Chapter 6

Leveraged Procurement Agreements

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## Chapter 6

## Leveraged Procurement Agreements

### Overview

### Introduction

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

* California Multiple Award Schedules (CMAS)
* Statewide Contracts (SC) (see also SCM, Vol. 3 Chapter 6 for IT goods and services)
* State Price Schedules (SPS) (see also SCM, Vol. 3 Chapter 6 for IT goods and services)
* Master Agreements (MA) (see also SCM, Vol. 3 Chapter 6 for IT goods and services
* Cooperative Agreements - Western States Contracting Alliance (WSCA)/National Association of State Procurement Officials (NASPO)
* CA 1122 Public Safety Procurement Program

Departments must have approved purchasing authority for the applicable category (e.g. non-IT goods) in order to place orders against that category. All departments with competitive purchasing authority at any dollar level also have LPA purchasing authority for the purchasing authority type identified.

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.

### Section A

#### LPA General Usage

#### Overview

##### Introduction

The LPA program, established by the DGS/PD as set forth in PCC section 10290 et seq. enables the DGS/PD to streamline State purchases by removing repetitive, resource intensive, costly, and time consuming bid processes by departments.

LPA contracts 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 Vol. 2 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 each LPA contract 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 LPA contracts into the beginning section of the chapter.

#### Topic 1 – Purchasing Authority and the LPA Process

##### 6.A1.0 Categories and dollar thresholds

The table below illustrates the LPA categories and the dollar thresholds available to departments when considering LPA purchasing authority. Dollar thresholds identified in this table exclude sales and use taxes, finance charges, postage, handling, and shipping charges unless otherwise identified within the individual LPA user instructions.

| **Leveraged Procurement Agreement**  **Category** | **Non-IT Dollar Thresholds**  **Goods** | **Non-IT Dollar Thresholds**  **Services** |
| --- | --- | --- |
| California Multiple Award Schedule (CMAS) | $100,000.00 | $250,000.00 |
| Statewide Contracts (SC) | Unlimited | N/A |
| State Price Schedule (SPS) | $100,000.00 | N/A |
| Master Agreements  (Unless otherwise noted in user instructions) | $500,000.00 | $500,000.00 |
| Cooperative Agreements (WSCA/NASPO unless otherwise noted in user instructions) | $500,000.00 | $500,000.00 |
| CA 1122 Public Safety Procurement Program | $100,000.00 | N/A |

##### 6.A1.1 Exemptions from dollar thresholds

Exemptions to the CMAS and SPS dollar threshold limits are not allowed, regardless of the type of purchasing authority.

Exemptions to the MA maximum dollar threshold limits may be considered as described within the individual MA user instructions and by obtaining the approval of the DGS/PD.

Exemptions to the CA 1122 Public Safety Procurement Program maximum dollar threshold limits may be considered on a single transaction basis by obtaining the approval of the DGS/PD.

##### 6.A1.2 No Protest Language for MA, 1122, CMAS RFOs

Since a Request for Offer (RFO) for MA, CMAS and CA 1122 are not considered competitive solicitations, departments must not include protest language.

##### 6.A1.3 Review process for MA non-IT services exceeding $50,000.00

LPA orders for non-IT services exceeding $50,000.00 must be reviewed and approved by the DGS before issuing a purchase document to the supplier. Agencies should provide a cover document requesting approval which identifies the agency contact and phone number. If the transaction is being processed based upon a non-IT services MA, the buyer must adhere to the routing information provided within the individual MA user instructions regarding OLS review and approval.

##### 6.A1.4 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 for non-IT services over $50,000, submit the documents listed below to the DGS/PD for review and approval. Agencies should provide a cover document requesting approval which identifies the agency contact and phone number.

* Summary Agreement (STD.215)
* Completed purchase document and applicable attachments (STD.65)
* Copy of RFO
* Listing of CMAS contractors contacted
* Copies of 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)

Send or deliver package to:

DGS/Procurement Division (IMS Z-1)

CMAS Unit – PO Approval

707 Third Street, Second Floor MS 2-202

West Sacramento, CA 95605

Once the purchase document is approved by the DGS/PD, it will be stamped approved and signed by the DGS/PD on the face of the purchase document. The DGS/PD will then return the purchase document to the department for issuance to the contractor. All other supporting documents will be retained by the DGS. CMAS contractors are directed not to accept these PO’s for non-IT services over $50,000 without the DGS/PD/CMAS approval.

