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 (LPAs) that provide for information technology (IT) goods and services and how to use them. The categories of IT LPAs include:

* California Multiple Award Schedules (CMAS)
* Software Licensing Program (SLP)
* Statewide Contracts (SC)
* State Price Schedules
* Master Agreements (MA),
* Cooperative Agreement – Western States Contracting Alliance (WSCA)

Some of the topics discussed include using LPAs to order IT good 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.

**Note**: 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 the DGS/PD when conducting procurements on behalf of customers.

## Section A

## Leverage Procurement Agreement (LPA) General Usage

### Overview

### Introduction

LPAs are established by the 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.

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. 3 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 contract being utilized.

## Topic 1 – The LPA Process

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

The LPA categories and the maximum IT dollar thresholds available to departments are listed below. The dollar thresholds identified exclude sales and use taxes, finance charges, postage, handling and shipping charges unless otherwise identified within the individual LPA user instructions.

**Category** **Max IT Dollar Thresholds**

California Multiple Award Schedule (CMAS) $500,000

Software License Program (SLP) $2,000,000

Statewide Contract (SC) Unlimited

State Price Schedules $100,000

* Master Agreements: Purchase/or Price

Agreements (MPA) $1,500,000

* Master Service Agreement (MSA) $1,500,000
* Master Rental Agreement (MRA) $1,500,000
* Cooperative Agreements – WSCA Unlimited

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

Exemptions to the CMAS may be considered on a case by case basis. Exemptions to the SPS dollar thresholds are not allowed.

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

When requesting an exemption to the SLP maximum dollar threshold a Software License Program Exemption Request (SLPER) form must be completed and forwarded to the DGS/PD. See Section C of this chapter for further details.

When requesting an exemption to the MA maximum dollar threshold a “Master Agreement Exemption Request to exceed $1,500,000 Limit” (MAER) form must be completed and forwarded to the DGS/PD. See Section F of this chapter for further details.

### 6.A1.2 Where to find LPA information

LPA information can be found on the DGS/PD’s [Cal eProcure website](https://www.caleprocure.ca.gov/pages/LPASearch/lpa-search.aspx) at https://www.caleprocure.ca.gov/pages/LPASearch/lpa-search.aspx.

### 6.A1.3 What LPAs offer

LPAs offer IT 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.

### 6.A1.4 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.

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

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

The use of LPA contracts 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.

### 6.A1.6 Administrative fees

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

The [DGS State Price Book](https://www.dgs.ca.gov/OFS/Price-Book) can be accessed at https://www.dgs.ca.gov/OFS/Price-Book.

### 6.A1.7 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 LPA contract prices

LPA contract prices for IT 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. 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.

Because of these variables, buyers are required to confirm that the IT 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 contract before executing any purchase documents. The contract’s user instructions describe the tasks necessary to compete for the order.

### 6.A2.1 Standard purchase document

Most LPA orders are executed using a STD.65. Some MSA and MRA user instructions provide options for executing orders using other forms such as a STD. 213 (for IT goods and services), or provide department’s 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 provided for the individual contract to determine the appropriate purchase document to be utilized.

### 6.A2.2 LPA contract provisions

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

### 6.A2.3 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.

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

When placing orders against LPA contracts 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.

### 6.A2.5 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 of the certified SB or certified DVBE business used and the dollar amount that may be applied towards the SB or DVBE participation goal.

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

Inquiries through the Office of Small Business and DVBE Services (OSDS) database are to be performed 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.

The [OSDS web page](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Office-of-Small-Business-and-Disabled-Veteran-Business-Enterprise/Certification-Program) can be access at https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Office-of-Small-Business-and-Disabled-Veteran-Business-Enterprise/Certification-Program

### 6.A2.7 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 IT 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.

### 6.A2.8 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.A2.9 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/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language) found at https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language 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 the [DGS/PD Cloud Computing webpage.](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Cloud-Computing-Policy)

## Topic 3 – Achieving Best Value Using LPAs

### 6.A3.0 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.

### 6.A3.1 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 competitive solicitation language regarding SB preference, DVBE incentive, protest language, intents to award, evaluation criteria or advertising requirements. When obtaining offers using a written document, the document is referred to as a Request for Offer (RFO).

**Note**: Since MA and CMAS 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 a supplier be selected 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 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.

