

Chapter 8

Purchase Documents

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Chapter 8

Purchase Documents

Overview

Introduction This chapter describes the different purchase documents executed under a department's purchasing authority. The competitive and non-competitive purchase of non-IT goods and non-IT LPA orders will most often be executed on the Purchasing Authority Purchase Order (STD.65). Non-IT services may be executed using a standard agreement (STD.213) if issued against a master service agreement (MSA). Buyers must read the user instructions provided by the individual master agreement to determine the appropriate purchase document to be utilized.

Also included in this chapter are policies and procedures regarding the State Contract and Procurement Registration System (SCPRS) over \$5,000.00.

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Topic 1 – State Contract and Procurement Registration System (SCPRS)

8.1.0 Purpose of SCPRS
(rev 5/15) The SCPRS, an Internet-based application, was developed as a contract tracking system to provide a centralized database on state contracting and purchasing transactions. Beginning in Summer 2015, the SCPRS system transitions from BidSync to FI\$Cal.

**8.1.1
Registering
purchases
(rev 5/15)**

Any and all purchase documents valued over \$5,000 shall be registered in the SCPRS, regardless of the contract type. This includes, but is not limited to grants, subvention contracts, and exempt contracts. Departments are encouraged to also enter information for lower dollar-value transactions.

The system enables departments to record transactions valued at \$5,000 and less. Individual departments may elect to do so in an effort to meet internal tracking needs. Additionally, recording transactions in SCPRS eliminates the requirement to send hard copies of the purchase documents to DGS/PD.

Effective January 2016, any State Department, including those that are deferred or exempt from FI\$Cal, shall register all transactions in the FI\$Cal SCPRS system, regardless of dollar value and procurement method. Exempt and deferred departments will have the option to either enter their procurements manually or upload their transactions using the upload tool.

**8.1.2
Recording the
SCPRS
number**

The registration number assigned by the SCPRS must be entered on all purchase documents prior to issuing the order to the supplier.

Most purchase documents have been revised to accommodate the SCPRS number commonly located in the top right side of the forms. If a purchase document has not been revised to include the SCPRS box, the buyer must manually record the SCPRS number in the top right side of the form.

**8.1.3
Registering
responsibilities**

Responsibility for entering the SPCRS registration number information is as follows:

If the transaction	Then SPCRS registration is the responsibility of the
Is within the department's approved purchasing authority	<ul style="list-style-type: none"> • Department will: <ul style="list-style-type: none"> – Record the assigned registration number onto all the purchase document copies prior to releasing to the supplier. – Retain a copy of the purchase document with the recorded registration number in the procurement file.
Requires the DGS' review and approval	<ul style="list-style-type: none"> • Requesting department will: <ul style="list-style-type: none"> – Record the assigned registration number onto all the purchase document copies <u>ONLY AFTER</u> obtaining the required DGS approval and prior to releasing to the supplier – Retain a copy of the purchase document with the recorded registration number in the procurement file.
Is purchased by the DGS on behalf of a department	<ul style="list-style-type: none"> • The DGS/PD will <ul style="list-style-type: none"> – Record the assigned registration number onto all the purchase document copies.

**8.1.4
Consequence
of not
reporting**

A department failing to record transactions in the SCPRS registration system will be considered non-compliant with purchasing authority requirements, which may adversely impact the department's purchasing authority. This requirement will be subject to the DGS audits.

**8.1.5
Amendments
must be
registered
(rev 5/15)**

Purchase document amendments must be recorded in the SCPRS.

If an original transaction was valued at \$5,000.00 or less and an amendment results in increasing the transaction to over \$5,000.00, both the original transaction and the amendment must be entered in SCPRS. Having been entered into SCPRS, hard copies do not need to be submitted to DGS.

**8.1.6 SCPRS
Internet site
and phone
number**

[Click](#) here to access the SCPRS through the eProcurement web page. If you have questions or require assistance, contact the eProcurement Help Desk, eProcure@dgs.ca.gov or (916) 375-2000.

