

**Purchasing Authority Manual
Revision 3
Summary of Changes
September 2005**

General Information:

- Effective with Revision 3, the State Contract Manual, Volume II [Purchasing Authority Manual, (PAM)], will be updated on an annual basis.
- PAM, Revision 3 is available on the Purchasing Authority Management Section's web page only as an updated version without highlighting where changes are occurring. Departments that wish to receive a tracked version (showing changes); please contact PAMS and a tracked version copy will be provided via a compact disc (CD).
- Significant Changes:
 - New Chapter 14 - Department Procurement Policies and Procedures, provides information to assist departments in developing a department procurement policy and procedure manual.
 - Chapter 4 - Competitive Solicitations, adds new solicitation format templates to use in conducting Request for Quote(s) for non-IT/IT goods, IT services and IT goods and services. Also provides templates to use in conducting a Request for Proposal(s) and/or an Invitation for Bid(s) solicitation. New elements for competitive solicitation charts have been added.
 - Chapter 6 - Leveraged Procurement Agreements, deletes all reference to the Cal-Store statewide contract and removes the Cal-Store topic from Section F of this chapter. Topic 2 – Strategically Sourced Statewide Contracts, found in Section D of this chapter is added providing requirements for using statewide contracts established under the California Strategic Sourcing Initiative (CSSI).
 - Chapter 12 – Reporting Requirements, adds new prescription drug reporting requirements. Updates address for Fair Employment and Housing reporting.
 - Management Memos: purchasing authority activities impacted by the issuance of Management Memo 05-03, 05-08 and 05-11 are updated in Revision 3.
 - Correspondence broadcasts to Procurement and Contracting Officers (PCO) and Purchasing Authority Contract (PAC) dated from December 22, 2004 through July 25, 2005 has been incorporated into Revision 3 where impacted.
 - PCO & PAC correspondence broadcast dated September 6, 2005, increasing the dollar threshold for non-IT purchasing authority for competitive goods from \$25,000.00 to \$50,000.00 has been updated throughout PAM as a result of this revision.

Detail of Revision 3 Changes identified by Chapter, Information Block, Section and Topic

Introduction:

| Information Block | What Changed |
|-------------------|---|
| I.1.0 – I.1.10 | Information block labels have been corrected to be consistent with the PAM labeling system. |
| I.1.4 | Adds reference to new Chapter 14 – Department Procurement Policies and Procedures |
| I.1.7 | Updates PAM revision schedule from semi-annual revisions to an annual revision schedule. |
| I.1.9 | PAM list of acronyms has been updated. |

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| Detail of Revision 3 Changes identified by Chapter and Information Block | |
|---|---|
| Chapter 1 – Purchasing Authority: | |
| Information Block | What Changed |
| 1.1.2 | Adds applicable SAM reference to the table on purchasing authority types. |
| 1.1.3 | Purchasing categories <ul style="list-style-type: none"> • Deletes reference to Cal-Store contract • Deletes non PIA and PIA references from State Price Schedules |
| 1.1.5 | Table identifying competitive purchasing authority levels <ul style="list-style-type: none"> • Deletes reference to Introductory IT competitive purchasing authority |
| 1.1.9 | Adds PAMS email address and provides an updated PAMS contact list. |
| 1.2.1 | Changes non-IT competitive purchasing authority dollar threshold to \$50,000.00. |
| 1.3.0 | Categories and dollar thresholds table: <ul style="list-style-type: none"> • Deletes the \$100,000.00 Introductory IT purchasing authority level. • Revises dollar threshold for Standard level non-IT competitive purchasing authority from \$25,000.00 to \$50,000.00. • Revises dollar threshold for Formal level non-IT competitive purchasing authority from \$25,000.00 to \$50,000.00 • Deletes Cal-Store reference from LPA/Master Agreement purchasing authority category. • Adds note that IAA(s) for IT services must be executed on a STD.213 – Standard Agreement for IT goods and services only and the dollar threshold for IT IAA(s) coincide with a department’s approved dollar threshold for IT competitive purchasing authority. |
| 1.3.2 | Exclusions table: <ul style="list-style-type: none"> • IAA(s) - Adds note regarding IAA(s) for IT services. • Opportunity purchases – Adds note opportunity purchases executed by DAA(s) are only applicable to non-IT goods transactions. |
| 1.3.3 | Adds new information block to further identify the requirements of IT services provided through an IAA between departments or provided by a consolidated data center. |
| 1.6.0 | Adds note in reference to submitting a single application when departments request both non-IT and IT purchasing authority. |
| 1.6.3 | Adds clarification on timeframes for submitting purchasing authority renewals and provides an example. |
| 1.6.7 | Revises reference to dollar threshold for non-IT goods to \$50,000.00. |
| 1.8.2 | Deletes reference to Cal-Store under LPA orders, master agreements. |
| 1.8.3 | Adds PCC section 10320 in reference to purchasing authority compliance reviews. |