### 6.A3.3 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
* The maximum facilitation of data exchange and system integration
* The 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
* 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

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

### 6.A3.4 Supplier selection using best value

The following minimum steps are required to determine supplier selection using best value:

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.

### 6.A3.5 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 IT 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.

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

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”.

### 6.A3.6 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:

* 1 offer – document the procurement file with the reasons why, e.g., the other two (2) suppliers did not respond
* 2 offers – document the procurement file with the reasons why, e.g., the third supplier did not respond

### 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 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 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.

## Topic 4 – Documenting the Results of an 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 (link provided below) 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.

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/F0E7363FA8BA40FCA284F48F78E27710.ashx).

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

If the complete LPA is not maintained in the procurement file, the location of the complete contract must be documented in the procurement file.

## Topic 5 – Amending an LPA Purchase Document

### 6.A5.0 Amendments for IT 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.

**Note:** 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.

### 6.A5.1 Original transaction valued less than $5,000

Unless otherwise directed by LPA user instructions, the NCB process (see Chapter 5) 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.

## Section B

## 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 IT 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

### 6.B1.0 Products and services

The CMAS program offers primarily federal GSA multiple award schedules pricing with California terms and conditions with suppliers that provide IT goods and services. See SCM, Vol. 2, Chapter 6 for information on the CMAS program for non-IT goods and services.

### 6.B1.1 Contract price is maximum

Contract prices for IT 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.

### 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 IT goods and/or services using CMAS terms and conditions listed in their CMAS contract.

### 6.B1.3 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/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language) at https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Languagewith a Statement of Work in addition to the General Provisions. Refer to the LPA user instructions for further information.

### 6.B1.4 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 Section A, Topic 1 of this chapter, which describes the maximum dollar threshold per LPA purchasing category.

## Topic 2 – Achieving Best Value Using CMAS

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

### 6.B2.1 RFO template

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

See Section A, Topic 3 of this chapter for information regarding the development of an RFO.

### 6.B2.2 Documenting the results

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”.

The Best Value Determination Worksheet (link provided (6.F2.2) below) or the department’s own form to document the results may be used. The Best Value Determination Worksheet facilitates easy compilation of offers received and supplier selection rationale. Regardless of the format used the form must be retained in the procurement file.

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

When more than 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.

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

If only one source is known, where multiple CMAS 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 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.

### 6.B2.5 Purchases less than $5,000

CMAS orders valued less than $5,000 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 Chapter 4.

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

### 6.B2.6 CMAS purchases exceeding $5,000

For CMAS orders for IT 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

### 6.B2.7 (deleted 12/11)

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

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

### 6.B3.0 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 IT 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 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 IT 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.

### 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 or only for software.

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 IT 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:

* 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 CMAS Purchase Documents

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

The CMAS contract number must be identified on each purchase order executed using a CMAS contract. 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

If multiple CMAS contracts are being included on a single order, the buyer 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 STD.65. 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 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. IT contracts begin with the number “3.” The purchase order limits are different for these two types of contracts. See Chapter 1 for purchasing authority limits.

### 6.B4.2 Send copy of purchase document to the DGS/PD

The ordering department is required to send a copy of each CMAS purchase document to:

Department of General Services

Procurement Division-Data Management Unit

707 Third Street, 2nd Floor

West Sacramento, CA 95605

See Chapter 8, Purchase Documents, for other instructions and requirements for completing and managing purchasing documents.

## Section C

## Software Licensing Program (SLP)

## Overview

### Introduction

The Software Licensing Program (SLP) was established in January 1994 and is administered by the 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

### 6.C1.0 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.

See Section A of this chapter to review LPA Basics.

### 6.C1.1 What is required to use SLP contracts

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

**Note**: 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).

See Section A of this chapter for applicable processing requirements.

### 6.C1.2 List of SLP contractors

A current list of [authorized participating resellers/contractors with SLP contracts](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Software-Licensing-Program) can be accessed at https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Software-Licensing-Program

### 6.C1.3 Contract price is maximum

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

### 6.C1.4 SLP amendments

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. Except as identified below, all other amendments must follow the NCB process. See Section A of this [chapter.](http://www.documents.dgs.ca.gov/pd/delegations/chapter06.pdf)

Amendments may be executed for incidental omissions such as:

* Transposition of numbers from the offer to the purchase document or
* Inadvertent failures to include such things as contact names or
* Mistyped addresses

**Note**: 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 SLP contract.

### 6.C1.5 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 [Software License Program Exemption Request](https://www.dgs.ca.gov/-/media/9BE7E91759624EB2A29ABFADB81A7CFC.ashx) (SLPER) must be completed and submitted to the

DGS/PD/Software License Program.

