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| **CHAPTER/ SECTION** | **SUMMARY** |
| **CHAPTER 1** | |
| **Section 0030** | Added Jason Kenney as owner of Section 2591. Replaced Manveer Bola with Pam Haase as owner of CDT sections. |
| **CHAPTER 1800** | |
| **Section 1821.6** | Added and strengthened language to emphasize the use of zero emission strategies and equipment for grounds keeping. In accordance with LEED V4, added language to encourage recycled paint use. |
| **Section 1821.7** | Repaired numerous broken links and removed the following: [Essential](http://www.documents.dgs.ca.gov/dgs/landscape.docx) [Landscaping Guidelines for State of California-owned Facilities](http://www.documents.dgs.ca.gov/dgs/landscape.docx) and [Application for Exemption from Drought Landscaping Moratorium](http://www.documents.dgs.ca.gov/dgs/application.docx) |
| **CHAPTER 2400** | |
| **Section 2455** | Revision of new contact information and allows receipt of electronic version of accident reports. |
| **CHAPTER 2800** | |
| **Section 2800** | Revision highlights requirement to procure printing services through OSP pursuant to Government Code Section 14850. |
| **Section 2805** | Revision removes reference to Government Code Section 14612 and adds reference to Government Code Section 14900. |
| **Section 2810** | Revision adds language about designated OSP customer service representatives. |
| **Section 2811** | New section. Details the requirement and process for obtaining an exemption to OSP services. |
| **Section 2812** | New section. Details requirements for executing an interagency agreement between in-plants and state agencies for printing services. |
| **Section 2820** | Revision updates language on available OSP services. |
| **Section 2825** | Revision adds statutory language for including advertisements in state publications. |

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| **Section 2850** | Revised. Added a more in-depth program summary to conform to the section title and include a more thorough description of CALPIA and services provided. Information from section 2865 was moved here for simplification. |
| **Section 2855** | Revised. Authority language changed to mirror language in Penal Code Section 2807. |
| **Section 2860** | Revised. Information on how to order services was updated to eliminate the use of form STD. 54 and fax since those methods are no longer used, and order by email was added. Contact information was moved to the bottom of the section. And information on how to request a custom quote was also added. |
| **Section 2865** | Revised. Removed section and incorporated information into Section 2850. |
| **Section 2875** | New section. Details operational requirements for state agency printing operations (“in-plants”). |
| **Section 2876** | New section. Details the requirement to obtain State Printer approval prior to the procurement of any printing equipment |
| **CHAPTER 3600** | |
| **Section 3620.1** | Exemptions section has been revised to incorporate one exemption criteria from MM 15-03 for vehicles that are modified for the purpose of providing services by a state entity to and individual with a disability or a developmental disability as defined under the statutes or regulations governing that state entity. |
| **Section 3628** | New section. Requires state agencies to request the use of remanufactured automotive parts and/or synthetic oils and lubricants when servicing fleet vehicles and whenever practical and cost effective. This policy is being transferred into SAM from MM 12-06. MM 12-06 will be deactivated once this language is incorporated into SAM. |
| **CHAPTER 4100** | |
| **Section 4108** | Incorporates content of MM12-08. |
| **Section 4109** | Provides updated criteria for determining the need for a Vehicle Home Storage Permit. This policy is being transferred into SAM from MM 13-  03. MM 13-03 will be deactivated once this language is incorporated into SAM. |