##### 6.A1.5 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 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 the 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 the 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 the DGS/OLS's files.

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

##### 6.A1.6 Establishing LPAs

| **If the LPA is** | **Established by** |
| --- | --- |
| SC  Contract number leads with  a “1” “8”  **Note:** SC numbers leading with an “8” are restricted to CALPIA use only.  See MA below WSCA/NASPO. | Statewide competitive bid for   * Specified 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 * All certified SB or DVBE purchases made through the SC are reported monthly by the contract holder and are credited to the purchasing department. |
| SPS  Contract number leads with a “2” | Non-Competitively Bid agreement for   * Orders for goods at a fixed price * Specified period of time * Tend to be proprietary supplies and parts |
| CMAS  Contract number leads with a:  “4” for non-IT goods or services  The contract number for non-IT services will start with a “4” and include a “03” in the third field:  Example: 4-XX-03-XXXX | 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 |
| MA  Contract number leads with a:  “5” for services  “6” for rentals  **Note:**  The State’s WSCA/NASPO contracts use the original WSCA/NASPO contract number or “7.”. | Statewide competitively bid (generally) with award to all responsive bidders   * Products * Services * Rental of equipment |

LPAs are established by the DGS/PD as follows:

##### 6.A1.7 Where to find LPA information?

LPA information can be found on the [LPA Website](https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Find-Leveraged-Procurement-Agreements) or at https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Find-Leveraged-Procurement-Agreements

LPA Programs have their own web pages where information about specific contracts can be accessed as follows:

CMAS: Access [CMAS contracts](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/California-Multiple-Award-Schedules) at https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/California-Multiple-Award-Schedules“Find a CMAS Contract” link.

MA: Access [Master Agreements](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Master-Agreements) including Master service agreements, Master Purchase Agreements, and Master Rental Agreements at https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Master-Agreements

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

CA 1122 Public Safety Procurement Program: Access [GSA Advantage](http://www.gsaelibrary.gsa.gov/ElibMain/home.do)

##### 6.A1.8 What do LPAs offer?

LPAs offer 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.

##### 6.A1.9 How departments use LPAs

Departments using LPAs must:

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

##### 6.A1.10 Applicable codes, policies and procedures

The use of LPA contracts does not exempt departments from adhering to all applicable laws, regulations, codes, and policies relative to State contracting and procurement requirements. This includes but is not limited to departments 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.

##### 6.A1.11 Administrative fees

Administrative fees - Refer to Chapter 9. LPA administrative fees, if applicable, are identified within the DGS State Price book and/or described within the LPA user instructions.

Access the [DGS State Price book](https://www.dgs.ca.gov/OFS/Price-Book) at https://www.dgs.ca.gov/OFS/Price-Book.

##### 6.A1.12 Reporting requirements

LPA reporting requirements are described within the specific LPA contracts and corresponding user instructions

Refer to Chapter 12, for the minimum LPA reporting requirements.

#### Topic 2 – LPA Basics

##### 6.A2.0 Be smart, shop smart

LPA contract prices for products and services vary from category to category. Some LPA prices are maximums and negotiating for lower prices is recommended. Others are fixed price and negotiation is not allowed. Some LPAs require the department to prepare and distribute a Request for Offer (RFO) using an authorized supplier pool identified within the individual contract. An RFO is a document sent to LPA contractors which contains requirements for a specific transaction and requests a specific response or offer.

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 contract rates. This is accomplished by obtaining a complete copy of the LPA contract before executing any purchase documents. The contract’s user instructions describe the tasks necessary to compete for the order.

##### 6.A2.1 Why do departments need a copy of the LPA contract?

Departments must obtain a copy of the LPA contract 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 contract.
* Determine which products and/or services are specifically excluded.
* Determine if prices quoted are at or below contract 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).
* Obtain contractor’s signed Payee Data Record (STD.204). Substantiate the contractor has a valid seller’s permit if applicable.

##### 6.A2.2 Standard purchase document

Most LPA orders are executed using a STD.65. Some MSA and MRA user instructions advise departments to execute orders using a STD.213 Standard Agreement (non-IT services) or provide departments with an option of executing orders using a STD.65 or a Master Service Agreement (GSOP-206) or Master Agreement Form (GSOP-191-2). Buyers must read the user instructions for the individual contract to determine the appropriate purchase document to be utilized.