Topic 2 – Common Practices for Creating Purchase Documents

- 8.2.0 Standard forms** The two standard purchase documents available to departments under the purchasing authority program are:
[Click](#) here to access the (STD. 65/STD.65a Purchase Order), available on the DGS/OSP standard forms web page
[Click](#) here to access the STD.213, for LPA transactions executed using a master agreement for non-IT services see 8.2.1
-
- 8.2.1 LPA purchase documents** The majority of the LPA contracting processes require the use of the STD.65, although there may be some options or exceptions. Departments with LPA purchasing authority need to review all user instructions to ensure that the proper purchase document is used when executing purchases against an LPA.
Examples:
[Click](#) here to access the Standard Agreement (STD.213) used for non-IT services MA.
[Click](#) here to access the Master Agreement Order Form (GSOP 191-2) used for the Master Rental Agreement for IT equipment.
-
- 8.2.2 Purchasing Information Network (PIN) users** Departments executing the PIN version of the STD.65 (STD.65-PINDEL) should be aware that the STD.65-PINDEL currently does not have an area to record the SCPRS number. The SCPRS number must be hand recorded on the executed order. Refer to Topic 1 of this chapter for information on SPCRS.
Note: The DGS/PD recommends that departments refer to the instructions located on the last page of the STD.65 for completing the STD.65-PINDEL purchase documents issued from PIN.
-
- 8.2.3 Signatures** Only authorized personnel who are delegated signature authority by department management may sign purchase documents on behalf of the State. Original signatures are required on purchase documents. Stamped or electronic signatures are not allowed.

Signatures must be secured from the department's accounting office verifying the availability and encumbrance of funds and the departmental personnel authorized to sign the purchase document as supported by the department's documented signature authorization list.
-
- 8.2.4 Handwritten changes are discouraged** Handwritten notations and/or corrections are not generally acceptable methods to make changes to purchase documents. All corrections and changes must be formalized by an amendment to the purchase document.

**8.2.5 STD. 96
not valid for
purchasing
authority use**

The Purchase Order/Estimate Change Request (STD.96) may only be used by a department to request a change to a Purchase Estimate (STD.66) which has been submitted to the DGS/PD or to a purchase order issued by the DGS/PD.

The STD.96 may not be used to create an amendment to a STD.65 under a department's purchasing authority.

**8.2.6
Executing
purchase
documents**

Departments are reminded that a purchase is not fully executed, regardless of the type of purchase document used, until all the necessary approvals and signatures have been obtained and secured on the purchase document as applicable to the purchase. Refer to Chapter 10 and Chapter 11 for additional information.

**8.2.7
Contract
Award Report
(added 9/12)**

Within 10 working days of an award, and using the Contract Award Report form (STD16) to transmit the information, a department must report the award of each contract over \$5,000 to the Department of Fair Employment and Housing (DFEH), including contracts with the University of California, California State Universities and California Community Colleges. Information required is specified in 2 CCR (California Code of Regulations) Section 8117.5. (This requirement does not apply to contracts with other California State departments or with the federal government.). Use an STD. 16 for reporting purposes. Retain a copy of the completed form in the department's procurement file. See Chapter 12 for additional information on this reporting requirement

**8.2.8
Receiving
goods and
services**

Purchase documents regardless of whether they are for products or services must be properly executed and fully approved prior to the department receiving any products and/or having any services performed by a contractor. Refer to Chapter 10 and Chapter 11 for additional information.

Topic 3 – Purchasing Authority Purchase Order (STD.65)

8.3.0 Alternate STD. 65/65a formats

Departments must use the STD. 65/65a as provided by the DGS/PD and available from the DGS/OSP or any STD.65-PINDEL issued from PIN. If a department creates an alternate version of the State's STD.65 as made available by the DGS/PD, it must submit the alternate version to the DGS/PD for review and approval prior to executing any orders using the alternate format. The DGS/PD will approve only one alternate format to be used by a department at any given time.

Note: This review and approval process is required even if the document is re-created as an exact replica of the STD. 65/65a.

8.3.1 Approval process for alternate format

Departments proposing to use an alternate format for the STD.65 must submit a request through the DGS/PD Forms Coordinator as follows:

Step	Action
1	Prepare a request memo identifying the change(s) to the STD.65/65a and state why the change(s) is/are necessary.
2	Prepare and attach to the memo a "mock up" of the proposed STD.65/65a identifying all requested changes.
3	Secure approval by the department's Procurement and Contracting Officer (PCO) on file at the DGS/PD or Purchasing Authority Contact (PAC) with an indication that the PCO concurs with the request.
4	Route the request to the attention of: Forms Coordinator DGS Procurement Division 707 Third Street, Second Floor South West Sacramento, CA 95605
5	The DGS/PD Forms Coordinator will review the proposed changes and will determine whether or not the changes are acceptable.
6	A letter will be prepared by the DGS/PD Forms Coordinator approving or disapproving the changes, which will be forwarded to the requesting department's PCO. A copy of the DGS/PD response will be provided to the Purchasing Authority Management Section (PAMS).

