STATE ADMINISTRATIVE MANUAL

MANAGEMENT MEMO

NUMBER: MM 12-02

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EXPIRES: UNTIL RESCIND

ISSUING AGENCY: THE DEPARTMENT OF GENERAL SERVICES

REFERENCE:
STATE ADMINISTRATIVE MANUAL (SAM): CHAPTER 1600, SECTION 1693;
CHAPTER 3500, SECTION 3520, 3520.5; CHAPTER 4100, SECTION 4111; Chapter
5100; CHAPTER 5300, SECTIONS 5315.2, 5320, 5335, 5350; CHAPTER 5900,
SECTION 5953, GOVERNMENT CODE SECTIONS 6250-6265; CIVIL CODE
SECTIONS 1798-29, 1798.3, 56 et seq; HEALTH AND SAFETY CODE SECTIONS
123100-123149.5; HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY
ACT 45 C.F.R. PARTS 160 and 164; PUBLIC CONTRACT CODE SECTION 10389.1
and 10389.2; PUBLIC UTILITIES CODE 709 (d)

Policy
Senate Bill 493, Chapter 251, Statutes of 2011 (Padilla) adds Section 10389.2 to the Public
Contract Code, to further the State policy of bridging the digital divide. State agencies can now
offer surplus computers, monitors, laptops and related components at less than fair market
value to eligible non-profit organizations that operate public computer centers. Eligible public
computer centers must be non-profit organizations in partnership with a public school district.

Purpose of This
This Management Memo provides State agencies with information about their responsibilities
Memorandum
when providing State-owned surplus computers, monitors, laptops and related components to
eligible non-profit organizations that operate public computer centers.

Who is Affected
All State agencies (G.C. 11000).

Who Should
Information Security Officers, Privacy Officers, Program Managers, Business Services Officers,
Review
Property Controllers, and Warehouse Managers should review this memo.

Eligible Items
Personal Computer, Laptop Computer, Computer Monitor, Computer Printer, Computer
Keyboard, Computer Hardware, Computer Cable and Cord, Computer Mouse, Computer
Speakers, Computer Power Unit, Computer Storage Unit, Computer Server.

Fair Market
Fair Market Value (FMV) is defined as the price obtained for a similar item at the most recent
Value
Department of General Services (DGS) surplus property auction or on surplus property
websites such as Ebay or Craigslist. FMV information related to eligible items sold at DGS
surplus property auctions will be made available to agencies by DGS at its website,
http://www.dgs.ca.gov/ofam.

Agency
DGS Approval
Using Disposition Code 11, available on the revised online [STD: 152] disposing State agencies
Responsibility
must submit and receive DGS approval for the disposition of surplus State-owned information
technology as outlined in SAM 3520 and coordinate with the selected public computer center
for the transfer of those assets.

Asset Sanitation
Information assets and computing devices with digital memory and storage capacity must be
sanitized prior to disposal according to the requirements set forth in Management Memo (MM)
MM 12-01. To demonstrate compliance with SAM Section 5900, agencies must include a
Certification for Computing Media Sanitation (see attached) with the [STD: 152]. On this form,
agencies will certify the method of sanitization and the final disposition of the property. Agencies
are advised that it is imperative to maintain the functionality of these surplus assets for use by
the public computer center. Therefore, agencies must use sanitizing methods that do not
compromise the functionality of these assets. Additional information can be found on the
Certification for Computing Media Sanitation form at the DGS website
http://www.dgs.ca.gov/ofam. If a security event or incident occurs, the disposing agency is
responsible for incident notification and filing any necessary reports related to the incident (see
SAM Section 5350).
Eligible recipients include authorized nonprofit entities that, in partnership with a school district, operate a public computer center to further the state policy of bridging the digital divide. The list of eligible recipients can be found at http://www.dgs.ca.gov/ofam. Eligible recipients will be listed by geographic region so as to minimize the costs of transportation borne by recipients.

Terms and Conditions for the transfer of State-owned computers and components to public computer centers
The DGS has the terms and conditions for the sale and transfer of State-owned information technology to eligible public computer centers available on its website at http://www.dgs.ca.gov/ofam/programs/sb493.aspx.

The DGS reserves the right to conduct on-site inspections to verify both the school district and public computer center is in compliance with the terms and conditions.

DGS reserves the right to disqualify any public computer center that violates the terms and conditions from participating in this program.

The DGS will review and process public computer center applications and also provide contact information to State agencies concerning the availability of public computer centers in their (agency) local areas.

If you need additional information or assistance, please contact:

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Original signed by Fred Klass Director of Department of General Services on file.