##### 6.A2.3 LPA contract provisions

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

##### 6.A2.4 SB and DVBE consideration

When placing orders against LPA contracts departments must consider offers from certified SB and/or certified DVBE, when available. Most LPA processes provide departments with a means to claim contracting dollars toward their department’s SB or DVBE goals.

##### 6.A2.5 SB and DVBE sub-contracting participation tracking

Departments are able to claim subcontracting dollars towards departmental SB or DVBE goals whenever an LPA contractor subcontracts a commercially useful function to a certified SB or DVBE. The LPA contractor will provide the ordering department with the name of the certified SB or certified DVBE used and the dollar amount the ordering department can apply towards its SB or DVBE goal.

##### 6.A2.6 SB and DVBE verification

Departments will perform inquiries through Office of SB and DVBE Services (OSDS) database to verify SB and DVBE certification status of all LPA contractors prior to issuing the order. The certification data (SB and DVBE reference number, status, term, business type, etc.) provided from an inquiry, when applicable, must be maintained within the procurement file.

https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx

Click here to access the [SB and DVBE services web page](https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx).

##### 6.A2.7 CAL-Card use

Departments may pay for goods and services with a CAL-Card as long as the contractor accepts a VISA card. Departments are reminded that the 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 accepting CAL-Card payments. Refer to Chapter 9.

##### 6.A2.8 Mixing LPAs

Departments may not mix offers from different types of LPAs (non-IT and IT) or bids to execute a single order. LPA categories (CMAS, MA, SC, WSCA/NASPO) cannot be combined to obtain offers and select a supplier.

Example:

A department has a need to acquire 10 copiers. The department has LPA non-IT purchasing authority for CMAS and MA. Offers cannot be obtained from both CMAS contractors and the MA contractors to meet the department’s need and the requirement to obtain offers.

##### 6.A2.9 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 Office.

##### 6.A2.10 Protest Language

LPAs are not considered competitive solicitations, therefore departments shall not include protest language.

##### Topic 3 – Achieving Best Value Using LPAs

##### 6.A3.0 Seeking multiple offers

Departments shall seek multiple offers 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 offer” is defined to be a minimum of three (3) offers, including one California certified SB and/or DVBE (if available).

Refer to the individual LPA topics within this chapter for additional instructions.

##### 6.A3.1 Choose your words carefully

When using LPA categories such as MA, CMAS and the CA 1122 Public Safety Procurement Program, departments shall be sensitive to avoid using words that imply competitive bids. When conducting a supplier comparison or obtaining offers avoid using the words “bid”, “quote”, “solicitation” and/or “evaluation” , but, rather, clarify that there will be a comparison of offers to determine best value. When obtaining offers using a written document refer to the document as a RFO. Buyers must also not include competitive solicitation language regarding small business preference, protest language, intents to award, evaluation criteria or advertising requirements.

**Warning**: Since MA, CMAS, and CA 1122 Public Safety Procurement Program RFOs are not considered competitive solicitations, departments must not use the two-envelope evaluation process or include protest language.

##### 6.A3.2 Best value

Most LPAs require departments to select a supplier based upon a “value effective” 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 by a department to ensure that its 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 the concept of making value-effective acquisitions.

Departments must know what is important to their program, document those needs and requirements, and then canvas suppliers, either utilizing a pre-qualified supplier group as in MAs 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, unless otherwise directed by the individual user instructions, not required to document best value.

##### 6.A3.3 Possible criteria

Best value can be determined using any one or all of the following criteria as applicable to the department’s 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
* Warranties, guarantees, and return policy
* 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 of the supplier
* The prior record of supplier’s performance
* Supplier expertise with engagements of similar scope and complexity
* The extent and quality of the proposed participation and acceptance by all user groups
* Proven development and methodologies and tools
* Innovative use of current technologies and quality results

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

##### 6.A3.4 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.
* Award to the supplier with documented “best value” that meets requirements.

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

##### 6.A3.5 Conduct a supplier comparison

Unless otherwise directed by the individual LPA user instructions or when using a contract exempted from obtaining multiple offers, departments are required to obtain a minimum of three (3) suppliers who can provide the requested non-IT goods and non-IT 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 proposal to meet the department’s 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.

Click here to access a Request for Offer template. ([Word](https://www.dgs.ca.gov/-/media/01453773FA3E4CFDB827BC7C18E69DCD.ashx))

Departments must document 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”.

