

Benefits of Using GS \$Mart®

Benefits Include:

Market Information: Information in terms of who are the best sources for private financing, the types of plans offered and the cost of borrowing is readily available.

Current, Competitive Market Rates: All rates will be public, which will provide, pressure to offer the most competitive rates. In addition, special, limited time opportunities can be advertised quickly and accepted in California State contracts.

Quick Quoting Process: Confirmation of quotes and payment schedules can be sent by the phone, fax or Email as well as regular express or first class mail.

Latest Technology Used: The Department of General Services (DGS), Procurement Division (PD) is using the latest technology to make this marketplace viable. As more is learned about the Internet and how to do business on it, there will be continued improvements made for ease of use.

Convenience: This marketplace is available 24 hours, every day of the week except for maintenance periods. It can be accessible from any computer equipped to access the Internet.

Market Sensitive: This marketplace and its policies and plans can be changed to suit market conditions very quickly.

Support from Department of General Services, Procurement Division: DGS will provide education, training, and marketing support for this marketplace to customers, suppliers, and lenders as often as needed. Contact the Marketplace Administrator for more current information.

Additional Benefits for State Buyers:

Funding to Support Purchases Over Time: More purchases may be made with limited budgeted funds.

Provides Quick Financing/Refinancing Capability: The whole process of obtaining financing/refinancing takes as little as seven days plus any acceptance period. With the use of standardized financing plans, refinancing can be executed quickly.

Lower Cost of Borrowing: The rates quoted are reflective of the shorter, more streamlined process. The old process called for quotes for as long as six months (two months contract award, four months protest process) and, hence, included a rate risk factor of up to 50 basis points.

Standard Terms, Conditions and Closing Documents: Pre-negotiated terms and conditions and standard closing documents on file at DGS can be referenced or copied for inclusion in contracts once funding source selection is made.

Ease of Acceptance: A contract including financing can easily be produced by referencing or including the pre-negotiated terms and conditions, completing the standard documents and including the payment schedule electronically produced and transmitted by the lender direct to the buyer.

Provides Timely Market Information: Buyer and supplier can react quickly to any market change should the need arise. Cost of borrowing may be lowered just by timing the funding to catch projected lower rates.

Apples-to-apples Comparisons: Rates by plan are offered for easy comparisons.

Additional Benefits for Lenders:

Excellent Marketing Tool: The existence and qualification of the lender is acknowledged by presence in this marketplace.

Competitor Information at Single Source: Because all competitors' rates are quoted publicly, any participant lender will know where they are relative to their competition and can react to stay competitive.

Reduced Rate Risk: Because rates are quoted for 21 calendar days, the rate should include minimal rate risk, which in the past was as high as 50 basis points.

Quick Closing Utilizing Telephone, Fax and Email: The process used here is amenable for electronic confirmation and acceptance of financing.

Standardized Closing Documents: Closing documents are standardized and available from the lenders or DGS.

Pre-negotiated Terms and Conditions for Each Plan: Terms and conditions are pre-negotiated and can be referenced or included in any State contracts very easily. They will vary slightly from plan to plan.

Customer Link Capability for Conveying More Information Quickly: Each lender is encouraged to establish a Web site which can be linked to this marketplace for more information (e.g. non-standard payment schedules).

Electronic Capability to Create Payment Schedules and Closing Documents: Lender's Web site should have the capability to create payment schedules and closing documents on-line. This would facilitate quick processing.

Additional Benefits for Suppliers:

More Product Sales: Sales may increase with the availability of funding for budget strapped customers.

Quicker Payment: Payment for accepted goods and services will be made from the proceeds of the financing.