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| Chapter 2 – Procurement Planning: | |
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| Information Block | What Changed |
| 2.A2.2 | Adds note identifying personal items that are not to be purchased under a department's purchasing authority. |
| 2.B3.4 | Adds access to Lease versus Purchase Analysis form and a legible copy of a completed form as shown in SAM section 3700 A-1. |
| 2.B3.6 | Adds a link to the Transportation Management Unit's web page. |
| 2.B7.0 | Deletes reference to Budget Letter 04-26 and adds SAM section 4989-4989.8 reference to the desktop and mobile computer equipment requirements. |
| 2.B7.1 | Adds reference to SAM section 4989.1 for desktop and mobile computing definitions. |
| 2.B7.2 | Deletes reference to Budget Letter 04-26. SAM section 4989.2 has been updated with budget letter information. |
| 2.B7.3 | Adds note regarding the use of the Certification of Compliance with policies for desktop and mobile computer purchases. |
| 2.B8.3 | Adds and deletes contact information and phone number for non-IT goods emergency purchases. |
| 2.C1.1 – 2.C1.2 | Adds requirements and information in accordance with Management Memo 05-08. |
| 2.C1.3 – 2.C1.4 | Revises information block numbering as a result of new information added in 2.C1.1 – 2.C1.2. |
| 2.C2.2 | Adds new information block to provide information on the accessibility of the electronic surplus property system. |
| 2.C2.3 | Revises information block numbering as a result of new information block 2.C2.2 being added. |
| 2.C7.0 | Adds reference to SAM 4819.2 for the definition of a development effort. |
| 2.C7.1 | Adds a cross reference to 2.C7.2 for procurement documentation requirements to support IT expenditures valued less than \$100,000.00. |
| Chapter 3 – Socioeconomic and Environmental Programs: | |
| Information Block | What Changed |
| 3.2.6 | Adds commercially useful function information and access to Management memo 05-03. |
| 3.3.0 – 3.3.2 | Adds clarifications on the requirements for DVBE participation. |
| 3.3.3 | Adds a cross reference to Topic 2 of this chapter and links to Management Memo 05-03 for CUF requirements. |
| 3.4.1 | Adds a cross reference to Topic 2 of this chapter and links to Management Memo 05-03 for CUF requirements. |
| 3.6.0 – 3.6.6 | Adds new topic to provide information and requirements for applying the 5% SB preference to nonprofit veteran service agency suppliers. |
| 3.7.0 – 3.7.5 | Revises information block number labeling as a result of the addition of new topic described above. No sufficient changes made to topic content. |
| 3.8.0 – 3.8.5 | Revises information block number labeling as a result of the addition of new topic described above. No sufficient changes made to topic content. |

