

*Report on the*

**Golden State Financial Marketplace  
(GS \$Mart) Loans for Fiscal Year 2021-22**

Report to the Joint Legislative Budget Committee  
as required by Government Code, Section 14934 (d)

**State of California**  
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## **OVERVIEW**

Pursuant to Government Code Section 14934 (d), this annual report is to update the Joint Legislative Budget Committee, the State Treasurer's Office, and the Department of Finance on the following information for each loan entered into during the preceding fiscal year:

- Each agency that entered into a Golden State Financial Marketplace (GS \$Mart) loan.
- Physical address of the asset(s) being financed.
- The name of the supplier.
- The name of the selected lender.
- The amount financed by each loan.
- The term of the loan.
- The interest rate of the loan.
- A description of the assets, goods or services financed by each loan.
- The total amount of outstanding GS \$Mart loans.

## **ABOUT THE PROCUREMENT DIVISION AND THE GOLDEN STATE FINANCIAL MARKETPLACE**

### **PROCUREMENT DIVISION**

The state of California purchases a wide variety of goods and services, including information technology (IT), vehicles, food, protective gear, firearms, asphalt and more, with annual purchases totaling over \$8 billion. The Department of General Services (DGS) Procurement Division (PD) is the central purchasing authority for all state departments, agencies, and institutions. DGS/PD sets state procurement policies and provides purchasing services that help state agencies and departments achieve their missions. DGS/PD is responsible for delegating purchasing authority, training state purchasing professionals, resolving contract disputes, conducting supplier outreach, certifying small and disabled veteran-owned businesses to receive state purchasing preferences, overseeing state agency purchasing processes, environmentally preferable purchasing, and establishing and administering master contracts used by state agencies and local governments.

### **GS \$SMART**

The Golden State Financial Marketplace (GS \$Mart, pronounced "G S Smart") was established by DGS/PD in 1996.

The award-winning GS \$Mart Program is an efficient, open, organized internet-based marketplace for state of California installment purchase agreements. It

enables financing arrangements to be made quickly and conveniently by eliminating much of the workload, lengthy process, and complexity that existed before GS \$Mart was established. The result is lower interest rates and greater administrative efficiency. Current available plans are tailored specifically for state contracts for IT and non-IT goods, many IT services, and energy retrofits.

Each potential lender undergoes a thorough prequalification process to ensure the lender is qualified to do business with the state. This process includes a determination of the lender's financial rating, a review of financial statements, customer references, supplier references, other government agencies' financing experience, and additional evaluations as necessary to determine the lender's qualifications. There are currently 21 lenders prequalified to do business with the state.

The GS \$Mart Program combines prequalified lenders, prenegotiated terms and conditions, and current market rates to provide state agencies with easier and quicker installment purchase agreements.

## **THE REPORT**

As of June 30, 2022, the total outstanding loan balance in the GS \$Mart Program from previous years and the 2021-22 fiscal year is approximately \$166.7 million. This includes a total of \$62,394,995.02 in new loans from fiscal year 2021-22. Please see Attachment 1 for the report.

# Attachment 1 to the Golden State Financial Marketplace (GS \$Mart) Loans for Fiscal Year 2021-22 Report

| <u>Department</u>                                   | <u>Physical address of asset</u>                    | <u>Supplier</u>   | <u>Lender</u>                              | <u>Amount of Loan</u> | <u>Term</u>        | <u>Interest Rate</u> | <u>Asset(s) description</u> |
|---|---|---|--|-----------------------|--------------------|----------------------|-----------------------------|
| California Department of State Hospitals (DSH)      | 10333 El Camino Real Atascadero, CA 93422           | Johnson Controls, Inc.  | All American Investment Group, LLC. (AAIG) | \$27,249,998.00       | 16 annual payments | 2.509%               | Energy savings project      |
| California Department of Alcoholic Beverage Control | 3927 Lennane Drive, Suite 100, Sacramento, CA 95834 | Granite Data Solutions, NWN Corporation, and Technology Integration Group | TD Equipment Finance, Inc. (TDEF)          | \$536,737.00          | 5 annual payments  | 0.963%               | Computer refresh            |
| DSH   | 3102 Highland Avenue, Patton, CA 92369              | Enovity, Inc.   | AAIG                                       | \$6,813,322.00        | 13 annual payments | 2.355%               | Energy savings project      |

| <b><u>Department</u></b>                                       | <b><u>Physical address of asset</u></b>  | <b><u>Supplier</u></b>           | <b><u>Lender</u></b>                            | <b><u>Amount of Loan</u></b> | <b><u>Term</u></b>  | <b><u>Interest Rate</u></b> | <b><u>Asset(s) description</u></b>        |
|--|--|----------------------------------|---|------------------------------|---------------------|-----------------------------|---|
| California Department of Corrections and Rehabilitation (CDCR) | 2100 Peabody Road, Vacaville, CA 95687   | Bakery Equipment Service         | TDEF  | \$175,695.00                 | 7 annual payments   | 1.41%                       | Gas ovens                                 |
| California Department of Technology                            | 3101 Gold Camp Drive, Rancho Cordova, CA 95670<br>1020 Vaquero Circle, Vacaville, CA 95688 | Direct Systems Support           | International Business Machine Global Financing | \$5,807,977.00               | 36 monthly payments | 0.65%                       | IBM mainframe upgrade                     |
| California Department of Public Health                         | 1616 Capitol Avenue, Sacramento, CA 95814  | NWN Solutions                    | Banc of America Public Capital Corp (BAPCC)     | \$4,906,646.94               | 5 annual payments   | 0.8792%                     | HPE XP8                                   |
| Office of State Publishing                                     | 1050 Richards Boulevard, Sacramento, CA 95811  | Ahead, Inc.                      | US Bancorp Government Leasing and Finance       | \$260,795.08                 | 3 annual payments   | 1.34%                       | Dell Vxrail hardware software and support |
| CDCR   | 4001 Highway 104, Ione, CA 95640   | Restaurant Equipment Specialists | TDEF  | \$160,343.00                 | 6 annual payments   | 2.99%                       | Dishwashers                               |

| <u>Department</u> | <u>Physical address of asset</u>           | <u>Supplier</u>                  | <u>Lender</u> | <u>Amount of Loan</u> | <u>Term</u>        | <u>Interest Rate</u> | <u>Asset(s) description</u> |
|-------------------|--|----------------------------------|---------------|-----------------------|--------------------|----------------------|-----------------------------|
| DSH               | 11401 Bloomfield Avenue, Norwalk, CA 90650 | Pacific Gas and Electric Company | BAPCC         | \$16,483,481.00       | 14 annual payments | 3.065%               | Energy savings project      |

**Total financed    \$62,394,995.02                    1.796%**