Chapter 5

Acquisition Methods

Leveraged Procurement Agreements

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## Chapter 5

## Leveraged Procurement Agreements

## Overview

### Introduction

This chapter describes the various types of the State’s leveraged procurement agreements (LPAs) that provide for all goods and services and how to use them. The categories of LPAs include:

* Statewide Contracts (SC)
* California Multiple Award Schedules (CMAS)
* Software Licensing Program (SLP)
* State Price Schedules
* Master Agreements (MA),
* Cooperative Agreements COOPERATIVE AGREEMENTS CA 1122 Public Safety Procurement Program
* CA 1122 Public Safety Procurement Program

Some of the topics discussed include using LPAs to order goods and services, order limits, obtaining offers, best value determination and amending orders.

Unless identified as a mandatory contract, the use of LPAs is optional, although departments are encouraged to take advantage of the benefits of these pre-established contracts.

Departments must have approved purchasing authority for the applicable category in order to place orders against that category. Refer to Chapter 1 for information on how to obtain purchasing authority to use LPAs. The requirement for purchasing authority does not apply to DGS/PD when conducting procurements on behalf of customers.

# Section A

## Leverage Procurement Agreement (LPA) General Usage

## Overview

### Introduction

LPAs are established by DGS/PD as set forth in Public Contract Code (PCC) sections 10290 et seq. and 12101.5, which enable streamlined State purchases by removing repetitive, resource intensive, costly and time consuming bid processes by departments. State Departments are authorized by these same laws to use LPAs (not create them) while adhering to policy and procedure.

LPAs commonly include “user guides” or “ordering instructions” that are unique to a particular LPA program and/or contract. These instructions, for the purposes of this chapter and throughout SCM-F will be commonly referred to as “user instructions.” Buyers, in addition to reading this chapter, should always refer to the user instructions for the specific LPA being utilized.

Buyers must also be aware of the importance of reading this chapter in its entirety as the chapter was created to consolidate like processes throughout the various LPAs into the beginning section of the chapter.

## Topic 1 – LPA Basics

### 5.A1.0 LPA Prices

LPA prices for products and services vary from category to category. Some LPA prices are listed as maximums and negotiating for lower prices is recommended. Others are at a fixed price for which negotiation is not allowed.

Because of these variables, buyers are required to confirm that the products, services and prices are included in the contract and that the prices in the department’s order are at or below the contract rates. This is accomplished by obtaining a complete copy of the LPA before executing any purchase documents. The contract’s user instructions describe the tasks necessary to solicit offers for the order.

### 5.A1.1 Solicitation Event Document

Some LPAs require the department to prepare and distribute a Request for Offer (RFO) using an authorized supplier pool. An RFO is a document sent to LPA contractors which contains requirements for a specific transaction and requests a specific response or offer. The individual user instructions will indicate whether additional offers are required.

### 5.A1.2

This section has been moved to Chapter 6.

### 5.A1.3 Establishing LPAs

LPAs are established by the DGS/PD as follows:

| **If the LPA is** | **Established by** |
| --- | --- |
| Statewide Contract  Contract number leads with a “1” or “8”. SC numbers that begin with “8” are restricted to CalPIA use only. | Statewide competitive bid for   * Specified goods/IT goods * Specified period of time * Price analyzed * Awarded to single supplier or multiple suppliers * Some require mandatory use * Exempt from requirement to obtain 3 offers * Reviewed and verified for EPP compliance. * Identify EPP attributes and SABRC categories within FISCAL for tracking. * All certified SB or DVBE purchases made through the SC are reported monthly by the contract holder and are credited to the purchasing department. |
| State Price Schedule  Contract number leads with “2” | Non-Competitively Bid agreement for   * Orders for goods at a fixed price * Specified period of time * Tend to be proprietary supplies and parts |
| California Multiple Award Schedule  Contract number leads with “3” for IT and “4” for non-IT. | Competitively assessed, negotiated or bid   * Contractor offers products and/or services and prices from an existing competitively assessed, cost compared, multiple award contract. * Primarily based on Federal General Services Administration multiple award schedule-based * California terms and conditions are incorporated into the contract |
| Master Agreements  Contract number leads with “5” | Statewide competitively bid (generally) with award to all responsive bidders   * Products * Services * Rental of equipment * May include EPP certifications. |
| Cooperative Agreements  Contract number leads with “7” | Multi-state cooperative purchasing agreements for   * Products * Services   Rental of Equipment |

### A1.4 Where to find LPA information?

Refer to the Section J, [Resources](#Resources5), at the end of this chapter for LPA information.

### 5.A1.5 Why do departments need a copy of the LPA contract?

Departments must obtain a copy of the LPA to be used in order to:

* Validate the contractor is authorized to sell specific products and/or services.
* Determine warranties, guarantees, maintenance provisions, product return policies, bond requirements, travel costs, etc.
* Determine if products and services are available on the LPA.
* Determine which products and/or services are specifically excluded.
* Determine if prices quoted are at or below LPA rates.
* Determine if additional approvals, forms, filings, etc. are required.
* Substantiate the contractor is CA certified as a SB or a DVBE (if applicable).
* Substantiate the contractor has a valid contractor’s license (if applicable).
* Substantiate the contractor has a valid seller’s permit (if applicable).

### 5.A1.6 What LPAs offer

LPAs offer goods and services that have been competitively assessed, negotiated or bid, and are structured to comply with California procurement codes, policies, and guidelines, providing for maximum contractual protection.

Architectural, engineering, and environmental services, legal services, and public work activities are not available on LPAs.

### 5.A1.7 What is required to use LPAs

In order to use LPA contracts, departments must:

* Obtain a complete copy of the LPA contract to be used
* Read through the specific LPA contract and corresponding user instructions to understand the parameters for using a particular LPA. The user instructions include limitations and/or restrictions (if any), the contracting process, requirements, how to secure pricing, and how to ultimately execute the proper purchase document to complete a transaction.

Departments must have purchasing authority to use LPAs for goods and services. See Chapter 1 for information on obtaining and maintaining delegated purchasing authority.

### 5.A1.8 Applicable codes, policies and procedures

The use of LPAs does not exempt adherence to all applicable laws, regulations, codes, and policies relative to State contracting and procurement requirements. This includes but is not limited to: conducting and executing all applicable planning activities, pre-procurement approvals, Government Code section 19130 civil service considerations, contract approvals, prompt payment requirements and receiving activities as established by this manual.

### 5.A1.9 Standard purchase document

Most LPA orders are executed using a Purchase Order (PO). Some LPA user instructions provide options for executing orders using a system generated contract (for goods and services). Buyers must read the user instructions provided for the individual LPA to determine the appropriate purchase document to be utilized.

### 5.A1.10 LPA contract provisions

Departments may add requirements but not delete any LPA terms and conditions without prior written approval from DGS/PD.

### 5.A1.11 Mixing LPAs

Offers cannot be mixed using different types of LPAs to execute a single order. LPA categories (CMAS, MA, SC, and SLP) cannot be combined to obtain offers to select a supplier.

Example:

An IT consultant is needed. The department has LPA IT purchasing authority for CMAS and Master Agreements. Offers cannot be obtained from both CMAS contractors and the Masters contractors to meet the department’s need and the requirement to obtain offers.