##### 6.A3.6 Less than 3 offers

| 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. |

Unless otherwise directed by either the LPA user instructions or the LPA being used is exempted from obtaining 3-offers, departments must document the procurement file in sufficient detail to support the supplier selection as follows:

##### 6.A3.7 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.

**6.A3.8 Only one source known**

The LPA user guide will determine the number of quotes that have to be solicited. If a department knows of only one source within a LPA type and category (CMAS, MA, SLP, etc.), 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 5 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 5, for information on purchases exempt from obtaining multiple offers either by statute or policy.

#### Topic 4 – Documenting the Results of a LPA Offer

##### 6.A4.0 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 provided here, create their own, or if using an MA LPA defer to the requirements of the user instructions.

The worksheet provided facilitates easy compilation of offers received and supplier selection rationale. Regardless of the format used the form must be retained in the procurement file.

To access the Best Value Determination Worksheet, used to document the offers received click [Word](https://www.dgs.ca.gov/-/media/B19AB2C5C5A741C8A339E9755833CC08.ashx).

##### 6.A4.1 LPA file documentation

Click here to access the [LPA file documentation requirements](https://www.dgs.ca.gov/-/media/CDDCFCAF9B6F4568B0D35152A2B1B5A2.ashx).

##### 6.A4.2 Location of the entire contract

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

#### Topic 5 – Amending an LPA Purchase Document

##### 6.A5.0 Amendments for non-IT goods and services

Original orders, which include options for changes (e.g., quantity or time), that were evaluated 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.

For amendments unique to CMAS orders for non-IT services, refer to Section B, Topic 2.

##### 6.A5.1 (deleted 12/11)

##### 6.A5.2 Original transaction valued less than $5,000.00

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 awarded using fair and reasonable methodology. Refer to Chapter 5.

### Section B

#### California Multiple Award Schedules

#### Overview

##### Introduction

The California Multiple Award Schedules (CMAS) program was established in May 1994 and incorporated in PCC sections 10290 et seq. and 12101.5. CMAS contracts are established for non-IT products and services that have been competitively assessed, negotiated, or bid primarily, but not exclusively, by the Federal General Services Administration (GSA). See SCM, Vol. 3 covering CMAS contracts for IT goods and services. The program enables State departments under the purchasing authority (GSA) granted by the DGS to streamline purchases by removing repetitive, resources intensive, costly, and time-consuming bid processes.

#### Topic 1 – CMAS Basics

##### 6.B1.0 Products and services

The CMAS program offers primarily Federal GSA multiple award schedule pricing with California terms and conditions with suppliers that provide non-IT goods and services, and IT goods and services. See SCM, Vol. 3, Chapter 6 for information on CMAS IT good and services.

##### 6.B1.1 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. Departments are strongly encouraged to negotiate lower prices and seek competition.

##### 6.B1.2 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 listed in their CMAS contract.

##### 6.B1.3 (deleted 7/11)

##### 6.B1.4 Purchasing authority dollar thresholds

CMAS dollar thresholds are maximums. No CMAS order may be executed by a department that exceeds the department’s CMAS purchasing authority dollar threshold or CMAS maximum dollar threshold, whichever is less.

Refer to Section A, Topic 1 of this chapter describing the maximum dollar threshold per LPA purchasing category.

#### Topic 2 – Achieving Best Value Using CMAS

##### 6.B2.0 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 and/or provide the services. Neither a lack of sufficient CMAS contractors nor the use of restrictive requirements meets the intent for obtaining offers.

##### 6.B2.1 Minimum RFO requirements

Refer to Section A, Topic 3 of this chapter for RFO requirements.

##### 6.B2.2 Documenting the results

Refer to Section A, Topic 3, of this chapter for file documentation requirements.

##### 6.B2.3 Contacting more than 3- suppliers

Refer to Section A, Topic 3 of this chapter for when contacting more than three suppliers.

##### 6.B2.4 Only one source known

Refer to Section A, Topic 3 of this chapter for the process to follow when only one source is known.