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| Chapter 3 – Socioeconomic and Environmental Programs: | |
|--|---|
| Information Block | What Changed |
| 3.9.0 – 3.9.5 | Revises information block number labeling as a result of the addition of new topic described above. |
| 3.9.1 | Adds note regarding that the State's appliance regulations for energy efficiency differs from the FEMP standards and provides a link to the California Energy Commission web page for the appliance efficient program. |
| Chapter 4 – Competitive Solicitations: | |
| Information Block | What Changed |
| 4.A1.2 | Updates advertising requirement dollar threshold from \$25,000.00 to \$50,000.00 for non-IT goods. |
| 4.A1.3 | Adds wording to alert buyers that a confidentiality statement should be signed by any participant included in the development and management of the competitive solicitation and throughout the evaluation and award process. |
| 4.A1.5 | Replaces file documentation lists for non-IT and IT competitive solicitations. |
| 4.A2.0 | Updated non-IT goods dollar threshold solicitations to \$50,000.00. |
| 4.A3.1 | Updates advertising dollar thresholds for non-IT goods from \$25,000.00 to \$50,000.00. |
| 4.A3.2 | Clarifications to CSCR publish date vs. solicitation release date information. |
| 4.A3.3 | Clarifications to advertising timeframe. Also provides information regarding requirements to be followed if a shorter advertisement is necessary. |
| 4.B1.0 | Deletes links to comparison of requirements charts. |
| 4.B1.2 | Adds additional instances where a written solicitation is necessary. |
| 4.B2.6 | Adds clarification on the requirements for waiving the DVBE participation requirements for competitive solicitation |
| 4.B2.9 | Adds information block with requirements for an addenda. |
| 4.B3.0 – 4.B3.5 | Revises topic to address only non-IT solicitations. |
| 4.B3.3 | Adds access to an element of competitive solicitation chart for non-IT goods. |
| 4.B3.4 | Renames information block. |
| 4.B4.0 – 4.B4.6 | Adds new topic specific to IT solicitations conducted as a Request for Quotation. |
| 4.B5.0 | Updates non-IT dollar threshold from \$25,000.00 to \$50,000.00. |
| 4.B5.1 | Updates non-IT dollar threshold and clarifies when to use an IFB solicitation format. |
| 4.B5.3 | Updates non-IT dollar thresholds. |
| 4.B6.0 – 4.B6.5 | Adds new topic specific to IFB solicitation formats used for IT solicitations. |

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| Chapter 4 – Competitive Solicitations: | |
|---|--|
| Information Block | What Changed |
| 4.B7.0 – 4.B7.4 | Revises information block numbering to include the topic to sequence. |
| 4.B7.1 | Adds access the RFP solicitation format for formal IT solicitations |
| 4.B8.0 – 4.B8.4 | Revises information block numbering sequence. Also updates dollar threshold increase to non-IT goods to \$50,000.00. |
| 4.B9.0 – 4.B9.6 | Revises information block numbering sequence. |
| 4.B9.0 | Adds clarification that the bidder instructions are replaced with Section II, Rules Governing Competition when conducting a formal IT solicitation. |
| 4.B9.5 | Adds information on obtaining seller's permits for tangible products. |
| 4.C1.1 | Updates dollar threshold for non-IT to \$50,000.00. |
| 4.C2.2 | Adds revised file documentation list for transactions under \$5,000.00. |
| 4.D1.1 | Adds note to buyer conducting IT competitive solicitations exceeding \$100,000.00 to use the evaluation and selection process for contract award as outlined in 4.D1.2 |
| 4.D1.2 | Updates dollar thresholds referenced in information. |
| 4.D2.5 | Updates dollar threshold referenced in information and adds note to buyer regarding awards. |
| 4.D4.1 | Adds information regarding bid submittals for IT solicitations using the value effective evaluation for contract award. |
| | |
| Chapter 5 – Non-Competitively Bid (NCB) Contracts: | |
| Information Block | What Changed |
| 5.1.8 | Revised file documentation list for NCB contracts. |
| 5.4.0 | Adds requirement for submitting a SCR and provides a link to the STD.821. |
| 5.4.1 | Adds note providing clarification that a SCR is not used for emergencies or to aggregate request on behalf of other departments. |
| 5.4.2 | Adds information regarding the approval period of a SCR. Also adds clarification of where the expiration date of the SCR is found on the SCR form. |
| 5.4.4 | Adds information on executing a purchase document in accordance with an approved SCR. |
| 5.6.1 | Adds to list of transactions that are exempt by DGS policy from advertising or competitive bidding. |
| 5.7.2 | Adds statement that buyers need to contact department legal advice and contact PAMS for assistance with suppliers' software licenses. |

