

Department of General Services
Procurement Division

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BROADCAST BULLETIN

TO:

Purchasing Authority Contacts (PACs)
Procurement and Contracting Officers (PCOs)

SUBJECT:

Change in PD Billing Methodology, Effective July 1, 2022

Purpose	This broadcast bulletin is to provide information on key action dates regarding the upcoming change in the Procurement Division's (PD) rate methodology for the Purchasing Surcharge.
Policy	According to SAM, section 8752 , the state policy is for departments to recover full costs whenever goods or services are provided for others, Government Code (GC), Sections 11010 and 11270 . This policy, which applies to all departments regardless of funding sources, is to be followed in all cases except where statutes prohibit full cost recovery.
Background	To recover the cost of services provided, DGS PD has the authority to set a purchasing surcharge rate.
Procedure/ Process	<p>Effective July 1, 2022, the PD Purchasing Surcharge will be collected as a percent-to-total of each state department's prior three-year average billable spend applied to PD's costs to recover, minus other revenue collected from PD's remaining rate structures, as found in the DGS Price Book. PD will calculate each state department's annual fee and send equally distributed quarterly invoices to a single DGS Bill Code, or Customer Account Number (CAN).</p> <p>In preparation for this methodology change, PD will need the following:</p> <ul style="list-style-type: none">• By May 1, 2022, state departments are to provide a list of CANs that are exempt from PD billing, along with a justification for the exemption, to PDInvoiceQuestions@dgs.ca.gov.• By May 1, 2022, state departments are to email their designated CAN for PD billing to PDInvoiceQuestions@dgs.ca.gov. <p>For more information, please visit the Change in PD Billing Methodology page on the PD website.</p> <p>Please forward this information to your department's Accounting Office.</p>
Questions:	For questions regarding this notification, please contact PD billing staff at 916-375-2010 or PDInvoiceQuestions@dgs.ca.gov .