8.3.2 Common purchase order format

Departments granted multiple purchasing authorities and/or conducting purchasing activities in multiple units or locations shall use a common purchase order document. A department may concurrently use the STD. 65/65a as provided by the DGS/PD, any of the STD.65-PINDEL formats as issued from PIN, and an alternate format approved by the DGS/PD.

8.3.3 Grace period to comply with State revised STD. 65/65a

Departments will have a 90-day grace period to comply with the required use of any future revisions to the DGS/PD STD.65/65a. This 90-day period includes obtaining re-approval of a revised alternate format that includes new revisions to the State's STD.65.

A department may request an extension to begin using a STD.65/65a revision by justifying the extraordinary circumstances requiring the extension, identifying how the department will implement the changes reflected in the revision during the extension period, and providing an estimated timeframe within which the department will begin using the revised version.

8.3.4 Unique numbering

To avoid duplicate billings by the DGS/PD and/or incorrect supplier invoicing, and to facilitate tracking and the DGS/PD oversight, the department's agency order number must be unique from transaction to transaction and from year to year.

Example

03-001, 03-002, 03-003

The first two digits represent the fiscal year of the purchase order issue date. The department may determine the number of digits following the fiscal year, but the total number of characters in the sequence may not exceed 12. This maximum number of characters does not include the amendment number.

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

Example

03-001, Amendment No. 01

03-001, Amendment No. 02

03-001, Amendment No. 03

Note: The amendment number must be entered in the "Amendment No." box on the STD.65.

8.3.5 STD.65 Instructions

Buyers must refer to the instructions provided on the last page of the STD.65 entitled "Instructions for completing the Purchasing Authority Purchase Order" to insure complete and accurate information is provided.

8.3.6 CAL-Card transactions

If payment is made by CAL-Card, then the "Payment by CAL-Card" box on the STD.65 must be checked as "Yes". This will assist departments in avoiding paying for the purchase twice.

Note: LPAs, in particular CMAS contracts, stipulate whether the Contractor accepts the CAL-Card as a payment method.

**8.3.7 Where
to send the
STD. 65**
(rev 5/15)

Departments must distribute the completed STD. 65 as indicated on the bottom of the form (contractor-original and packing slip copies, Procurement Division copy, and agency copy).

NOTE: If the transaction was entered in SCPRS, you are not required to send a hard copy to DGS.

Submit the Procurement Division copy upon issuance or no later than monthly in accordance with the reporting requirements as indicated on the STD.65 or as described in Chapter 12 to the following address:

By IMS to:

Z-1

DGS/Procurement Division

Attn: Data Entry Unit – Second Floor

707 Third Street, Second Floor, South MS 2-205

West Sacramento, CA 95605

By Mail to:

Department of General Services

Procurement Division

Data Entry Unit - Second Floor, South MS 2-205

P.O. Box 989052

West Sacramento, CA 95798-9052

Hand-Delivered to:

DGS/Procurement Division

Data Entry Unit

707 Third Street, Second Floor South MS 2-205

West Sacramento, CA 95605

Topic 4 – Items Requiring Special Attention When Executing STD.65s

8.4.0 Bill to address The “Bill to” address shown on the STD.65 identifies for the supplier where related invoices must be submitted for payment. Most often, the address will be the department’s accounting office. This address is particularly critical in determining whether or not a supplier’s misdirected invoice is eligible for prompt payment penalties.

8.4.1 Ship to address The “Ship to” address located on the STD.65 identifies the physical location of where the products being purchased are to be delivered. Information must include the name of the department and address.

8.4.2 Ground transportation All shipments will be made by ground transportation unless otherwise specified on the STD.65.