### 5.A1.12 SB and DVBE consideration

When placing orders against LPAs, offers must be considered from certified SB and/or certified DVBE, when available. The certified prime must perform a commercially useful function in the resulting purchase document. Most LPA processes provide departments with a means to claim contracting dollars toward SB or DVBE participation goals.

### 5.A1.13 SB and DVBE sub-contracting participation tracking

Subcontracting dollars towards departmental SB or DVBE participation goals may be claimed whenever an LPA contractor subcontracts a commercially useful function to a certified SB or DVBE business. The LPA contractor will provide the ordering department with the name and address of the certified SB or certified DVBE business used and the dollar amount that may be applied towards the SB or DVBE participation goal. The buyer must enter the information in the FI$Cal system for tracking purposes.

### 5.A1.14 Specifications and EPP consideration

When placing orders against LPAs all offers considered must meet the performance and environmental administrative and specifications requirements, including certifications, in the resulting purchase document. The LPA contractor must provide the ordering department information that validates EPP and SABRC compliance. When EPP and SABRC criteria are to be considered for LPA tracking purposes, the purchasing department must submit the information to DGS Procurement Division for the information to be entered into the FI$CAL system.

### 5.A1.15 CAL-Card usage

Individual LPA contracts will provide direction as to whether or not the contract allows for credit card payments. Payment may be made for goods and services with a CAL-Card, as long as the contractor accepts a VISA card. CAL-Card is a payment mechanism, not a procurement approach. Consequently, an LPA order must be executed on a purchase document regardless of dollar amount when using CAL-Card for payments.

Refer to Chapter 9 for additional information.

### 5.A1.16 Disputes

If a supplier dispute occurs, the department shall first attempt to resolve complaints or disputes informally. If the dispute cannot be resolved by the department, the dispute may be elevated to the DGS/PD contract administrator as identified in the individual LPA contract or to the DGS/PD Dispute Resolution Unit.

### 5.A1.17 Categories and dollar thresholds

Refer to Chapter 1 for acquisition methods and dollar thresholds.

### 5.A1.18 Exemptions from dollar thresholds

Exemptions to the dollar threshold for LPAs may be considered if a department meets the necessary requirements. Refer to Chapter 1, Purchasing Authority, for information on how to request an exemption to the dollar threshold on a transactional basis.

### 5.A1.19 Contractor evaluations

Pursuant to PCC Sections10367 and 10369, each contractor providing consultant services of $5,000 or more shall be advised in writing on the standard contract that the performance will be evaluated.

* One Contract/Contractor Evaluation, form STD 4, must be prepared within 60 days of the completion of the contract. The form shall be uploaded into FI$Cal and kept as part of the procurement file.
* The agency shall document the performance of the contractor in doing the work or in delivering the services for which the contract was awarded.
* The evaluations shall remain on file by the agency for a period of 36 months. If the contractor did not satisfactorily perform the work or service specified in the contract, the agency conducting the evaluation shall place one copy of the evaluation form in a separate agency contract file and send one copy of the form to DGS/OLS within five working days of the completion of the evaluation. (SCM Volume 1, section 3.02.5)
* On filing an unsatisfactory evaluation with DGS/OLS, the state agency shall notify and send a copy of the evaluation to the contractor within 15 days. The contractor shall have 30 days to prepare a statement defending his or her performance under the contract and to send it to the agency and the department. The contractor's statement shall be filed with the evaluation in the agency's separate contract file and in DGS/OLS's files.

The evaluations and contractor responses on file with the agencies and DGS/OLS are not public records; they should be maintained in a separate file.

### 5.A1.20 Administrative fees

LPA Administrative Fees, if applicable, are identified within the DGS State Price Book and/or described within the LPA user instructions.

Refer to Section J, [Resources](#Resources5), at the end of this chapter for access to the DGS State Price Book.

## Topic 2 – Achieving Best Value Using LPAs

### 5.A2.0 Seeking multiple offers

Multiple offers must be sought whenever multiple suppliers are known to exist unless otherwise directed by individual contract user instructions, policies and/or statutes or identified as an “exempt” contract. “Multiple offers” is defined to be a minimum of three (3) offers, including one CA certified SB and/or DVBE (if available).

See individual LPA topics within this chapter for additional instructions.

### 5.A2.1 Choose your words carefully

Avoid using words:

* That imply competitive bids when using LPA categories such as MA and CMAS
* “Bid”, “quote”, “solicitation” and/or “evaluation” when conducting a supplier comparison or requesting offers. Clarify that there will be a comparison of offers to determine best value.

Do not include language regarding SB preference, DVBE incentive, protest language, intents to award, evaluation criteria or advertising requirements when procuring through the LPA program. When obtaining offers using a written document, the document is referred to as a Request for Offer (RFO).

Since RFOs are not considered competitive solicitations, departments must not use the two-envelope evaluation process.

### 5.A2.2 Best value

Most LPAs require a supplier be selected based upon a “value effective” is high score and not the same as best value concept or as commonly referred to within the LPA processes as “best value”, when there are multiple providers of products and services. “Best value” relates to requirements and supplier selection criterion or other factors for a particular transaction that are established to ensure that business needs and goals are effectively met and that the State obtains the best value. For the purposes of this chapter, best value will refer to consideration of factors deemed a priority to the department.

Buyers must know what is important to the program for which the procurement is being made, document those needs and requirements, and then canvas suppliers, either using a pre-qualified supplier group in an MA or searching CMAS contractors who possess the products or skills. Canvassing may take the form of a written RFO outlining the requirements. The best value criteria must be included in the procurement file.

LPAs that have been identified as “exempt” from obtaining multiple offers are not required to document best value, unless otherwise directed by the individual user instructions.

### 5.A2.3 Possible criteria

Best value can be determined using any one or all of the following criteria as applicable to the effort:

* The price of the product or service
* The operational cost that the State would incur if the offer is accepted
* The quality of the product or service, or its technical competency
* The reliability of delivery and implementation schedules
* SB/DVBE participation as prime or subcontractor (advertising and DVBE forms not required for LPAs) to meet department goals
* Environmentally Preferable Purchasing (EPP) criteria
* The maximum facilitation of data exchange and system integration
* The warranties, guarantees,return policy and take-back for reuse or recycling
* The supplier financial stability
* The consistency of the proposed solution with the State’s planning documents and announced strategic program direction
* The quality and effectiveness of business solution and approach
* The industry and program experience
* The prior record of supplier performance
* The supplier expertise with engagements of similar scope and complexity
* The extent and quality of the proposed participation and acceptance by all user groups
* The proven development and methodologies and tools
* The innovative use of current technologies and quality results

Regardless of other criteria being used to accept an offer, price must always be used as best value criteria.

### 5.A2.4 Supplier Contract award using best value

To determine supplier selection using best value, the following minimum steps are required. Departments shall:

* Define business requirements (for example, in a Statement of Work for services) for inclusion in the RFO
* Obtain a copy of the LPA contract from each contractor contacted
* Review the contracts in context with the department’s requirements and contractor offers
* Compare contracts and offers with those from other contractors
* Select the offer with documented “best value” meeting requirements

Include the supplier selection rationale and the related documentation that supports the selection in the procurement file.

### 5.A2.5 Conduct a supplier comparison

Unless otherwise directed by the individual LPA user instructions or when using an exempt contract, multiple offers are required. Contact a minimum of three (3) suppliers who can provide the requested goods and/or services.

