitted with the department's renewal application. If, at the time of renewal application submission, the department has not identified a single competitive solicitation for the requested dollar threshold, the missing Request will be identified as a deficiency and the department will be allowed up to 90 days to submit the Request.

If the department is requesting this authority, the related box at the bottom of Part C must be checked. The Request must be referenced as Attachment C to the department's Application.

It is recommended that the department discuss such a Request with PAMS prior to completing the Request. For more information regarding applying for this authority, see Chapter 1, Topic 1 and Topic 5.

Click here to access the Request for One-Time Procurement to Increase Purchasing Authority, Non-IT Goods. Word PDF

Click here to access the Request for One-Time Procurement to Increase Purchasing Authority, Information Technology. Word PDF

Topic 4 – Part D: Required Attachments

13.4.0 Introduction

This topic describes how to complete Part D of the Purchasing Authority Application.

13.4.1 What is the purpose of Part D?

The purpose of Part D is to obtain information necessary to evaluate the department's Application.

13.4.2 When is Part D submitted?

Part D must be submitted when the department is:

- Renewing existing purchasing authority.
- Revising existing purchasing authority.
- Requesting new purchasing authority.

Note: If the department is revising existing purchasing authority, the department must submit Attachment D, but is only required to respond to Item 1 and attach its policies and procedures.

13.4.3 Application Part D

Click here to access the Purchasing Authority Application, Part D.
Word PDF

13.4.4 Policies and procedures

The department must submit current procurement policies and procedures relevant to the type, categories, and dollar levels for which authority is requested. A department must submit its own procurement policies and procedures. It may not submit another department's procurement policies and procedures or a copy of this Manual to fulfill this requirement.

The department's policies and procedures must be included with the department's Application and identified as Attachment D1.

Continued on next page

13.4.5 Conflict of interest statement

The department must indicate whether it uses the sample conflict of interest statement provided in Chapter 1, Topic 4 or a conflict of interest statement created by the department. If the department does not use the sample conflict of interest statement provided in Chapter 1, Topic 4, the department must submit the department's conflict of interest statement with the Application. The department's conflict of interest statement must reference or include G C section 19990.

Do not submit signed statements with the Application. Signed statements must be retained by the department and made available upon request by DGS/PD.

If applicable, the department's conflict of interest statement must be included with the department's Application and identified as Attachment D2.

13.4.6 Audits

If there has been an audit(s) of the department's procurement and/or contracting program(s) since submission of the department's last Application, provide copies of the relevant pages of the audit report(s). Relevant pages include the cover page, table of contents, and pertinent pages that relate to the department's procurement and contracting program, including audit findings and departmental responses. For findings that are not documented as resolved, attach a description of the status of actions the department has taken or plans to take to correct the findings.

Reports include, but are not limited to, those prepared by DGS Office of Audit Services, Bureau of State Audits, and departmental internal audits. Do not attach a copy of a purchasing program compliance review conducted by PAMS.

A copy of the relevant pages of the audit(s) must be included with the department's Application and identified as Attachment D3.

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13.4.7 Reporting

Review of the department's Application includes verification of the department's transaction reporting (see Chapter 12, Topic 1). If the department is aware of unreported transactions, the department must submit those transactions with its Application. This does not include unreported transactions identified during a PAMS purchasing program compliance review. A copy of the unreported transactions must be included with the department's Application and identified as Attachment D4a.

Review of the department's Application includes verification of the department's NCB Contract Quarterly Reporting (see Chapter 12, Topic 2). If the department is aware of unreported NCB Contract Quarterly Reports, the department must submit those reports with its Application. The unreported NCB Contract Quarterly Report(s) must be included with the department's Application and identified as Attachment D4b.

Note: Late or non-submission of NCB Contract Quarterly Reports could result in termination of the department's NCB contract purchasing authority.

Review of the department's Application includes verification of the department's Prescription Drugs Purchased Outside of the Prescription Drug Program Quarterly Reporting (see Chapter 12, Topic 4). In accordance with GCC section 14977.5 the following departments are required to participate in the DGS/PD prescription drug bulk purchasing program:

- Corrections and Rehabilitation
- Developmental Services
- Mental Health and,
- Any department that elects to participate in the prescription drug bulk purchasing program.