8.4.3 Procurement method General instructions for completing the “Procurement Method” on the STD.65 form are described on the last page of the STD.65 as made available via the OSP standard form data base. The following transactions are examples of:

Transactions based on Fair and Reasonable Pricing:

Buyers will check the “Competitive” box and record “Fair and Reasonable” or “F and R” on the line provided to the right of the box.

Transactions based on NCB and issued as an LPA

Buyers will check both the “Leveraged” and “Non-competitively Bid” boxes on transactions that are supported by NCB contract justifications but reference LPA terms and conditions.

Transactions based on an Exempted LPA

Buyers will check both the “Leveraged” and “Exempt” boxes on transactions that are LPAs and are identified as “exempt”.

Example:

Cal-Net, and WSCA are LPA contracts that are exempt from obtaining multiple offers so both boxes on the STD.65 would be checked.

8.4.4 CALPIA orders The department must enter “PIA” in the box titled “Purchasing Authority Number” on the purchase order (STD.65).

It is also not necessary for buyers to check any information located within the Terms and Conditions block of the STD.65 as this information is not applicable to a CALPIA purchase.

Refer to Chapter 2 for additional information.

**8.4.5 Avoid
price
bundling**

Buyers will include product and service line item descriptions and prices and not a bundled configuration with a total price.

Topic 5 – Transportation Management Unit (TMU)

8.5.0 Transportation Management Unit (TMU)

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. The TMU also reviews and approves freight invoices in accordance with SAM section 3851, 3852 and 8422.1. Refer to Chapter 9 for additional information.

[Click](#) here to access the TMU web page.

8.5.1 Free on Board (F.O.B.)

The shipping term Free on Board (F.O.B.) identifies the location where title to the goods changes from the seller (supplier) to the buyer (department).

When goods are purchased F.O.B. Destination, Freight Prepaid or F.O.B. Destination, Freight Prepaid/Add, title to the goods remains with the supplier until delivered by the carrier to the consignee in original or acceptable condition. If loss or damage occurs in transit, the seller is obligated to replace the goods or otherwise compensate the consignee (State).

Most State purchases will be acquired using the term F.O.B. Destination, Freight Prepaid. LPA purchase documents, unless otherwise specified within the individual LPA user guide, will also identify F.O.B. Destination, Freight Prepaid as the shipping term.

8.5.2 Contact TMU

Departments shall contact TMU prior to using the following shipping methods:

- F.O.B. Destination, Freight Prepaid/Add – Shipping charge is assessed from the originating shipping point to the point of delivery. Upon verification with the TMU, the purchase document must reflect “freight not to exceed cost per supplier quote stated on PO.”
- F.O.B. Origin, Freight Collect – TMU will determine the cost and routing of freight. Departments must provide TMU with the following information:
 - City, State and Zip Code of origin and destination
 - Description of goods being shipped
 - Estimated shipping weight
 - Special handling requirements
 - National Motor Freight Classification (NMFC) – up to 7 digits

Example:

A department located in Sacramento identifies FOB Origin: Los Angeles for the shipment of chairs. This translates to the state being charged the cost of shipping from Los Angeles to Sacramento.

Topic 6 – Amending a Purchase Document

8.6.0 When are amendments necessary?

Amendments to original purchase documents are necessary when there is any change or modification to the original document as issued to the supplier. Examples of when amendments are required include:

- A change in shipping terms
- A change in supplier's name
- An increase or decrease of unit pricing/extended pricing/ overall costs
- An addition or cancellation of an item or multiple items
- A change in the description, specifications or substitution of any product

Note: If the purchase is the result of a competitive solicitation, amendments to modify scope (including but not limited to quantity, pricing or products) typically are not allowed. The unit price may not be increased unless specifically allowed in the original solicitation and evaluated for award. Departments must follow the instructions provided in Chapter 5 – Non-Competitively Bid (NCB) Contracts.

8.6.1 Using the proper form to effect a change

Departments may use only the following purchase documents to effect a contract change amendment, no matter how minor the change or amendment:

- Purchasing Authority Purchase Order (STD. 65/65a) or approved revised version
- Purchase Order (STD. 65-PINDEL or any version issued by PIN)
- Purchase Order Change (STD. 96) ONLY for changes to purchase estimates submitted by a department and/or purchase orders executed by the DGS/PD for the department.

Warning: Verbal notifications between buyers and suppliers cannot be used to modify a contract. Contract changes/amendments must be formally executed (written, signed, approved) to modify a contract.