This supplier comparison can be in the form of a verbal or written RFO, identifying the department’s needs and requesting contractors to offer their best price and/or offer to meet requirements. An RFO process may be conducted by phone, fax, email, or by other means such as a supplier picking up the RFO in person. Buyers shall refer to applicable user instructions to confirm any special requirements regarding the supplier comparison format.

Departments must document in the procurement file all LPA contractors that were contacted, provide a recap of their offers, and record how the selection was made, including criteria for determining “best value”.

Refer to Section J, [Resources](#Resources5), at the end of this chapter for the RFO Templates.

### 5.A2.6 Contacting more than 3 suppliers

Departments that contact more than 3 suppliers and obtain more than 3 offers shall document their files with all responses, determine best value, and then proceed with the purchase document execution.

### 5.A2.7 Fewer than 3 offers

Unless otherwise directed by either the LPA user instructions or it has been determined that the LPA being used is exempt from obtaining 3 offers, the procurement file must be documented in sufficient detail to support the supplier selection.

| If a department contacts 3 sources and receives | Then the department shall document the procurement file with the reasons why |
| --- | --- |
| 1-offer | The other two (2) suppliers did not respond. |
| 2-offers | The third supplier did not respond. |

### 5.A2.8 Only one source known

The LPA user instructions will determine the number of offers that have to be obtained. If only one source is known within an LPA type and category (CMAS, MA, SLP, etc.), and thus multiple offers cannot be obtained:

* Conduct a competitive solicitation, if suppliers are known to exist outside of the LPA programs or
* Execute the response as an NCB contract if no other sources are known outside of the LPA program being used. See Chapter 6 for NCB processing requirements or
* Execute the response as a transaction that is exempt from obtaining multiple offers by either statute or policy and document the procurement file in sufficient detail to support the basis of the exemption. (Examples: authorized dealer letter, proof of copyrighted material, officially licensed good or patented product)

Refer to Chapter 6, for information on purchases exempt from obtaining multiple offers either by statute or policy.

## Topic 3 – Documenting the Results of an LPA Offer

### 5.A3.0 Documenting the results

Departments must document all LPA suppliers that were contacted, provide a recap of their offers and record how the selection was made, including criteria for determining “best value”.

Departments have the option to use the Best Value Determination Worksheet (available in Section J, [Resources](#Resources5) at the end of this chapter) or the department’s own form to document the results, or if using an MA LPA defer to the requirements of the user instructions.

The Best Value Determination Worksheet facilitates easy compilation of offers received and supplier selection rationale. Regardless of the format used, the information must be retained in the procurement file.

## Topic 4 – Amending an LPA Purchase Document

### 5.A4.0 Amendments for goods and services

Original orders, which include options for changes (e.g., quantity or time), that were assessed and considered in the selection for award during the RFO process, may be amended consistent with the terms of the original order, provided that the original order allowed for amendments. If the original order did not evaluate options, then amendments are not allowed unless an NCB is approved for those amendments.

Amendments may be executed without NCB approval for incidental omissions such as:

* Transposition of numbers from the RFO response to the purchase document or
* Inadvertent failures to include such things as contact names or for mistyped addresses.

This does not apply to changes in quantity or time.

Amendments must also be executed for contractor name changes that have been authorized in the LPA contract.

### 5.A4.1 Amendments unique to non- IT services

If the original contract permitted amendments, but did not specify the changes, (e.g., quantity or time), it may be amended. Per PCC 10335(d)(1), a contract may only be amended once under this exemption. The time shall not exceed one year, or add not more than 30% of the original order value and may not exceed $250,000.00.  If the original contract did not have language permitting amendments, the NCB process must be followed.

For more information regarding the NCB process, refer to Chapter 6.

### 5.A4.2 Original transaction valued less than $5,000

Unless otherwise directed by LPA user instructions, the NCB process must be followed if an amendment will cause the original transaction amount to exceed $4,999.99 and the original transaction was established based on fair and reasonable methodology.

Refer to Chapter 6.

# Section B

## Statewide Contracts (SC)

## Overview

### Introduction

Statewide Contracts (SCs) are competitively bid and awarded contracts established by the DGS/PD to take advantage of lower costs passed on by suppliers bidding on large quantities of goods repetitively used by multiple State departments. These contracts have unlimited dollar thresholds unless otherwise noted in the specific contract user instructions. Departments must use mandatory SCs if so designated in the user instructions.

The DGS/PD has successfully integrated sourcing into its regular operations. Therefore, all LPAs previously referred to as California Strategically Sourced Contracts (CSSI) are now called SCs.

## Topic 1 – Statewide Contract (SC) Basics

### 5.B1.0 When to use SCs

SCs are established to reduce the need for individual departments to conduct repetitive bids for like products. Use of most SCs, is mandatory, but the use of some SCs is non-mandatory. Buyers must verify the mandatory or non-mandatory status of a contract by reviewing the user instructions for each contract.

### 5.B1.1 SC limitations

SC’s do not have dollar limits or limitations to their use unless otherwise noted in the specific contract and/or user instructions.

### 5.B1.2 Contract price is maximum

Contract pricing identified within SCs is the maximum allowed.

### 5.B1.3 Distinguishing SC contracts

SCs are identified in most cases with a numbering system beginning with “1” although there may be some exceptions, e.g., some contracts previously known as CSSI contracts will retain their original CSSI number beginning with a “1S” until the contract is renewed. In addition, there are some SC contracts that begin with an “8”. SC numbers beginning with an “8” are restricted to CALPIA use only.

### 5.B1.4 Using SCs

The following must be verified before executing an SC order:

* Departments must have the appropriate purchasing authority.
* Is the contract mandatory or non-mandatory?
* Does the order require any CALPIA waivers?
* Does the order require additional review and approval prior to issuing the order (i.e., , Fleet etc.)?
* Obtaining multiple offers is not required since these SCs are established as a result of competition.
* Each SC provides a set of user instructions unique to each contract. This includes instructions to departments for obtaining DGS written approval for any exemption to conduct a purchase outside of an authorized SC.
* The FI$Cal system will identify the SC numbers on the purchase document.
* Procurement files must be documented in sufficient detail to support the purchase transaction in the same fashion as any other LPA purchase activity.
* Purchasing dollar thresholds, although unlimited, must remain within the department’s approved purchasing authority dollar threshold for SCs.
* That all certified SB or DVBE purchases made through the SCs will be reported monthly by the contract holder and be credited to the purchasing department.

Contracts are accessible under “LPAs” in Section J, [Resources](#Resources5), at the end of this chapter.

### 5.B1.5 SB/DVBE Off-Ramp Policy for Mandatory SC

Mandatory SC awarded by the DGS for goods may have a Small Business/Disabled Veteran Business Enterprise (SB/DVBE) Off-Ramp, meaning departments will be permitted to purchase equivalent products at the same or lower price from other sources that are certified SBs or DVBEs. To determine whether a particular mandatory contract has an SB/DVBE Off-ramp, consult the user instructions for that contract or refer to the State Contracts Index Listing, accessible in Section J, [Resources](#Resources5), at the end of this chapter.

### 5.B1.6 SB/DVBE Off-Ramp usage rules

In order to utilize the SB/DVBE Off-Ramp, departments must document in the procurement file that the goods being purchased are:

1. Equivalent to the goods available from the SC including product description, functional requirements and manufacturer warranties as provided in the SC and
2. Equal to or less expensive pricing than the pricing offered from the SC for the same product based on the total order value before taxes.