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| **Section 4117.5** | New section. Requires that all payments for state conducted meetings, events, seminars, workshops, and offsite events, be made utilizing the Travel Payment System (TPS) Meeting Account (MTG). It also requires that all meeting and event contracts include the TPS MTG as the method of payment. This policy is being transferred into SAM from MM 08-08.  MM 08-08 will be deactivated once this language is incorporated into SAM. |
| **Section 4121.3** | The revisions to SAM Section 4121.3 (ZEV CREDITS AND CREDIT RATIOS) establishes Statewide Zero Emission Vehicle (ZEV) Credits for use by state agencies that are able to demonstrate they are unable to meet the state’s ZEV purchasing mandate required by Executive Order B-16-12. In order to demonstrate a state agency’s inability to meet the ZEV purchasing mandate, state departments will need to meet certain criteria. |
| **Section 4125** | New section. Provide definitions of a state fleet asset and a list of fleet assets subject to DGS oversight. This policy is being transferred into SAM from MM 13-01. MM 13-01 will be deactivated once this language is incorporated into SAM. |
| **Section 4121.7** | New section. Addition of new Section that prohibits state agencies from purchasing sedans powered solely by an internal combustion engine utilizing fossil fuels, as well as sedans powered by flex-fuel or bi-fuel engines utilizing petroleum-based fuels and other alternative fuels, such as ethanol. |
| **Section 4121.8** | New section. Addition of new Section that requires state agencies to purchase vehicles from Original Equipment Manufacturers (OEMs) that recognize the authority of the California Air Resources Board (CARB) to set greenhouse gas (GHG) and zero-emission vehicle (ZEV) standards. |
| **CHAPTER 4800** | |
| **Section 4819.2** | Per TL 20-01, policy was updated to include new definition of “Workgroup Collaboration Platform”. |
| **Section 4819.35** | Per Procedures/Standards Update PS-007, revised instructions for Agency approved Project Approval Lifecycle information technology State/Gate deliverables for delegated efforts to not be submitted to the California Department of Technology. |
| **Section 4819.39** | Changed project development cost to read “Project Cost Delegation.” |
| **CHAPTER 5100** | |

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| **Section 5170** | New section. Per TL 20-01, new section was added to introduce the Workgroup Collaboration Platform policy which requires each agency/state entity to develop and implement policies and procedures to ensure proper use of Workgroup Collaboration Platforms. |
| **CHAPTER 5200** | |
| **Section 5230.3** | Minor language changes to add clarity. |
| **CHAPTER 5300** | |
| **Section 5300.5** | Per Procedures/Standards Update PS 19-006, new reference to State- defined Security Parameters for NIST SP 800-53 (SIMM 5300-A) and the prioritization of information security development and implementation align with the Foundational Framework for Information Security (SIMM 5300-B). |
| **Section 5310.8** | New section. Per Procedures/Standards Update 005, highlights the importance of conducting Privacy Impact Assessments (PIAs) for safeguarding the privacy rights of individuals by conducting a Privacy Threshold Assessment (PTA) on all new and modified information systems, and a PIA when the collection, use, maintenance or disclosure of personal information, as defined by Civil Code section 1798.3, is involved. |
| **Section 5315.1** | Per Procedures/Standards Update 005, new reference to privacy requirements during system and services acquisition. |
| **Section 5315.2** | Per Procedures/Standards Update 005, new reference to additional privacy considerations, including those in SIMM Section 5310-C, throughout the system development lifecycle. |
| **CHAPTER 7200** | |
| **Section 7260** | Retitled the section to “The State’s Financial and Administrative Information Technology System”. Updated the section to remove CALSTARS and reflect FI$Cal (the Financial Information System for California), as the state’s integrated financial and administrative information technology system. |
| **CHAPTER 7900** | |
| **Section 7951** | Updated the year-end financial reports certification statement to include Government Code section 13030. |

