

*Report on the*

**Golden State Financial Marketplace  
(GS \$Mart) Loans for Fiscal Year 2018-19**

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

**State of California**

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**Government Operations Agency**

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*Prepared by the*

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## **OVERVIEW**

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

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

## **ABOUT THE PROCUREMENT DIVISION AND THE GOLDEN STATE FINANCIAL MARKETPLACE (GS \$Mart)**

### **PROCUREMENT DIVISION**

The state of California purchases a wide variety of goods and services, including information technology (IT), vehicles, food, protective gear, firearms, asphalt and more, with annual purchases totaling over \$10 billion. The Department of General Services (DGS) Procurement Division (PD) is the central purchasing authority for all state departments, agencies, and institutions. DGS/PD sets state procurement policies and provides purchasing services that help state agencies and departments achieve their missions. DGS/PD is responsible for delegating purchasing authority, training state purchasing professionals, resolving contract disputes, conducting supplier outreach, certifying small and disabled veteran-owned businesses to receive state purchasing preferences, overseeing state agency purchasing processes and environmentally preferable purchasing, and establishing and administering master contracts used by state agencies and local governments.

### **GS \$MART**

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

The award-winning GS \$Mart Program is an efficient, open, organized marketplace on the internet for state of California installment purchase agreements. It enables financing arrangements to be made quickly and conveniently by eliminating much of the workload, lengthy process, and complexity that existed before GS \$Mart was

established. The result is lower interest rates and greater administrative efficiency. Current available plans are tailored specifically for state contracts for IT and non-IT goods, many IT services, and energy retrofits.

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

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

## **THE REPORT**

The total outstanding loan balance in the GS \$Mart Program is currently at approximately \$97.5 million as of September 1, 2019. This includes a total of \$47.3 million of new loans for this fiscal year. Please see Attachment 1 for the report.

**Attachment 1 to the Report on the Golden State Financial Marketplace (GS \$Mart)  
Loans for Fiscal Year 2018-19**

<b>Department</b>	<b>Physical Address of Asset</b>	<b>Supplier</b>	<b>Lender</b>	<b>Amount of Loan</b>	<b>Term</b>	<b>Interest Rate</b>	<b>Equipment Description</b>
Department of Corrections and Rehabilitation	300 Prison Road Represa, CA 95671  Mule Creek State Prison 4001 Highway 104 Ione, CA 95640  16756 Chino-Corona Road Corona, CA 92880  23370 Road 22 Chowchilla, CA 93610  4001 King Ave Corcoran, CA 93212  2737 West Cecil Ave Delano, CA 93215  19025 Wiley's Well Road Blythe, CA 92225	HME, Inc.	JP Morgan Chase	\$2,545,401.68	7 annual payments	3.08%	Seven (7) fire engines
Department of Justice	4949 Broadway Sacramento, CA 95820  1350 Duane Ave Santa Clara, CA 95054	NetApp, Inc.	US Bancorp Government Leasing and Finance, Inc.	\$3,909,329.89	5 annual payments	0.00%	NetApp storage
Department of Corrections and Rehabilitation	900 Quebec Avenue Corcoran, CA 93212	Restaurant Equipment Specialists	US Bancorp Government Leasing and Finance, Inc.	\$214,203.00	5 annual payments	3.59%	Two (2) dishwashers

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Department of Technology	10173 Croydon Way, Ste 4 Sacramento, CA 95827	Direct Systems Support	International Business Machines Global Financing	\$2,345,961.21	60 monthly payments	1.99%	AIX server hardware
Legislative Data Center	1100 J Street Sacramento, CA 95814	Entisys 360	International Business Machines Global Financing	\$387,848.00	24 monthly payments	2.79%	HP desktop computers
Irvine Unified School District	5050 Barranca Parkway Irvine, CA 92604	Toshiba Business Solutions	US Bancorp Government Leasing and Finance, Inc.	\$822,295.81	48 annual payments	3.62%	Digital Copiers
Office of State Publishing	1050 Richards Blvd Sacramento, CA 95811	Ricoh USA, Inc.	Banc of America Public Capital Corp	\$2,680,246.32	48 monthly payments	3.11%	Digital printing press
Department of Technology	10173 Croydon Way, Ste 4 Sacramento, CA 95827	IBM Corporation	International Business Machines Global Financing	\$4,110,000.00	60 monthly payments	2.79%	Mainframe upgrade
Division of the State Architect	355 S Grand Ave Los Angeles, CA 90071	Metropolitan Van and Storage, Inc., California Prison Industry Authority, Campbell Keller, All Steel, Inc.	Banc of America Public Capital Corp	\$1,208,500.00	5 annual payments	2.92%	Modular furniture