Additional rules for the SB/DVBE Off-ramp are:

* Departments must have applied for and received purchasing authority granted by DGS/PD in order to utilize the SB/DVBE Off-ramp as identified by the user instructions.
* Transactions must be less than $250,000 including sales and use tax, finance charges, postage, and handling charges;
* For purchases greater than $0 and less than $5,000, departments must document in the procurement file that the price is less than or equal to the pricing on the statewide mandatory contract unless otherwise stated in the user instructions;.
* For purchases of $5,000 and up to $249,999.99 departments must obtain price quotations from two or more certified SBs or two or more certified DVBEs (must be the same certification type) unless otherwise stated in the user instructions;
* SB/DVBE Off-ramp purchases must be made from a supplier with a current California SB or DVBE certification.
* Other rules as specified in the user instructions.

### 5.B1.7 Purchase documents

Unless otherwise directed by individual SC user instructions, the common purchase document used to issue SC orders is the purchase order within FI$Cal. When utilizing the SB/DVBE Off-ramp, the system will generate the word “Off-ramp” on the Purchase Order. Buyers must ensure their purchase is an exact match, make and model, when a product is identified as meeting one or more EPP criteria, meeting all applicable specifications and certifications of the original LPA. Departments within their purchase order shall track EPP and SABRC information as it is noted within the FI$Cal Item Master ID list.

### 5.B1.8 Exemptions

Occasionally, a department will need to purchase a product type other than what is available through the mandatory IT Hardware Statewide contracts. In these instances, the department must obtain an exemption from the use of the contract from the Department of General Services Procurement Division (DGS-PD), Contract Administrator.

Refer to Section J, [Resources](#Resources5), at the end of this chapter to access the Exemption Form and Instructions.

If you have additional exemption process questions, please contact your contract administrator.

### 5.B1.9 Body armor purchases

Departments shall purchase body armor (stab resistant and/or bullet proof vests) from the mandatory SC. If the products do not meet the department’s requirements, then the department must submit to DGS/PD a requisition for DGS/PD to procure the goods on behalf of the department.

**5.B1.10 Statewide Pharmaceutical Program**

DGS implements and administers a Statewide Pharmaceutical Program, also referred to as the Prescription Drug Bulk Purchasing Program, established by Government Code §14977-14982. The California State Departments of Corrections and Rehabilitations (CDCR), Department of State Hospitals (DSH), and Developmental Services (DDS) and other state agencies under DGS authority are mandated to participate in this program. Other state, district, county, city, municipal, or public agency governmental entities may elect to participate in this program.

DGS works in conjunction with California Pharmaceutical Procurement Collaborative (CPPC) to implement and administer a Statewide Pharmaceutical Program and strategies to manage escalating prescription drug costs. Representation on the CPPC is appointed by the entities participating in the Statewide Pharmaceutical Program.

Refer to Section J, [Resources](#Resources5), at the end of this chapter for access to DGS/Pharmaceutical Acquisitions Section Website.

# Section C

## California Multiple Award Schedule (CMAS)

## Overview

### Introduction

The California Multiple Award Schedule (CMAS) program was established in May 1994 and incorporated in PCC sections 10290 et seq. and 12101.5. CMAS contracts are established for products and services that have been competitively assessed, negotiated, or bid primarily, but not exclusively, by the Federal General Services Administration. The program enables the State to streamline purchases by removing repetitive, resource intensive, costly, and time-consuming bid processes.

## Topic 1 – CMAS Basics

### 5.C1.0 Products and services

The CMAS program offers primarily Federal GSA multiple award schedules pricing with California terms and conditions with suppliers that provide goods and services.

Not all products and services listed on a GSA contract comply with California laws and regulations. Departments are responsible for checking compliance prior to purchasing.

### 5.C1.1 Contract price is maximum

Contract prices for products and/or services must be equal to or lower than the prices set in the base contract. Negotiating lower prices and seeking competition is strongly encouraged.

### 5.C1.2 Who can sell on CMAS

Only the prime CMAS contractor and resellers who are explicitly listed in the CMAS contract can sell the goods and/or services using CMAS terms and conditions listed in their CMAS contract.

### 5.C1.3 CMAS dollar thresholds

CMAS dollar thresholds are maximums. No CMAS order may be executed that exceeds a department’s CMAS purchasing authority threshold or CMAS maximum dollar threshold, without an approved exemption.

See Chapter 1 of this manual which describes the maximum dollar threshold per LPA purchasing category.

## Topic 2 – Achieving Best Value Using CMAS

### 5.C2.0 Make a valid attempt to seek offers

A valid attempt must be made to secure offers from viable contractors who are able to supply the goods and/or provide the services. Neither a lack of sufficient CMAS contractors nor the use of restrictive requirements meets the intent for obtaining offers.

### 5.C2.1 CMAS purchases exceeding $5,000

For CMAS orders for goods and services exceeding $5,000:

* Obtain 3 offers, including one CA certified SB and/or DVBE (if available)
* Document responses in accordance with Section A, Topic 4, of this chapter
* Execute Purchase Document per the contract user instructions

| CMAS ORDER IS FOR | AND DOLLAR AMOUNT IS | THE BUYER MUST |
| --- | --- | --- |
| Non-IT goods | $5,000 - $100,000 | * + Obtain 3 offers, 1 from SB or DVBE if available.   + Document responses   + Execute purchase document |
| Non-IT services | $5,000 - $50,000 | * + Obtain 3 offers, 1 from SB or DVBE if available.   + Document responses   + Execute purchase document |
| Non-IT services | $50,000.01 and above | See next info block for special requirements |

### 5.C2.2 Review process for CMAS non-IT services exceeding $50,000

The following requirements are specific to non-IT services CMAS transactions.

Prior to executing a CMAS purchase order (PO) for non-IT services over $50,000, departments need DGS/PD approval. Departments will process the PO and before final execution, the PO will need to be work-flowed in FI$Cal to DGS/PD. DGS/PD will review the following items within the system:

* Completed purchase document and applicable attachments
* The RFO
* Listing of CMAS contractors contacted
* All supplier responses to RFO
* Complete copy of awarded supplier’s CMAS contract
* Assessment and selection documents (document assessing costs and best value criteria, assessment showing the response meets the RFO requirements up to and including how the selection was determined)
* Identify if service and/or goods used to perform service meet all applicable building, operational and purchasing policies and standards

Once the purchase document is approved by DGS/PD, it will be routed via workflow back to the department for issuance to the contractor. CMAS contractors are directed not to accept these POs for non-IT services over $50,000 without DGS/PD/CMAS approval.

## Topic 3 - Not Specifically Priced Items (NSP)

### 5.C3.0 Open market, incidental, non-contract items

The only time that open market/incidental, non-contract items, may be included in a CMAS purchase order is when they fall under the parameters of the Not Specifically Priced (NSP) Items provision.

If the NSP provision is not included in the CMAS contract, or the products and/or services required do not qualify under the NSP parameters, the products and/or services must be procured separate from CMAS.

### 5.C3.1 Non-contract products and services that are subordinate and peripheral

The NSP Items provision enables the department to include in the purchase order non-contract products and services that are subordinate and peripheral to the other purchase order items, under the following conditions:

* An order containing NSP items may be executed only if it results in the best value alternative to meet department needs.
* Any product or service already specifically priced and identified in the contract may not be identified as an NSP item in an order.