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| **Section 7981** | Revised to reflect an increase in the material changes threshold from  $100,000 to $1,000,000. The material threshold is used to determine material differences between amounts accrued as of June 30 and subsequent events which require notification to the State Controller’s Office. |
| **CHAPTER 8000** | |
| **Section 8002** | Provide additional guidance on letters of credit and minor edits. |
| **CHAPTER 8400** | |
| **Section 8474** | Revised to include updates to the California Prompt Payment Act. Government Code section 927 was amended to add the Department of FISCal’s responsibility for applicable penalties if the Financial Information System for California (FI$Cal) system causes payment delays. |
| **Section 8474.1** | Minor edits to correct hyperlink. |
| **Section 8474.2** | Revised to include the Department of FISCal’s responsibility for applicable penalties if the FI$Cal system causes payment delays with other minor edits. |
| **Section 8474.3** | Revised to include the Department of FISCal’s responsibility for applicable penalties if the FI$Cal system causes payment delays with other minor edits. |
| **Section 8474.4** | Revised the definition of a claim to include claim schedule and FI$Cal voucher. |
| **CHAPTER 8500** | |
| **Section 8512** | The 28-year cycle has been updated with a new cycle from 2019 through 2046. The December pay period in pattern#9 which was missing the number of workdays, is now updated to show 22 workdays. |
| **CHAPTER 8700** |  |
| **Section 8740** | Revised to update the state employees billing rates for 2020. |

**MAINTENANCE OF BUILDING EXTERIORS, ROOFS,**

**HARDSCAPE, LANDSCAPE AND EXTERIOR PAINTING 1821.6**

(New ~~10/2015)~~11/2018)

To reduce the harmful effects of chemicals and air pollution on the local environment and to promote water and energy conservation during exterior maintenance activities, departments are required to develop a maintenance program consistent with the guidelines outlined in Sustainable Site Credit 2: Building Exterior and Hardscape Management Plan of LEED 2009 or the Sustainable Sites Prerequisite of LEED v4 for Existing Buildings Operations and Maintenance and in accordance with the additions and modifications described in this policy. Use[PB1] this link for more ~~comprehensive details:~~ [~~http://www.usgbc.org/Docs/Archive/General/Docs5545.pdf~~Departments are required](http://www.usgbc.org/Docs/Archive/General/Docs5545.pdfDepartmentsarerequired) to amend service contract documents as necessary to support the policy requirements.

1. Chemicals: The use of harsh chemicals is not usually necessary for most building exterior maintenance activities. The strength of the cleaning solutions should approximate the level sufficient to obtain satisfactory results. Do not use cleaning solutions stronger than necessary for the particular task. Cleaning solutions for exterior maintenance should be Green Seal certified or equivalent and should conform to Environmentally Preferable Purchasing (EPP) guidelines as stated in SAM 1850.
2. Exterior Maintenance*:* Sweeping or raking are~~is~~ the preferred methods of exterior cleaning; blowing is allowed when appropriate and when authorized by facilities management[RD2][PB3]sweeping[RD4] or raking is not practical. When using a blower, electric or battery powered equipment should[RD5][PB6] be used. Engine powered blowers may be utilized in compelling circumstances and with the prior authorization of facilities management[RD7]. Departments are to adopt building exterior maintenance programs that conserve water. These programs include using manual cleaning methods over those that require high volume water spraying equipment. Water use, while sometimes necessary to carry out certain cleaning activities, should be carefully monitored to avoid excessive waste and runoff. If pressurized washing equipment is necessary, use equipment at the lowest output settings necessary to achieve satisfactory results. When power washing equipment is needed, use electric powered or battery- powered equipment to reduce air and noise pollution. Gasoline powered equipment should only be used in unusual ~~or compelling~~ circumstances and only with the prior authorization of facilities management.the building maintenance supervisor[DC8][PB9]. Departments are to replace gasoline-powered equipment ~~(including pruning equipment)~~with zero-emission [BD10]strategies[DC11] including

propane

[PB12]

[DC13]

allow

(but not limited to) electric, battery powered or manual, or -

~~powered~~ equipment non-emitting [BD14][DC15]as equipment replacement schedules

[RD16][PB17].

1. Hardscape: Water should never be used for general sweeping of hardscape

although pressurized water use for purposes of specific removal of stains or grime from pavement, or for hygienic reasons, is considered reasonable use. State facility childcare centers with playgrounds and patios where food can be consumed should also be hygienically and routinely maintained. The monitored use of pressurized water would be appropriate for these areas aswell.