##### 6.B2.5 (deleted 4/18)

##### 6.B2.6 (deleted 12/11)

##### 6.B2.7 CMAS requirement

| CMAS order is for | And dollar amount is | The buyer must |
| --- | --- | --- |
| Non-IT goods | $5,000.00- $100,000.00 | * Obtain 3 offers, 1 from SB or DVBE if available. * Document responses – refer to Section A, Topic 4. * Execute Purchase Document. |
| Non-IT services | $5,000.00 - $50,000.00 | * Obtain 3 offers, 1 from SB or DVBE if available. * Document responses, refer to Section A, Topic 4. * Execute purchase document. |

|  | $50,000.01-$250,000.00 | * Obtain 3 offers, 1 from SB or DVBE if available. * Document responses –refer to Section A, Topic 4.   Submit to the DGS/PD for review and approval:   * Completed Purchase document (STD. 65) with all attachments. * Labor category titles on PO must match CMAS contract * Prices must be equal to or lower than CMAS contract * All required fields must be completed * Must have all required signatures * Summary Agreement – STD.215 * All required fields must be completed * Must have all required signatures * Copy of RFO * Must include Statement of Work * Must include clearly defined deliverables and any other requirements * Listing of all CMAS contractors contacted on this RFO, with one SB or DVBE if available * Copies of all supplier responses to the RFO * If only one offer is received, must include reasons why two other suppliers did not respond with an offer * If two offers received, must include reason why one other supplier did not respond with an offer * Complete copy of awarded supplier’s CMAS contract * Ensure that contract is still valid * Must include approved labor categories and/or services from base GSA contract * Copy of assessment and selection documents * Include evaluation methodology used * Include copies of all completed evaluation documents * Include reason for selecting proposed contractor * Certification for Expenditure of Funds, signed by your Agency's Secretary or Department's Director. See Chapter 2, info block 2.B3.15 for the [required certification language](https://www.dgs.ca.gov/-/media/A9DF4B37BD5A4343B6F50F165800AE20.ashx).   Hand Deliver or mail to:  DGS/Procurement Division IMS: Z-1 Attn: CMAS Unit-PO Approval 707 Third Street, Second Floor South MS 2-202  West Sacramento, CA 95605 |
| --- | --- | --- |

**6.B2.8 (deleted 12/11)**

##### 6.B2.9 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 5.

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

##### 6.B3.0 Open market, incidental, and 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.

##### 6.B3.1 Subordinate and peripheral

The Not Specifically Priced (NSP) Items provision enables the agency to include in the purchase order non-contract products and services that are subordinate and peripheral to the other purchase order items, as follows:

* 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.

##### 6.B3.2 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.

##### 6.B3.3 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.

Department orders for NSP items only are prohibited.

##### 6.B3.4 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.

##### 6.B3.5 Clearly identify NSP

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

##### 6.B3.6 Items specifically excluded

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

1. Items that are not intended for use in direct support of the CMAS priced items identified in the same purchase order. An NSP item must be subordinate to the specifically priced item that the NSP item is supporting.
2. Supply type items, except for the minimum amount necessary to provide initial support to the priced CMAS items included in the same purchase order.
3. Any other items or class of items that are specifically excluded from the scope of the CMAS contract.
4. Public Works components that are NOT incidental to the overall project requirements. See CMAS Agency Packet, Section 16, Public Works Projects.
5. Products or services the Contractor is NOT factory authorized or otherwise certified or trained to provide.
6. Follow-on consultant services.

#### Topic 4 – Executing CMAS Purchase Orders (STD.65)

##### 6.B4.0 Recording the CMAS number on the purchase document

The CMAS contract number must be identified on each CMAS order executed. This is in addition to the Purchasing Authority Number assigned by the DGS/PD.

Refer to Chapter 8 – Purchase Documents.

##### 6.B4.1 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 usually reserved for the contract number. On the STD.65, this is at the top of the form. The word “CMAS” signifies that the purchase order contains items from multiple CMAS contracts. The purchasing department may only use one the 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 the Procurement Division.
* The total of all items on the purchase order must not exceed the CMAS order limit identified in the CMAS contract.
* Do not combine items from both non-IT goods and IT CMAS contracts. Non-IT commodity contracts begin with the number “4” and IT contracts begin with the number “3.” The purchase order limits are different for these two types of contracts. See SCM, Vol. 3 for more information on IT contracts.

### Section C

#### Statewide Contracts (SC)

#### Overview

##### Introduction

Statewide Contracts (SCs) are competitively bid and awarded contracts established by the DGS/Procurement Division 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.

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

#### Topic 1 – SC Basics

##### 6.C1.0 SC limitations

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

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

Contract pricing identified within SC is the maximum allowed.

##### 6.C1.2 When to use SC

SC’s are established to reduce the need for individual departments to conduct repetitive bids for like products. The use of most SCs is mandatory, while the use of other SCs is non-mandatory. The buyers must verify the mandatory or non-mandatory status by reviewing the user instructions of each contract.