All NSP items included in an order executed against a CMAS contract are subject to all the terms and conditions set forth in the contract.

### 5.C3.2 Dollar limits

Maximum Dollar Limitation:

* Purchase orders $250,000 or less: Total dollar value of all NSP items must not exceed $5,000.
* Purchase orders exceeding $250,000: Total dollar value of all NSP items must not exceed 5% of the total cost of the purchase order, or $25,000, whichever is lower.

### 5.C3.3 NSP not available

Not all contracts include the NSP provision. The NSP provision is included at the option of the contractor and the CMAS Unit. Review your CMAS contract for the NSP provision.

The NSP provision is not included in contracts that are only for services or only for software.

Department orders for NSP items only are prohibited.

### 5.C3.4 Manufacturer authorization required

Departments must substantiate (through manufacturer authorizations) that the contractor is an authorized provider of the products and product-related services (maintenance, repair) that are offered under the NSP provision.

### 5.C3.5 Clearly identify NSP

The NSP items must be separately listed and clearly identified on the order.

### 5.C3.6 Items specifically excluded

The following NSP items ARE SPECIFICALLY EXCLUDED from any order issued under the contract:

* Items that are not intended for use in direct support of the CMAS priced items identified in the same purchase order. A NSP item must be subordinate to the specifically priced item that the NSP item is supporting.
* Supply type items, except for the minimum amount necessary to provide initial support to the priced CMAS items included in the same purchase order.
* Items that do not meet the Productive Use Requirements for information technology products (See Chapter 2).
* Any other items or class of items that are specifically excluded from the scope of the CMAS contract.
* Public Works components that are NOT incidental to the overall project requirements. See CMAS Agency Packet, Section 16, Public Works Projects.
* Products or services the Contractor is NOT factory authorized or otherwise certified or trained to provide.
* Follow-on consultant services.

Trade-ins and upgrades, involving the swapping of boards, are permissible where the CMAS contract makes specific provisions for this action. In those instances where it is permitted, the purchase order must include the replacement item and a notation that the purchase involves the swapping of a board.

Topic 4 – Executing a Purchase Document for CMAS

### 5.C4.0 Recording the CMAS number on the purchase document

The FI$Cal system will automatically populate the CMAS contract number on each purchase order executed when using a CMAS contract.

### 5.C4.1 Multiple contracts on one purchase document

Departments wishing to include multiple CMAS contracts on a single order must adhere to the following:

* All contracts must be for the same CMAS contractor
* The purchase order must be for one contractor location
* Type the word “CMAS” in the space labeled “Leveraged Procurement Agreement No.” on the Purchase Order. The word “CMAS” signifies that the purchase order contains items from multiple CMAS contracts.
* The purchasing department may only use one DGS bill code.
* For each individual contract (as differentiated by alpha suffix), the department must identify and group together the contract number with the line items and subtotal per contract number (do not include tax in the subtotal), AND sequentially identify each individual contract as Sub #1, Sub #2, Sub #3, etc. This facilitates accurate billing of administrative fees by DGS/PD. The total of all items on the purchase order may not exceed the CMAS order limit.
* Do not combine items from non-IT goods with IT CMAS contracts The purchase order limits are different for these two types of contracts.

# Section D

## Software Licensing Program (SLP)

## Overview

### Introduction

The Software Licensing Program (SLP) was established in January 1994 and is administered by DGS/PD. Extensive software discounts are negotiated with major software publishers and those discounts are passed on to the State through the SLP contracts established with authorized participating resellers.

## Topic 1 – Software License Program Basics

### 5.D1.0 When to use SLP contracts

SLP contracts are established to reduce the need for individual departments to conduct repetitive acquisitions for proprietary software licenses and software upgrades. SLP contracts take advantage of the large volume discounts offered by the software publishers.

### 5.D1.1 What is required to use SLP contracts

The department must verify the execution of the order is authorized under the department’s purchasing authority.

This is a requirement for departments with purchasing authority and does not apply to the DGS/PD when conducting procurements on behalf of customers.

A minimum of three (3) suppliers must be contacted to obtain offers. Purchase documents are executed based upon best value criteria as determined by the needs of the individual department. The SLP contractor must be contacted directly to obtain a copy of the specific SLP contract. Conducting a purchase activity using the SLP contracts is no different than for other LPAs (CMAS and MA).

### 5.D1.2 List of SLP contractors

For a current list of authorized participating resellers/contractors with SLP contracts, refer to Section J, [Resources](#Resources5), at the end of this chapter.

### 5.D1.3 Contract price is maximum

SLP contract pricing is the maximum allowed. Buyers are strongly encouraged to negotiate lower prices.

### 5.D1.4 Exemption from the dollar threshold

In order to obtain approval to execute a purchase document that exceeds the SLP dollar threshold of $2,000,000, a Purchasing Authority Change Request (PACR) must be completed and submitted to DGS/PD/ Purchasing Authority Unit (PAU).

The following information must be documented and forwarded to DGS/PD/PAU:

* + A statement indicating this purchase is “mission critical” to the department, signed by the department CIO;
  + A clear statement of what is being purchased including all line items and the estimated dollar amount;
  + Identification of the savings that will be realized by this purchase (e.g. list price compared to SLP price);
  + The consequences that will occur if the department is unable to make the purchase;
  + A statement that this purchase, in this amount, is consistent with the department’s IT Strategic Plan (attach an excerpt of the appropriate section pertaining to this purchase); and
  + A copy of the California Department of Technology (CDT) approved ITAP reflecting this purchase.

Upon review and approval of the documentation submitted, DGS/PD will issue an approval letter concurring with the request. Upon receiving approval from DGS/PD, the department may proceed to initiate the RFO approval process.

### 5.D1.5 Cloud Computing SaaS Special Provisions

For Cloud Computing Software as a Service (SaaS) solutions, include the [Cloud Computing Contract Special Provisions SaaS](https://www.dgs.ca.gov/-/media/Divisions/PD/PTCS/OPPL/CLOUDCOMPUTINGSERVICESSPECIALPROVISIONS_18_0301.docx?la=en&hash=D15B144C86A54D492E4E19AE810F7F35EA8D171F) with a Statement of Work in addition to the General Provisions. Refer to the LPA user instructions for further information.

For additional information and helpful tools, refer to DGS/PD Cloud Computing webpage accessible in Section J, [Resources](#Resources5), at the end of this chapter.

# Section E

## State Price Schedule

## Overview

### Introduction

State Price Schedules (SPS) are non-competitively bid agreements for goods at a fixed price for a specified period of time. These agreements are established by DGS/PD for use by State departments.

## Topic 1 – State Price Schedules Basics

### 5.E1.0 State Price Schedules

State Price Schedules (SPS) are non-competitively bid agreements for goods at a fixed price for a specified period of time. SPS agreements are established for unique and unusual items that preclude competitive bidding.

Departments are limited to a $100,000.00 threshold on non-mandatory SPS orders. However, the department must verify whether the execution of the order is authorized under the department’s purchasing authority.

This is a requirement for departments with purchasing authority and does not apply to the DGS/PD when conducting procurements on behalf of customers.

### 5.E1.1 How do departments use SPS?

Departments must verify the following, prior to executing an SPS order:

* Is execution of the order authorized under the department’s purchasing authority?
* Is there a need to obtain a CALPIA waiver?
* Is the purchase for special adaptive equipment where pricing is required from other providers?
* Are there any pre-approval requirements?