The unreported Prescription Drugs Purchased Outside of the Prescription Drug Program Quarterly Report(s) must be included with the department's Application and identified as Attachment D4c.

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13.4.8 STD.65 alternate version

The department must identify whether it uses:

- The State's Purchasing Authority Purchase Order (STD.65).
- An alternate version of the STD.65 approved by DGS/PD's Forms Coordinator.
- An alternate version of the STD.65 and approval to use the alternate version has not been requested from DGS/PD's Forms Coordinator.

If the department uses an alternate version of the STD.65, and the department has not requested approval from DGS/PD's Forms Coordinator to use the alternate version, even if the department considers it to be an exact replica of the STD.65, the department must submit a copy of the alternate version with its Application. The department must request new approval of its alternate version if the State's STD.65 is revised. The alternate version of the STD.65 must be included with the department's Application and identified as Attachment D5.

Note: If the department uses DGS/PD's PIN system, the department should state that it uses the State's STD.65.

13.4.9 DGS Bill Codes

The department must submit a list of all DGS Bill Codes (Customer Account Numbers) the department will charge against under its purchasing authority.

Note: The department must notify PAMS of any changes to this list prior to using additional bill codes under its purchasing authority. See the PAMS Contact List in Chapter 1, Topic 1.

The bill code list must be included with the department's Application and identified as Attachment D6.

Topic 5 – Part E: Required Responses

13.5.0 Introduction

This topic describes how to complete Part E of the Purchasing Authority Application.

13.5.1 What is the purpose of Part E?

The purpose of Part E is to obtain information necessary to evaluate the department's Application and to verify that the department is aware of specific purchasing authority requirements

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13.5.2 When is Part E submitted?

Part E must be submitted when the department is:

- Renewing existing purchasing authority.
- Revising existing purchasing authority, only if applicable.
- Requesting new purchasing authority.

Note: If the department is revising existing purchasing authority, the department is required to submit Attachment E only if and as applicable to the revision.

13.5.3 Application Part E

Click here to access the Purchasing Authority Application, Part E.
Word PDF

13.5.4 Responses

The department must provide thorough and complete responses. The responses must be entered into Part E.

The completed Part E must be included with the department's Application..

Topic 6 – Application Submission

13.6.0 When to submit

Renewal applications must be submitted to and received by the PAMS between the 1st and 15th of the month preceding the month the department's purchasing authority expires. Late submission will result in a lapse of the department's purchasing authority. Applications for new purchasing authority or to revise existing purchasing authority may be submitted at any time. See Chapter 1, Topic 5.

13.6.1 Where to submit

Submit the Purchasing Authority Application to:

By IMS:
Z-1
DGS/Procurement Division
Purchasing Authority Management Section, Second Floor South
Attn: Purchasing Authority Application
707 Third Street, Second Floor South
West Sacramento, CA 95605

By Mail:
DGS/Procurement Division
Purchasing Authority Management Section, Second Floor South
Attn: Purchasing Authority Application
P. O. Box 989052
West Sacramento, CA 95798-9052

Hand Delivered:
DGS/Procurement Division
Purchasing Authority Management Section
Attn: Purchasing Authority Application
707 Third Street, Second Floor South
West Sacramento, CA 95605

Topic 7 – Approvals

13.7.0 Approval

The department will be notified of approval of its Application prior to expiration of its current purchasing authority if the Application is submitted on time. The department will be notified of approval of a new Application or of an Application to revise its purchasing authority within 60 days. Incomplete and insufficient Applications will be returned to the requesting department.

Approval notifications will be electronically mailed to the department's PAC(s), with a copy to the department's PCO. If the department has not designated a PAC, the approval notification will be electronically mailed to the PCO. It is Dept. A's responsibility to notify Dept. B of the approval.

DGS/PD also notifies the following entities of an Application approval:

- State Controllers Office
- DGS Office of Audit Services
- DGS/PD, Acquisitions Branch
- DGS/PD, CAL-Card Program

Click here to view the Purchasing Authority Approval. Word PDF

Click here to view the Purchasing Authority Approval—Procuring Department Addendum. Word PDF