##### 6.C1.3 Using Statewide Contracts

The following must be verified prior to executing a SC order:

* Departments must have non-IT 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 the DGS written approval for any exemption to conduct a purchase outside of an authorized SC.
* Purchasing authority numbers and SC numbers must be identified on the purchase document in the appropriate location.
* 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 available on [PD’s eProcurement web page](https://www.caleprocure.ca.gov/pages/index.aspx) or by contacting the PD contract manager for the specific contracts.

##### 6.C1.4 SB/DVBE Off-ramp policy for mandatory SC

Statewide mandatory contracts awarded by the DGS for non-IT goodsmay have a Small Business/DVBE Off-ramp, meaning State departments will be permitted to purchase equivalent products at the same or lower price from other sources that are certified small businesses or DVBEs. To determine whether a particular mandatory contract has a Small Business/DVBE Off-ramp, consult the user instructions for that contract or use this [link](https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Find-Leveraged-Procurement-Agreements).

##### 6.C1.5 SB/DVBE Off-ramp usage rules

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

1. Equivalent to the non-IT 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 than the pricing offered from the SC for the same products based on the total order value before taxes.

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

* Departments must have the appropriate non-IT purchasing authority granted by the DGS/PD in order to utilize the SB/DVBE Off-ramp as identified by the statewide contract (see the Approved Purchasing Authority [link](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Policy-Training-and-Customer-Service/Purchasing-Authority-Unit));
* Transactions must be less than $250,000 excluding 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 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.

If these rules cannot be applied, departments may not use the SB/DVBE

Off-ramp provision to buy outside of the mandatory statewide contract. The purchase must be made through the mandatory statewide contract.

##### 6.C1.6 (Deleted 6/14)

##### 6.C1.7 Purchase document

Unless otherwise directed by individual SC user instructions, the common

purchase document used to issue SC orders is the STD.65. When utilizing the SB/DVBE Off-ramp, departments shall enter the word “Off-ramp” into the LPA number box on the STD.65. Refer to Section A of this chapter and Chapter 8 for additional information on purchase documents.

##### 6.C1.8 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 the DGS/PD a STD.66 for processing by the DGS/PD.

##### 6.C1.9 Statewide Pharmaceutical Program

The State of California Department of General Services (DGS) implements and administers a Statewide Pharmaceutical Program established by Government Code §14977-14982.  The California State Departments of Corrections and Rehabilitations (CDCR), Mental Health (DMH), and Developmental Services (DDS) 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.

The DGS works in conjunction with a Central Pharmacy Advisory Board to implement and administer a Statewide Pharmaceutical Program and implement strategies to manage escalating prescription drug prices. Representation on this Board is appointed by the entities participating in the Statewide Pharmaceutical Program.

Please review the [DGS Website](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Statewide-Pharmaceutical-Program) at,

https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Statewide-Pharmaceutical-Program, for a list of contracts supporting the Statewide Pharmaceutical Program.

##### 6.C1.10 SC availability

Click here for access to [SC](https://www.caleprocure.ca.gov/pages/LPASearch/lpa-search.aspx).

#### Section D

#### State Price Schedules

#### 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 the DGS/PD for use by State departments.

#### Topic 1 – State Price Schedules Basics

##### 6.D1.0 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.

##### 6.D1.1 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?
* Are there comparable products available from outside sources where there is 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?

SPS agreements are available on [PD’s eProcurement web page](https://www.caleprocure.ca.gov/pages/index.aspx) or by contacting the PD contract manager for the specific SPS.

### Section E

#### Master Agreements

#### Overview

##### Introduction

Master Agreements (MA) are one of the State’s main procurement vehicles for leveraging its buying power. As stated in SAM section 5291 departments shall use master agreements whenever the functional requirements for which the contract was awarded are substantially the same as the departments’ requirements.

#### Topic 1 – Master Agreement Basics

##### 6.E1.0 Review the MA

Departments must review the MA 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 require the department 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. Refer to Chapter 5, Topic 6 for suggested statements.

Orders issued against an MA use either the STD.65 for non-IT goods or the STD.213 for non-IT services, as identified within the individual master agreement user instructions.

##### 6.E1.1 How do departments use the MA

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

* Is execution of the order authorized under the department’s purchasing authority?
* Does execution of the order require prior approval or any other approvals identified within the individual contract user instructions?
* Does use of the MA require additional requests for offers from other authorized providers identified within the contract?
* Does the estimated dollar threshold require prior the DGS review and approval before issuing an award?