8.6.2 Identifying amendments

Amendments must be identified using the original purchase document number and an amendment number. The amendment number must be numeric and may not exceed 2 digits. The following are common ways of identifying purchase document amendments:

Example

03-001, Amendment No. 01

03-001, Amendment # 1

03-001, Amd # 1

03-001, #1

Note: Dependent upon the purchase document, a designated block may be available for the amendment number. In those instances, the word "Amendment" in any fashion is not necessary.

**8.6.3
Recording
amendment
numbers on
the STD.65**

The amendment number must be entered in the “Amendment No.” box on the STD.65.

**8.6.4
Recording
amendment
numbers on
the STD.213
(rev 3/13)**

On the STD. 213 A, the agreement number and the amendment number must be recorded within the respective boxes located in the upper right corner of the document.

**8.6.5 How
detailed is an
amendment?**

Amendments should contain the same degree of detail for changes that the original transaction contained (i.e. increase or decrease in quantity, corrected model number, revised delivery date, change in delivery location, changes to contract language, etc.).

Buyers shall identify what is being deleted and/or added and the impact of the action to the overall transaction.

**8.6.6 General
guidelines for
amendments**

Departments are advised to adhere to the following general guidelines regarding amendments:

- An amendment must be within the original scope of the purchase document solicitation; if it is not, it must be treated as a non-competitively bid transaction. Changes to quantity, pricing, products, etc. are scope changes.
- An amendment must be processed using the correct format and procedures as described in this manual. Do not use letters or verbal notifications.
- An amendment must be issued in advance of contractor performance; this includes receiving any goods or services prior to an authorized amendment. Consequently, an amendment must be processed in a timely manner.
- An amendment that results in exceeding a department's purchasing authority dollar threshold for any given transaction must be submitted to the DGS for review, approval, and execution. (Refer to Chapter 5 – Non-Competitively Bid (NCB) Contracts for additional information regarding amendments).
- An amendment to extend a contract term:
 - Must be processed, approved and issued prior to the contract expiration date. If it is not, there is nothing to extend as the contract has expired.
 - Retains the original contract start date and will only change the end date.

Example:

Original term: 07/01/10 – 10/31/10

Extended term: 07/01/10 – 12/31/10

8.6.7 STD.65 increases/decreases

If the total amount of the purchase document is being altered, show the original amount, the amount of the change, and the new total within the face of the STD.65. Enter only the revised amount (either plus or minus) in the "Grand Amount" box. Lack of clarity in executing amendments may result in duplicate the DGS administrative fee charges.

Example:

Original:	\$2,000.00	<u>STD. 65 Total Amount Box shows</u>
Amd #1:	+100.00	\$100.00
Adjusted Total:	\$2,100.00	

8.6.8 Amending a Statement of Work

Departments requiring an amendment to a purchase document that includes a Statement of Work (SOW) should apply the following:

- Each page of the SOW's document header should identify the Agency Order number, amendment number, supplier name, and the date of the amendment.
- The items of work covered by the amendment should be clearly written as part of the purchase document:

Example:

"Attachment X, Statement of Work dated (Original document issue date) is hereby deleted and replaced with Attachment X, Statement of Work dated (Amendment Date)."

- Paragraphs being amended should be clearly identified.

Example:

Paragraph X is hereby amended to read: "The total amount of this purchase document is ..."

- Paragraphs being deleted should be clearly identified:

Example:

"Paragraph X is hereby deleted and replaced by Paragraph X dated (Amendment date). All other terms and conditions of Agency Order XX-XX remain unchanged and in effect."

8.6.9 Canceling a purchase document

Canceling an executed purchase document, regardless of contract form, (i.e. STD.65) requires issuing an amendment, with an amendment number.

The text on the purchase document must state what action is being taken by the amendment and address the expenditures as applicable to the action taken. If expenditures are being disencumbered as the result of the cancellation process then negative values would be shown on the purchase document.

Amendment distribution is no different for a purchase document cancellation than a typical amendment. A copy of the executed purchase document is sent to the DGS/PD.

A statement to the effect that the transaction is cancelled in its entirety should also be included.

Example

Amendment #X cancels Purchase Order #XXXX in its entirety effective 08/05/10.