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| Chapter 6 – Leveraged Procurement Agreements: | |
|---|---|
| Information Block | What Changed |
| 6.A1.1 | Deletes reference to Cal-Store. Adds information on submitting a master agreement exemption as outlined in PCO/PAC broadcast dated 04/22/05. |
| 6.A1.2 | Revises routing instructions for non-IT services LPAs. Clarifies that a CMAS non-IT service transaction exceeding \$50,000.00 is sent to DGS/PD and any other non-IT services LPA transaction is sent to OLS in accordance with the individual user instructions. |
| 6.A1.3 | Adds note in LPA table under statewide contract heading identifying that statewide contracts assigned with a leading “8” in its contract number are restricted to PIA use only. Also deletes reference to Cal-Store from table. |
| 6.A1.4 | Deletes reference to Cal-Store. |
| 6.A3.1 | Adds statement reminding buyers not to use competitive solicitation terminology when developing conducting LPA activities. |
| 6.A3.5 | Adds access to a Request for Offer (RFO) template |
| 6.A3.6 | Revises statement to clarify that documentation transaction exempted from obtaining 3-offers must have written documentation in the procurement file to support the exemption. |
| 6.A3.8 | Adds another condition, exempt from obtaining multiple offers by either statute or policy, to document in the procurement file for LPA transactions where there is only one source known. Also include a cross reference to Chapter 5. |
| 6.B2.1 | Adds access to a Request for Offer solicitation format for LPA use. |
| 6.C1.5 | Adds instructions on completing a NCA document for SLP transactions over \$250,000.00. |
| 6.D1.7 | Deletes reference to Boise Office Solutions and inserts in its place OfficeMax. |
| 6.D1.8 | Deletes Cal-Store information and adds information regarding statewide contracts restricted for PIA use only. Contract numbers begin with an “8”. |
| 6.D2.0 – 6.D2.3 | Adds topic on statewide contracts issued through the California Strategic Sourcing Initiative. |
| 6.D1.0 | Deletes reference to PIA state price schedules. |
| 6.F1.3 | Adds new information block and information on master agreements dollar threshold limitations and the requirements for exceeding a MA dollar threshold. |
| 6.F1.4 | Revises information block number due to the addition of the above information block on master agreements. |
| 6.F2.1 | Adds access to the RFO template. Also provides a note to buyers to verify through the MA user instructions that the MA does not provide for a specific solicitation format before using the RFO template provided. |
| 6.F2.6 | Adds statement that a copy of a completed and submitted NCA document must be retained in the procurement file. Provides access to the NCA document. |

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| Chapter 6 – Leveraged Procurement Agreements: | |
|---|---|
| Information Block | What Changed |
| 6.F2.7 | Revises the MA exemption process requirements to conduct a MA activity exceeding the \$500,000.00 dollar threshold. Provides access to the revised form to complete and submit to PD requesting the authorization to conduct with PD oversight a MA transaction exceeding \$500,000.00. |
| 6.F2.8 – 6.F2.9 | Adds information block labeling previously omitted. No content has changed. |
| 6.F4.0 – 6.F4.7 | Deletes entire topic on Cal-Store |
| Chapter 7 – Protest and Post Award Disputes: | |
| Information Block | What Changed |
| 7.1.0 – 7.5.5 | No changes. |
| Chapter 8 – Purchase Documents: | |
| Information Block | What Changed |
| 8.1.1 | Adds reference to Management Memo 03-09 for SCPRS requirements. |
| 8.1.3 | Adds information block for SCPRS registering responsibilities. |
| 8.1.4 - 8.1.6 | Revises information block numbering sequence as a result of the additional information being provided on SCPRS registration responsibilities. |
| 8.2.6 | Adds information on what denotes a fully executed purchase document. |
| 8.2.7 | Adds information for receiving stock or services using only what is defined as a fully executed purchase document. |
| 8.4.3 | Deletes reference to Cal-Store |
| 8.4.4 | Adds information alerting buyers that on PIA orders is not necessary to check any of the terms and conditions blocks of the STD.65. |
| 8.5.0 | Adds clarification to TMU information and provides access to the TMU web page. |
| 8.5.2 | Adds clarifications to shipping methods and TMU contact information. |
| 8.6.0 | Adds access to STD.213 standard agreement for IT goods and service only in both word and PDF formats. |
| 8.6.3 | Adds cross reference to Chapter 8, Topic 1 for SCPRS requirements. |
| Chapter 9 – Disbursements, Financing and Payment Programs: | |
| Information Block | What Changed |
| 9.A6.1 | Adds information on the TMU audit process and requirements for freight bills. |
| 9.A6.2 – 9.A6.7 | Revises information block labeling sequence as a result of new information block being added. |
| 9.B3.0 | Adds note to remind buyers that non-IT services outside of an LPA procurement approach are subject to the contracting requirements of SCM, Volume 1. |
| 9.B3.1 | Deletes reference to “this manual” and clarifies that CAL-Card payments do not relieve departments from adhering to all procurement laws, regulations, policies, procedures and best practices are subject to both volumes of the SCM. |