MAs are available on [PD’s eProcurement web page](https://www.caleprocure.ca.gov/pages/index.aspx) by contacting the PD contract manager for the specific contract.

##### 6.E1.2 User instructions

Individual MA contracts provide user instructions unique to each agreement. User instructions include information such as whether or not the MA requires the buyer to obtain multiple offers whether “best value” and reports that may be required.

##### 6.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 the 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

##### 6.E2.0 Valid attempt in seeking offers

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

##### 6.E2.1 Minimum RFO requirements

Departments granted purchasing authority to use MA shall obtain a minimum of three (3) offers including one SB and/or DVBE when available, unless otherwise instructed by the individual MA user instructions and document the responses.

**Note:** Buyers must read the User Instructions of an individual MA to verify whether or not the MA contains a specific format prior to using the RFO template.

##### 6.E2.2 Documenting the results

Buyers shall document responses in accordance with individual MA user instructions that may provide an evaluation format. Otherwise, buyers have the option to use the Best Value Determination Worksheet or use their own form to document the results of a MA offer.

Click here to access a Best Value Determination Worksheet. [Word](https://www.dgs.ca.gov/-/media/B19AB2C5C5A741C8A339E9755833CC08.ashx) [PDF](https://www.dgs.ca.gov/-/media/12D39ED2D6F048A3A4797774061842C7.ashx)

Regardless of the format used, the following must be documented in sufficient detail to support the supplier selection:

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

##### 6.E2.3 Contacting more than 3-suppliers

Refer to Section A, Topic 3 of this chapter for the process to follow when only once source is known.

##### 6.E2.4 Only one source known

If a department knows of only one source, where multiple MA offers cannot be obtained, the department shall either,

* Conduct a competitive solicitation, if suppliers are known that are not MA authorized or
* Process the response as an NCB contract, if no other sources are known outside of the MA. Refer to Chapter 5.

##### 6.E2.5 (moved 4/18)

This section has been moved to Chapter 5.

##### 6.E2.6 (deleted 12/11)

##### 6.E2.7 Amendments specific to non-IT services

For information regarding amendments unique to non-IT services, refer to SCM, Vol. 1.

### Section F

#### Cooperative Agreements

#### Overview

##### Introduction

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

#### Topic 1 – Western States Contracting Alliance (WSCA)/National Association of State Procurement Officials (NASPO) Basics

##### 6.F3.0 WSCA/ NASPO

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

##### 6.F3.1 How do departments use WSCA/NASPO?

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

To search for a cooperative agreement, access the [WSCA/NASPO](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Cooperative-Agreements) website and obtain supplier contact names and numbers.

Departments must:

* Obtain a complete copy of the WSCA/NASPO agreement (WSCA/NASPO base contract, CA participating addendum, CA terms and conditions and ordering instructions)
* Define the project scope to determine which goods and services are needed
* Check the electronic catalog and print a copy of an e-quote supporting the order
* Execute the order using the STD.65, unless otherwise directed within the specific WSCA/NASPO user instructions.
* Retain all documentation in the procurement file.

##### 6.F3.2 WSCA/ NASPO Pricing

The basis for WSCA/NASPO 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 WSCA/NASPO 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.

##### 6.F3.3 WSCA/ NASPO contract numbers

Many of the WSCA/NASPO contracts use the contract number from the lead state. However, contracts established beginning in 2008 use the number “7” at the start of the contracts.

##### 6.F3.4 WSCA/ NASPO services

State departments should use the WSCA contracts for courier services until such time as the negotiated rates are not competitive, and/or the contracted couriers no longer provide cost efficient, quality service statewide.

##### 6.F3.5 Amendments

Unless otherwise instructed by the user instructions, WSCA/NASPO 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. Refer to Chapter 8, Topic 7 for additional information on amending purchase documents.

##### 6.F3.6 Orders over $500,000.00

Departments executing WSCA/NASPO 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.

#### Section G

#### 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.G3.0.

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

##### 6.G1.0 Products

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

##### 6.G1.1 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.

##### 6.G1.2 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.

##### 6.G1.3 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 on their [website](http://www.caloes.ca.gov/cal-oes-divisions/law-enforcement/public-safety-procurement-program/1122-program) at http://www.caloes.ca.gov/cal-oes-divisions/law-enforcement/public-safety-procurement-program/1122-program. 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 Application to be considered for delegated purchasing authority by DGS.