### 5.E1.2 SPS for adaptive equipment requires special attention

DGS/PD has established a SPS agreement, with an IT component, for Adaptive Equipment and Services for Persons with Disabilities.

Departments executing orders against this SPS must apply all the required approval and documentation requirements as applicable to an IT acquisition.

**Example:**

A reading system purchased for a visual and/or reading impaired person may include a personal computer, scanner, sound card and reading software. This is considered an IT acquisition.

The use of the Adaptive Equipment and Services for Persons with Disabilities SPS requires departments to obtain offers from a minimum of 3 suppliers listed on the SPS agreement.

Buyers using this SPS must review and adhere to the user instructions unique to this LPA. Documentation requirements, unless otherwise described in the SPS user instructions, will follow the requirements of any LPA activity as outlined in Section A of this Chapter.

# Section F

## Master Agreements (MAs)

## Overview

### Introduction

Master Agreements (MAs) are one of the State’s main procurement vehicles for leveraging its buying power. Departments shall use MAs whenever the functional requirements for which the contract was awarded are substantially the same as the departments’ requirements.

**Criteria for Use of MAs**

* State departments must obtain equipment from an existing MA if the functions to be performed can be satisfied by the functional requirements and specifications under which the MA was awarded.
* State departments may not acquire equipment from a MA for functional requirements other than those for which the MA was awarded.
* State departments may use equipment acquired from the MA for auxiliary functions only if such functions are incidental to the principal function for which the equipment was justified and is being used.
* State departments must initiate individual competitive procurements to acquire equipment or services under the following situations:
* The functional requirements are different from those for which the MA contract was awarded; or
* The functional requirements are consistent with the MA but the specifications cannot be met by the MA.

## Topic 1 – Master Agreement (MA) Basics

### 5.F1.0 Review the MA

The MA must be reviewed in its entirety (contract, supplements and user instructions) to determine what requirements are applicable to the department’s business need. Most often, an MA will have the requirement to seek offers from authorized suppliers to determine and obtain best value. There are MAs that have been designated “exempt” either by statute or policy from obtaining multiple offers. Buyers should reference the MA user instructions for guidelines.

### 5.F1.1 What is required to use an MA

The following must be verified before executing an MA order:

* + Whether execution of the order is authorized under the department’s purchasing authority.

This is a requirement for departments with purchasing authority and does not apply to the DGS/PD when conducting procurements on behalf of customers.

* + Whether the execution of the order requires prior approval?
  + What additional requests for offers from other authorized providers identified within the contract are required
  + Whether the estimated dollar amount requires prior DGS review and approval before issuing an award.

### 5.F1.2 User instructions

Individual MAs provide user instructions unique to each agreement. User instructions include information such as whether or not the MA requires multiple offers, whether selection of an offer shall be based on “best value and reports that may be required.

Consequently, the user instructions must be read thoroughly in order to properly execute an order and complete any reports required by the individual agreement.

### 5.E1.3 Dollar threshold limitations

Departments may not execute a non-IT services MA transaction in excess of $500,000.00. Additionally, departments executing a non-IT services transaction of $50,000 or more from a non-IT MA must obtain DGS/Office of Legal Services (OLS) review and approval prior to executing the purchase document. Refer to the individual non-IT services MA user instructions for further requirements regarding the OLS review and approval process. (See SCM Vol. 1)

## Topic 2 – Achieving Best Value Using MA

### 5.F2.0 Valid attempt to seek offers

A valid attempt must be made to secure offers from viable contractors who are able to supply the goods and/or provide services. Neither a lack of sufficient MAs nor the use of restrictive requirements meets the intent for obtaining offers.

### 5.F2.1 Minimum RFO requirements

Departments shall solicit offers from a minimum of three (3) suppliers, including one SB and/or DVBE when available, unless otherwise instructed by the individual MA user instructions, and the responses shall be documented.

Buyers must read the User Instructions of an individual MA to verify whether or not the MA contains a specific format

### 5.F2.2 Documenting the results

Responses shall be documented in accordance with individual MA user instructions that may provide an evaluation format. Otherwise, the Best Value Determination Worksheet or the department’s own form to document the results of a MA offer may be used.

### 5.F2.3 Contacting more than 3 suppliers

When more than three (3) suppliers are contacted and the minimum 3 responses are not received, suppliers need to be contacted to determine why they did not respond. The rationale for proceeding with less than 3 responses must be documented in the procurement file.

### 5.F2.4 Transactions over $1,500,000

MA transactions with an estimated value in excess of $1,500,000 must have DGS/PD approval before obtaining offers. Departments must forward a Purchasing Authority Change Request (PACR)for review and approval to DGS/PD/PAU. The following steps must be followed to obtain an exemption for these transactions.

**Step**

**Description**

1. Submit a PACR to DGS/PD/PAU. The PACR must be completed in its entirety and signed by the PCO.  
   Refer to Section J, [Resources](#Resources5), for access to the PACR form.
2. If the request is approved, an approval letter will be issued and must remain in the procurement file.
3. The RFO must be submitted to DGS/PD for review and approval before the RFO is released to MA contractors.  
   This process is repeated each time there is a need to modify the RFO.
4. Upon receiving RFO approval, the RFO may be released to MA contractors and the department may proceed with the selection process.
5. All qualified MA suppliers must be contacted, unless otherwise specified within the respective MA user instruction.
6. Before contract award the following documentation shall be submitted to DGS/PD:
   * The final RFO including all addenda;
   * All RFO responses submitted;
   * The purchase document; and,
   * The Evaluation and Selection Report for concurrence of intended awardee.
7. Upon review and approval of the MA intended awardee, an approval letter will be issued by DGS/PD concurring with the supplier selection recommendation.
8. Upon receiving the approval letter from DGS/PD, the selection may be made and the order executed.
9. All documentation must be retained in the procurement file.
10. Departments are responsible for sending a copy of the revised approval letter to the State Controller’s Office with a copy of the PO.

# Section G

## Cooperative Agreements

## Overview

### Introduction

PCC sections 10298 – 10299 allow the DGS/PD to enter into cooperative purchasing agreements with other states.

## Topic 1 – Cooperative Agreements

### 5.G1.0 Authority to use Cooperative Agreements multi-state contracts

Cooperative Agreements establishes cooperative multi-state contracts where participating states may join together to achieve cost-effective and efficient acquisition of quality products and services.

### 5.G1.1 How to use Cooperative Agreements

When executing orders using the Cooperative Agreements program, departments are not required to obtain three offers or document best value, but conducting price comparisons among the Cooperative Agreements suppliers, if available, is encouraged. Refer to the user instructions of each contract

To use Cooperative Agreements:

* + Define the project scope to determine which - goods and services are needed and meet all California laws, regulations and policies
  + Obtain a complete copy of the Cooperative Agreements agreement (Cooperative Agreements base contract, CA participating addendum, CA terms and conditions and ordering instructions)
  + Check the electronic catalog and print a copy of an e-quote supporting the order
  + Obtain the proper approval for IT orders in accordance with SAM section 5230.1
  + Execute the order using the PO, unless otherwise directed within the specific Cooperative Agreements user instructions.
* Retain all documentation in the procurement file.