## Attachment 1 to the Report on the Golden State Financial Marketplace (GS \$Mart) Loans for Fiscal Year 2018-19

Department	Physical Address of Asset	Supplier	Lender	Amount of Loan	Term	Interest Rate	Equipment Description
Department of State Hospitals	1600 9th Street Sacramento, CA 95814	Enterprise Networking Solutions, Inc. (ENS)	TD Equipment Finance, Inc.	\$1,352,532.49	5 annual payments	2.80%	IT cloud storage
Department of Water Resources	1721 13th Street Sacramento, CA 95811	HBS Solutions, Inc.	Banc of America Public Capital Corp	\$756,000.00	3 annual payments	2.69%	ForeScout hardware and software
Office of Statewide Health Planning and Development	2020 West El Camino Ave Suite 1000 Sacramento, CA 95833	Netsync Network Solutions	Key Government Finance, Inc.	\$199,293.14	2 annual payments	0.00%	Cisco Smartnet
City of Exeter	100 North C Street Exeter, CA 93221	Monarch Ford	US Bancorp Government Leasing and Finance, Inc.	\$220,144.84	3 annual payments	3.15%	Law enforcement vehicles
Department of Water Resources (Taxable)	1721 13th Street Sacramento, CA 95811	ENS	JP Morgan Chase	\$9,928,714.37	5 annual payments	3.119%	VMware
Employment Development Department	800 Capitol Mall Sacramento, CA 95814	IMPEX Technologies	Banc of America Public Capital Corp	\$8,208,344.42	5 annual payments	2.585%	VMware

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Department of Water Resources	1721 13th Street Sacramento, CA 95811	Red River Technology, LLC.	Key Government Finance, Inc.	\$1,631,720.49	5 annual payments	0.00%	Cisco Smartnet
Department of Technology	10173 Croydon Way, Ste 4 Sacramento, CA 95827	Direct Systems Support	International Business Machines Global Financing	\$2,306,922.43	60 monthly payments	1.99%	Mainframe
Department of Corrections and Rehabilitation	24863 West Jayne Ave Coalinga, CA 93210	R.M. Waite Co.	US Bancorp Government Leasing and Finance, Inc.	\$204,000.00	5 annual payments	3.22%	Dishwashers
Legislative Data Center	1100 J Street Sacramento, CA 95814	Entisys 360	TD Equipment Finance, Inc.	\$1,386,045.00	3 annual payments	2.30%	Desktop computers

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Department of Corrections and Rehabilitation	24900 Highway 202 Tehachapi, CA 93561  Highway 101 North Soledad, CA 93960  5905 Lake Earl Drive Crescent City, CA 95531	Boise Mobile Equipment, Inc.	Banc of America Public Capital Corp	\$868,144.71	7 annual payments	2.34%	Fire engines
California Environmental Protection Agency	1001 I Street Sacramento, CA 95814	ENS	Banc of America Public Capital Corp	\$816,036.00	5 annual payments	2.41%	Palo Alto Networks firewall
Department of Technology	3101 Gold Camp Drive Rancho Cordova, CA 95670  1020 Vaquero Circle Vacaville, CA 95688	Direct Systems Support	International Business Machines Global Financing	\$1,215,899.00	60 monthly payments	1.90%	Mainframe Storage

**Total Financed                                  \$47,317,582.80                                  2.02%**