The following information must be documented and submitted to the DGS/PD/Software License Program:

* + 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-approved ITAP reflecting this purchase.

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

### 6.C1.6 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/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language) and can be found at https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language with a Statement of Work in addition to the General Provisions. Refer to the LPA user instructions for further information.

## Section D

## 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.

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

### 6.D1.0 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.

### 6.D1.1 Contract price is maximum

Contract pricing identified within SCs is the maximum allowed.

### 6.D1.2 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.

### 6.D1.3 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.

### 6.D1.4 Using SCs

The following must be verified before executing an SC order:

* Departments must have the appropriate 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., IT project certification, 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) at https://www.caleprocure.ca.gov/pages/index.aspx or by contacting the PD contract manager for the specific contracts.

### 6.D1.5 SB/DVBE Off-Ramp Policy for Mandatory SC

Mandatory SC awarded by the DGS for IT 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 visit the [DGS Cal eProcure website](https://www.caleprocure.ca.gov/pages/LPASearch/lpa-search.aspx) at https://www.caleprocure.ca.gov/pages/LPASearch/lpa-search.aspx.

### 6.D1.6 SB/DVBE Off-Ramp usage rules

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

1. Equivalent to the 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 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 IT purchasing authority granted by the DGS/PD in order to utilize the SB/DVBE Off-ramp as identified by the SC;
* 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 cortication.
* Other rules as specified in the user instructions.

### 6.D1.7 (deleted 6/14)

### 6.D1.8 Purchase documents

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. See Section A of this chapter and Chapter 8, Purchase Documents, for additional information on purchase documents.

### 6.D1.9 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). Click here to access the [Exemption Form and Instructions](https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Find-Leveraged-Procurement-Agreements).

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

### 6.D1.10 SC Availability

[The SC web page](https://www.caleprocure.ca.gov/pages/LPASearch/lpa-search.aspx) can be accessed at https://www.caleprocure.ca.gov/pages/LPASearch/lpa-search.aspx

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

## Topic 1 – State Price Schedules Basics

### 6.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.

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

### 6.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?

SPS agreements are available on [PD’s eProcurement web page](https://www.dgs.ca.gov/OFS/Price-Book) and can be accessed at https://www.dgs.ca.gov/OFS/Price-Book

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

The 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

### 6.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. Refer to Chapter 5 for suggested statements.

### 6.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

**Note**: 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 the DGS review and approval before issuing an award

MAs are available on [PD’s eProcurement web page](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Master-Agreements) at https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Master-Agreementsor by contacting the PD contract manager for the specific contract.

### 6.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.

### 6.F1.3 Exemption from the dollar threshold

An exemption may be obtained from the LPA dollar threshold of $1,500,000 for IT MAs upon completion and submittal to the DGS/PD of a “Master Agreement Exemption Request for Exemption to $1,500,000 limit” (MAER) form.

The MAER form can be obtained using this [link](https://www.dgs.ca.gov/-/media/4729BCC0985840DE867BF1794B890ACC.ashx).

The following information must be documented 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 issuance of a purchase document to this particular contractor was determined to make good business sense and how best value for the department has been achieved.
	+ A copy of the Feasibility Study Report (FSR) approved by the California Department of Technology
	+ A copy of the Information Technology Procurement Plan (ITPP) approved by the Department of General Services.

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

## Topic 2 – Achieving Best Value Using MA

### 6.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 IT goods and/or provide services. Neither a lack of sufficient MAs nor the use of restrictive requirements meets the intent for obtaining offers.

### 6.F2.1 Minimum RFO requirements

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

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

**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 above RFO template.

### 6.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.

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 3 suppliers are contacted and:

* 1 offer received – document the procurement file with the reasons why, e.g., the other two (2) suppliers did not respond
* 2 offers received – document the procurement file with the reasons why, e.g., the third supplier did not respond

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

When more than 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.

### 6.F2.4 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.F2.5 (moved 4/18)

This section was moved to Chapter 5.