### 5.G1.2 Cooperative Agreements pricing

The basis for Cooperative Agreements pricing varies. Some are fixed for the duration of the contract, while some have cost of living adjustments and others are discounted from the manufacturer’s suggested retail price. For an explanation of the pricing for a specific Cooperative Agreements contract, refer to the user guide for that contract. Pricing referenced in the user guide establishes the maximum, but not necessarily the minimum, price that can be charged.  For large orders, users are encouraged to negotiate discounts if possible.

### 5.G1.3 Cooperative Agreements contract numbers

Many of the Cooperative Agreements contracts use the original Cooperative Agreements contract number from the Cooperative Agreements lead state. However, contracts established beginning in 2008 use the number “7” at the start of the contracts.

### 5.G1.4 Orders over $500,000.00

Departments executing Cooperative Agreements orders over $500,000.00 for non-IT goods must obtain the DGS/PD approval prior to executing the purchase document. The following information must be documented by the department and submitted to the DGS/PD:

* + Identify the need for the goods and/or services and the dollar value of the impending purchase document.
  + Explain how the department has determined that issuance of a purchase document to this particular contractor makes good business sense and how best value for the department has been achieved.

Upon review and approval of the documentation submitted, the DGS/PD will issue an approval letter concurring with the department’s request. Upon receiving approval from the DGS/PD, the department may proceed to execute the order.

### 5.G1.5 Amendments

Unless otherwise instructed by the user instructions, Cooperative Agreements orders that require changes can be amended without submitting NCB contract justification documentation. Any amendment should contain the same degree of detail for changes that the original order contained.

# Section H

## CALNET 2

## Overview

### Introduction

CALNET 2 is comprised of four (4) separate telecommunications contracts or master service agreements (MSAs) that were competitively bid and awarded by the Department of General Services (DGS) Procurement Division (PD) to both AT&T and Verizon Business in January 2007 as noted below:

MSA 1 – Legacy Voice, Data, and Video Services (AT&T)

MSA 2 – Legacy Long Distance and Network Based Services (AT&T)

MSA 3 – Internet Protocol (IP) Voice, Data, and Video Services (Verizon Business)

MSA 4 – Broadband Fixed Wireless Access, Data Services (Verizon Business)

Each of the MSAs noted above carry a five-year term with two (2) optional one year extensions. There are both mandatory and non-mandatory services as well as non-mandatory equipment items on all of the CALNET 2 contracts.

## Topic 1 – CALNET 2

### 5.H1.0 Consolidation of telecommunications services

The State’s telecommunications policies and procedures are based on SAM Sections [4500-4555](http://sam.dgs.ca.gov/TOC/4500.aspx) and Government Code Section 11541. The CDT has authority to develop statewide policy on the use of business telecommunications systems and services by departments. As such, the CDT /Statewide Telecommunications and Network Division (STND) manages the CALNET 2 Contracts, Inmate Ward Telephone System (IWTS) Contract, and Telecommunications Consulting Services Contract and has broad authority to direct the consolidation and joint use of telecommunications system resources used by departments.

### 5.H1.1 Required use of California Department of Technology /STND contracts

Departments must use the CALNET 2 contracts to obtain mandatory voice and data services unless an exemption is granted by the CDT/STND. Items deemed as mandatory must be procured from the appropriate CALNET 2 contracts unless a department obtains an exemption. There is no dollar value limit for any mandatory purchase made from any CALNET 2 contract. Items deemed as non-mandatory, both equipment and services, must be obtained through DGS established State Procurement Process.

CDT/STND is responsible for managing all CALNET 2 contracts to ensure compliance with CDT policy. DGS/PD has oversight procurement responsibilities pertaining to all CALNET 2 purchases. In the future, find out more about the CALNET 2 purchasing process by checking the CALNET 2 User Instructions to be made available on the CDT /STND website.

### 5.H1.2 Use of other LPAs for telecommunications equipment/service purchases

Once approval is obtained from the CDT /STND, telecom equipment and any service on CALNET 2 that have been deemed non-mandatory may be procured through any approved LPA or any other authorized procurement category by departments with IT purchasing authority.

All non-mandatory offerings available on CALNET 2 may be obtained by following the guideline noted in the CALNET 2 User Instructions that are currently being developed and will be placed on the CDT /STND website when complete.

### 5.H1.3 State Telecommunications Management Manual

For additional information regarding CALNET 2 Mandatory Services, delegations, and/or exemptions, refer to the State Telecommunications Management Manual located in Section J, [Resources](#Resources5), at the end of this chapter.

# Section I

# CA 1122 Public Safety Procurement Program (CPSPP)

# (GSA Component Only)

## Overview

### Introduction

Prior to utilizing this program, State departments must exhaust all procurement methods refer to 6.I3.0.

In order to use the 1122 procurement method, departments must have delegated purchasing authority under the CA 1122 Public Safety Procurement Program category. This will be indicated on the department’s Purchasing Authority Approval Letter.

The CA 1122 Public Safety Procurement Program is derived from the National Defense Authorization Act (Section 1122) established in FY 1994, revised in FY 2009 and became law under Title 10 Section 381. This law allows for state and local governments to purchase equipment for counter drug (CD), homeland security (HS) and emergency response (ER) activities from specific federal sources. This program establishes sources for non-IT commodities that have been competitively assessed, negotiated, or bid by the Federal General Services Administration (GSA). The program enables State departments with delegated purchasing authority granted by DGS to purchase from Federal GSA schedules. The California Governor’s Office of Emergency Services (CalOES) has been appointed by the Governor as the designated State Point of Contact (SPOC) to certify eligible State agencies. The Department of General Services (DGS) Procurement Division is responsible for developing statewide procurement policies and procedures for this program.

## Topic 1 – 1122 Basics – Contracting with GSA Suppliers

### 5.I1.0 Products

The CA 1122 Public Safety Procurement Program offers primarily Federal GSA multiple award schedule pricing with suppliers that provide non-IT goods.

### 5.I1.1 Contract price is maximum

Contract prices for products and/or services must be equal to or lower than the prices set in the base GSA contract. Departments are strongly encouraged to negotiate lower prices and seek competition.

### 5.I1.2 1122 GSA Suppliers

Only the prime GSA 1122 contractor and resellers who are explicitly listed in the GSA contract s can sell the goods listed in their GSA 1122 contract.

### 5.I1.3 How to apply for 1122 delegated authority

To become certified for participation in the CA 1122 Public Safety Procurement Program, a department must apply with CalOES. The requesting department submits a letter to CalOES requesting certification in CD, HS, and/or ER. Prepared letters are reviewed and if approved, a confirmation letter is sent to the department authorizing their participation in the selected activity.

The approval letter from CalOES to the state department must accompany the Purchasing Authority Change Request (PACR) to be considered for delegated purchasing authority by DGS.

### 5.I1.4 Purchasing authority dollar thresholds

No 1122 order (Purchase Order/Contract) may be executed by a department that exceeds the department’s 1122 purchasing authority dollar threshold or 1122 maximum dollar threshold. Exemption requests shall be considered by the DGS/PD on a case by case basis.

## Topic 2 – Achieving Competition

### 5.I2.0 Making a valid attempt in seeking offers

Departments must make a valid attempt to secure offers from viable contractors who are able to supply the goods. A lack of sufficient 1122 contractors or the use of restrictive requirements to select a single vendor will not meet the intent for obtaining offers.