##### 6.G1.4 Purchasing authority dollar thresholds

No 1122 order (aka STD. 65/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. Refer to Section A, Topic 1 of this chapter for dollar thresholds.

Dollar thresholds exclude sales and use tax, finance charges, postage, and handling charges. Shipping charges are also excluded from the dollar threshold limits unless the shipping charge is included in the evaluation such as FOB Origin, Freight Collect, or FOB.

#### Topic 2 – Achieving Competition

##### 6.G2.0 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.

##### 6.G2.1 Minimum RFO requirements

Refer to Section A, Topic 3 of this chapter for RFO requirements.

##### 6.G2.2 Contacting suppliers

Departments shall solicit offers from a minimum of 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.

##### 6.G2.3 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 form must be 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.

##### 6.G2.4 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 5 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 5](https://www.dgs.ca.gov/-/media/Divisions/PD/PTCS/OPPL/SCM/v2Chapt05.docx?la=en&hash=8E82603DC23358DA64FBA3FBD2596AE704E58C30), for information on purchases exempt from obtaining multiple offers either by statute or policy.

##### 6.G2.5 Purchases less than $5,000.00

1122 orders valued less than $5,000.00 may be executed without obtaining multiple offers if fair and reasonable pricing has been established and documented. Examples of fair and reasonable pricing methods are described in [SCM, Vol. 2, Chapter 4](https://www.dgs.ca.gov/-/media/Divisions/PD/PTCS/OPPL/SCM/v2Chapt04.docx?la=en&hash=4800550BEFB2F7953FCD49D762270026B93B0250), Section C, Topic 2.

The ordering department must execute the State of California - General Services Procurement Division, Purchasing Authority Purchase Order (STD. 65).

Documentation to support fair and reasonable pricing must be retained in the procurement file.

##### 6.G2.6 Purchases $5,000.00 - $100,000.00

The ordering department must solicit a minimum of 3 written offers as described in 6.G3.0

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.

Document responses; refer to Section A, Topic 4 of this chapter.

The ordering department must execute the State of California - General Services Procurement Division, Purchasing Authority Purchase Order (STD. 65).

#### Topic 3 – Procurement Procedure

##### 6.G3.0 Procurement procedure for transactions greater than $5,000.00

1. Department determines the need.
2. 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).

1. Department researches available goods on [GSA Advantage Online Shopping Webpage](https://www.gsaadvantage.gov/advantage/main/start_page.do) at https://www.gsaadvantage.gov/advantage/main/start\_page.do
2. 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.
3. Department receives and evaluates the offer, then awards the contract.
4. The department that has been granted the delegated purchasing authority must complete the [STD. 65](https://www.dgsapps.dgs.ca.gov/osp/StatewideFormsWeb/Forms.aspx) which includes:

* Contracting directly with the awarded supplier (GSA contractor)
* Identify “1122 -GSA” as the Leveraged Procurement Agreement Number
* Marking the “A-1” and “GSPD” boxes
* Marking “Leveraged” as the procurement method
* Ensuring both signature blocks, “Authorizing Signature” and the “Certified Correct” (certifying the availability of funds) are completed.

1. The front of the STD. 65 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 STD. 65, there must be a line for the SPOC’s signature, to approve the purchase (refer to 6.G3.1 below for a sample).
2. The Department sends the following to CalOES for approval:

* Completed and signed STD. 65
* The cost sheet from the awardee that lists the retail price and the current bid/quote/offer
* The supplier’s profile printout from GSA Advantage 1122

1. Upon receipt, CalOES reviews and approves/signs the STD. 65 on the designated line labeled for the SPOC.
2. CalOES places the order on behalf of the requesting department by sending the approved STD. 65 to the supplier. CalOES simultaneously notifies the department their request has been approved and submitted.
3. 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 a Stock Received Report ([STD.106](https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std106.pdf)) or department equivalent. Refer to Chapter 10, Topic 2 for additional information.
4. After good(s) are received the department will issue payment directly to the contractor.

##### 6.G3.1 Sample PO

A sample PO can be obtained by contacting DGS/PD.

##### 6.G3.2 Reporting requirements

The ordering department must register transactions valued over $5,000 in the State Contract and Procurement Registration System. Copies of the STD. 65 for orders less than $5,000 are sent to the DGS Intake and Analysis Unit. Refer to Chapter 8, Topic 1 for more information.

\*DGS has waived their administrative fees for all 1122 transactions.