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| Chapter 9 – Disbursements, Financing and Payment Programs: | |
|--|---|
| Information Block | What Changed |
| 9.B3.3 | Updates phone number for CAL-Card program. |
| 9.B4.2 | Adds information to the CAL-Card Agency Program Coordinator responsibilities to include maintaining records of all account set ups and/or updates. |
| Chapter 10 – Receiving, Inspection, Acceptance Testing and Acceptance or Rejection: | |
| Information Block | What Changed |
| 10.1.5 | Adds clarification that buyers promptly release fully executed and properly approved purchase documents to personnel involved in the procurement process. Adds cross reference to chapters 10 and 11. |
| 10.7.5 | Adds reference to SAM 8643 and 20080 stating that losses of state property due to fraud or embezzlement must be reported to Finance, Office of State Audits and Evaluations and the Bureau of State Audits. |
| Chapter 11 – Contract Administration: | |
| Information Block | What Changed |
| 11.1.0 – 11.4.3 | Remains unchanged from December 2004 revision. |
| Chapter 12 – Reporting Requirements: | |
| Information Block | What Changed |
| 12.A1.0 – 12.A1.5 | Revises the information block numbering system to include new chapter sections. No changes to content. |
| 12.A2.0 – 12.A2.2 | Adds a topic devoted to the Data Center Interagency Agreement Quarterly Reporting requirements for the Department of Technology Services, previously known separately as TDC and HHSDC state data centers. |
| 12.A3.0 – 12.A3.6 | Revises the information block numbering system to include new section. No changes to content. |
| 12.A4.0 – 12.A4.3 | Adds new topic on reporting requirements for prescription drugs purchased outside of the prescription drug bulk purchasing program. |
| 12.B1.0 – 12.B1.4 | Revises the information block numbering system to include new chapter sections. |
| 12.B2.0 – 12.B2.4 | Revises the information block numbering system to include new chapter sections. |
| 12.B2.3 | Clarifies STD.810 reporting due dates and provides access to the Legislative Report Due Dates, Distribution Forms and Instructions web page. |
| 12.B3.0 – 12.B3.1 | Revises the information block numbering system to include new chapter sections. |
| 12.B3.1 | Updates the Department of Fair Employment and Housing, Office of Compliance mailing address. |
| 12.B4.0 – 12.B4.3 | Revises the information block numbering system to include new chapter sections. No content changes. |
| 12.B5.0 – 12.B5.3 | Revises the information block numbering system to include new chapter sections. |
| 12.B5.2 | Clarifies due date information and distribution requirements for the consulting services contract report. |

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| Chapter 12 – Reporting Requirements: | |
|---|---|
| Information Block | What Changed |
| 12.B6.0 – 12.B6.1 | Revises the information block numbering system to include new chapter sections. No content changes. |
| 12.B7.0 – 12.B7.3 | Revises the information block numbering system to include new chapter sections. No content changes. |
| 12.B8.0 | Revises the information block numbering system to include new chapter sections. Updates the Calendar of Reports. |
| Chapter 13 – Purchasing Authority Application: | |
| Information Block | What Changed |
| 13.6.0 | Updates timeframes for submitting a purchasing authority renewal application. |
| 13.7.0 | Adds that the approval notification will be electronically mailed to the department's PAC(s) or PCO if the department has not designated a PAC. |
| Chapter 14 – Department Procurement Policies and Procedures: | |
| Information Block | What Changed |
| 14.1.0 – 14.2.6 | Adds new chapter to assist departments in developing a department's procurement policy and procedure manual. |