### 5.I2.2 Contacting suppliers

Departments shall solicit offers from a minimum of three (3) suppliers.

Departments must document the procurement file in sufficient detail to support the supplier selection as follows:

| If a department contacts 3 sources and receives: | Then the department shall document the procurement file with the reasons why: |
| --- | --- |
| 1-offer | The other two (2) suppliers did not respond. |
| 2-offers | The third supplier did not respond. |

Departments that contact more than 3 suppliers and obtain more than 3 offers shall document their files with all responses, determine best value and then proceed with the purchase document execution.

### 5.I2.3 Documenting the results

Departments must document all suppliers that were contacted, provide a recap of their offers and record how the selection was made, including criteria for determining “best value”.

The recap documentation must be uploaded in FI$Cal and retained in the procurement file.

If the complete GSA 1122 contract is not maintained in the procurement file, buyers shall document, within the procurement file, where the complete contract is located.

### 5.I2.4 Only one source known

If a department knows of only one source that meets its needs (i.e. multiple offers cannot be obtained) the department shall:

* + Conduct a competitive solicitation, if suppliers are known to exist outside of the LPA programs or
  + Execute the response as an NCB contract if no other sources are known outside of the LPA program being used. Refer to Chapter 6 for NCB processing requirements or
  + Execute the response as a transaction that is exempt from obtaining multiple offers by either statute or policy and document the procurement file in sufficient detail to support the basis of the exemption. (Examples: authorized dealer letter, proof of copyrighted material, officially licensed good or patented product)

Refer to Chapter 6, for information on purchases exempt from obtaining multiple offers either by statute or policy.

### 5.I2.5 Purchases $5,000.00 - $100,000.00

The ordering department must solicit a minimum of 3 written offers.

The department must ensure the State’s current Terms and Conditions are agreed upon and accepted by the supplier and their acceptance must be documented in the procurement file.

The ordering department must use the PO generated from the FI$Cal system.

## Topic 3 – Procurement Procedure

### 5.I3.0 Procurement procedure for transactions greater than $5,000.00

* Department determines the need.
* Department must exhaust the following procurement methods in the following order:
* Surplus Property
* Prison Industry Authority
* Mandatory LPAs
* California Certified Small Business/Disabled Business Enterprise (either using fair and reasonable or the SB/DVBE Option).
* Department researches available goods on GSA Advantage (refer to the [Resources](#Resources5) section at the end of this chapter under LPA/1122)Department develops the Request for Offer (RFO) with the state’s current terms and conditions attached to be agreed upon by the supplier when they submit their bid/quote/offer. The RFO must request the supplier provide Retail Price along with their offer.
* Department receives and evaluates the offer, then awards the contract.
* The department that has been granted the delegated purchasing authority must use the PO generated from FI$Cal which includes:
* Contracting directly with the awarded supplier (GSA contractor)
* The system will identify “1122 -GSA” as the Leveraged Procurement Agreement Number
* Ensuring appropriate approvals been received for the PO and the funding verification.
* The front of the PO must include the following language: “This order is placed pursuant to the CA 1122 Public Safety Procurement Program, in support of counter-drug, homeland security, or emergency response activities, under the authority of CalOES, the State Point of Contact (SPOC) for the State of California.” Following this statement on the front of the PO, there must be a line for the SPOC’s signature, to approve the purchase
* The Department sends the following to CalOES for approval:
* Completed and signed PO
* The cost sheet from the awardee that lists the retail price and the current bid/quote/offer
* The supplier’s profile print out from GSA Advantage 1122
* Upon receipt, CalOES reviews and approves/signs the PO on the designated line labeled for the SPOC.
* CalOES places the order on behalf of the requesting department by sending the approved PO to the supplier. CalOES simultaneously notifies the department their request has been approved and submitted.
* The goods are shipped directly to the requesting department. Once the good(s) are received, the department follows the Acceptance and Testing period outlined in the state’s current terms and conditions or as specified in the SOW. Upon acceptance, the department completes the receiving in FI$Cal.
* After good(s) are received the department will issue payment directly to the contractor through the FI$Cal system

### 5.I3.1 DGS Fees

DGS has waived their administrative fees for all 1122 transactions.

### Section J

### Chapter 5 Resources

**A**

Authorized resellers/contractors with SLP contracts [Link to Webpage](https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Find-Leveraged-Procurement-Agreements)

**B**

Best Value Determination Worksheet [Word](https://www.dgs.ca.gov/-/media/B19AB2C5C5A741C8A339E9755833CC08.ashx)

Bidder Instructions [Link to Webpage](https://www.dgs.ca.gov/-/media/Divisions/PD/PTCS/OPPL/Model-Language/IT/GSPD451-110911.ashx?la=en&hash=9EED86E70D634F5F89087ACE5A3583FB0D79C347)

**C**

Cloud Computing [Link to Webpage](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Cloud-Computing-Policy)

**D**

Dispute Resolution Unit [Link to Webpage](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Policy-Training-and-Customer-Service/Dispute-Resolution-Unit)

DGS Standards [Link to Webpage](https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Request-Procurement-Engineering-Services)

**E**

Environmentally Preferable Purchasing [Link to Webpage](http://www.calrecycle.ca.gov/epp/)

Exemption form and Instructions (for SC contracts) [Link to Webpage](https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Request-an-IT-Hardware-Contract-Exemption)

**G**

General Provisions (GSPD-401 (non-IT) /GSPD-401IT (IT)) [Link to Webpage](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language)

GSA Advantage [Link to Webpage](https://www.gsaadvantage.gov/advantage/main/start_page.do)

**L**

LPAs [Link to Webpage](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Statewide-Contracts)

CA 1122 Public Safety Procurement Program [Link to Webpage](http://www.caloes.ca.gov/cal-oes-divisions/law-enforcement/public-safety-procurement-program/1122-program)

California Multiple Award Schedule [Link to Webpage](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/California-Multiple-Award-Schedules)

Master Agreements [Link to Webpage](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Master-Agreements)

State Price Schedule [Link to Webpage](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/CMAS-Program-Overview/CMAS-Requirements-for-GSA-Schedules)

Statewide Contracts [Link to Webpage](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Statewide-Contracts)

Software License Program [Link to Webpage](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Software-Licensing-Program)

Cooperative Agreements [Link to Webpage](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Cooperative-Agreements)

**O**

OAH Arbitration Regulations (CCR Title 2, Division 2, Chapter 1,

sections 870.1 – 874.1 [Link to Webpage](https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=I2297F750D48F11DEBC02831C6D6C108E&originationContext=documenttoc&transitionType=Default&contextData=(sc.Default))

**P**

Pharmaceutical Acquisitions [Link to Webpage](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Statewide-Pharmaceutical-Program)

Price Book [Link to Webpage](https://www.dgs.ca.gov/OFS/Price-Book)

# Resources

**R**

Request for Offer Template [PDF](https://www.dgs.ca.gov/-/media/01453773FA3E4CFDB827BC7C18E69DCD.ashx)

**S**

State Contracts Index Listing [Link to Webpage](https://www.dgs.ca.gov/-/media/Divisions/PD/Acquisitions/Statewide-Contracts/ContractIndexListing.ashx?la=en&hash=30969EA1D94C9F2DE03B13E96EBAEE862087FC95)

State Telecommunication Management Manual [Link to Webpage](http://www.otech.ca.gov/stnd/resources/stmm-online.asp)