### 6.F2.6 (deleted 12/11)

### 6.F2.7 Transactions over $1,500,000

MA transactions with an estimated value in excess of $1,500,000 must have the DGS/PD approval before obtaining offers. Departments must submit exemption requests for review and approval to the DGS/PD. The following steps must be followed to obtain an exemption for these transactions.

**Step Description**

 1 Submit a Master Agreement Exemption Request to $1,500,000 limit (MAER) form to exceed $1,500,000 to the DGS/PD. The MAER must be completed in its entirety and signed by both the PCO and PAC.
The [MAER form](https://www.dgs.ca.gov/-/media/4729BCC0985840DE867BF1794B890ACC.ashx) can be obtained at http://www.documents.dgs.ca.gov/PD/poliproc/Maer%20form.doc

 2 If the request is approved, a MAER number will be assigned that must appear on all RFO-related documentation.

 3 The RFO must be submitted to the DGS/PD for review and approval before the RFO is released to MA contractors.
**Note**: 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 the 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 the DGS/PD concurring with the supplier selection recommendation.

 8 Upon receiving the approval letter from the DGS/PD, the selection may be made and the order executed.

 9 The ordering department is required to send a copy of each MA purchase document to:

Department of General Services

Procurement Division-Purchasing Authority Management Section

707 Third Street, 2nd Floor, Second Floor South

West Sacramento, CA 95605

 10 All documentation must be retained in the procurement file.

### 6.F2.8 Amendments specific to IT

Original orders, which include options for changes (e.g., quantity or time), that were assessed and considered in the selection during the RFO process, may be amended consistent with the terms of the original order, provided that the original order allowed for amendments. Except as identified below, all other amendments must follow the NCB process.

Amendments may be executed for incidental omissions such as:

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

**Note**: 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 MA contract.

## 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 – Western States Contracting Alliance (WSCA)

### 6.G1.0 Authority to use WSCA multi-state contracts

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

### 6.G1.1 What WSCA includes

The State’s WSCA contracts are available to departments with approved IT LPA purchasing authority for Cooperative Agreement use. The following IT products/services are available on WSCA contracts:

* + Computing system products and services
	+ Wireless voice and data services
* Wireless telecommunication services and equipment.

### 6.G1.2 How to use WSCA

When executing orders using the WSCA program, departments are not required to obtain three offers or document best value, but conducting price comparisons among the WSCA suppliers, if available, is encouraged. The only exception is if the purchase equals or exceeds 1.5 million dollars. For purchases which equal or exceed 1.5 million dollars the buyer should follow the process defined in the user instructions.

The [WSCA](https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Cooperative-Agreements) website can be accessed at https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Cooperative-Agreements. You will also be able to obtain supplier contact names and numbers.

To use WSCA:

* + Define the project scope to determine which IT goods and services are needed
	+ Obtain a complete copy of the WSCA agreement (WSCA 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 STD.65, unless otherwise directed within the specific WSCA user instructions.
* Retain all documentation in the procurement file.

### 6.G1.3 WSCA pricing

The basis for WSCA 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 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.G1.4 WSCA contract numbers

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

### 6.G1.5 Amendments

Unless otherwise instructed by the user instructions, WSCA orders that require changes can be amended without submitting NCB contract justification documentation, provided that the order as amended remains within the scope of the WSCA contract and State provisions. Any amendment should contain the same degree of detail for changes that the original order contained. See Chapter 8 for additional information on amending purchase documents.

### 6.G1.6 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/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language) which can be found at https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Model-Contract-Language, with a Statement of Work in addition to the General Provisions. Refer to the LPA user instructions for further information.

## 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

### 6.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 Office of Technology Services (OTech) has authority to develop statewide policy on the use of business telecommunications systems and services by departments. As such, the OTech/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.

### 6.H1.1 Required use of Otech/STND contracts

Departments must use the CALNET 2 contracts to obtain mandatory voice and data services unless an exemption is granted by the OTech/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 the DGS established State Procurement Process.

Otech/STND is responsible for managing all CALNET 2 contracts to ensure compliance with OTech policy. The 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 Otech/STND website.

### 6.H1.2 Use of other LPAs for telecommunications equipment/

### service purchases

Once approval is obtained from the Otech/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 Otech/STND website when complete.

### 6.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](https://cdt.ca.gov/services/calnet-stmm/)