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## MAINTENANCE OF BUILDING EXTERIORS, ROOFS,

**HARDSCAPE, LANDSCAPE AND EXTERIOR PAINTING 1821.6** (Cont. 1) (New ~~10/2015~~11/2018)

1. Landscape: Landscaping tasks should be done with manual equipment whenever possible. For tasks that require power equipment, electric or battery powered equipment should [RD18]be used ~~first~~ whenever possible. Equipment in this category includes, but is not limited to, mowers, leaf blowers, string trimmers, hedge trimmers, chainsaws, pole saws, and tillers. Electric equipment ~~should~~shall be charged with grid electricity and never with a portable generator. Engine powered lawn and garden equipment may only be used in compelling circumstances with the prior authorization of facilities management.

Departments are to replace gasoline-powered equipment ~~(including pruning equipment)~~with zero-emission strategies[DC19] [PB20]including (but not limited to) electric, battery powered or manual~~, or propane-powered~~ equipment non-

allow

emitting[BD21] [DC22]as equipment replacement schedules [RD23][PB24].

~~D.~~E. Roofing Cleaning*:* Roofs should be maintained on a periodic basis consistent with the roof type (built-up, single-ply, metal, cool roof, etc.); manufacturers’ warranty requirements; location environment (coastal, urban, desert, mountain, etc.); and other external factors that affect roof performance, reflectivity and longevity. Department maintenance programs should establish roof cleaning methods and frequencies specific to the needs of each building roof to avoid unnecessary cleaning and overuse of water and cleaning solvents. Simple hand removal of debris from roofs, drains, gutters, downspouts, and overflows is often sufficient. Unwarranted frequent cleaning with powered equipment can reduce the lifespan of the roof by wearing down protective coatings and roofing materials. When powered roof cleaning equipment is necessary, equipment with a water recovery/recycle system should be considered in the maintenance program for the appropriate roof type. Refer to local municipalities for additional requirements.

~~E.~~F. Exterior Painting: Building maintenance often requires the repainting of exterior walls. Paints shall~~ould~~ either be no or low volatile organic compound

(VOC) [RD25][PB26][RD27][PB28][RD29][PB30] contain recycled content when

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| and | or | [PB31] |

obtainable, meeting industry performance standards (see Green Seal GS-43 Standard), unless prior authorization is obtained from facilities management to use something else. Use water-based paints over those containing oils. When spray equipment is used, ensure that care is exercised to prevent overspray and runoff, particularly near people, vegetation, waterways, and storm drains.

~~F.~~G. Training*:* Departments are responsible for providing training and instruction to maintenance personnel and contractors on the proper use, handling, recycling and/or~~and~~ disposal of all solvents and paint products. (Refer to SAM Section 1930.9.) Personnel should be directed to use manual methods of cleaning and painting whenever possible and to avoid the risk of excessive discharge with powered equipment.

**REPORTING AND INVESTIGATING ACCIDENTS/INCIDENTS**

**INVOLVING STATE EMPLOYEES OR STATE PROPERTY 2455**

(Revised ~~3/14~~08/2019)

## Reporting

In the event of an accident/incident involving state employees or state property the following procedures should be followed:

1. If the accident/incident involves motor vehicles contact the local CHP office.
2. All other types of accidents/incidents:

Report the incident to your supervisor. Departments will have written procedures to follow. Complete Accident Report (Other Than Motor Vehicle) form, [STD. 268](https://www.dgsapps.dgs.ca.gov/OSP/StatewideFormsWeb/Forms.aspx)\*.

\*If the accident/incident involves serious injury or death, extensive personal or state property damage or a significant potential for state/public liability, the Attorney General’s Office will be notified within 24 hours by contacting the Department of Justice Command Center at (916) 227-3244.

If a completed report is not immediately available, provide the following information:

1. Identify the department/agency, unit and employees involved, including all contact information;
2. Date, time, place, injuries and circumstances;
3. Names, addresses and contact information of all injured people and witness(es);
4. Name and telephone number of a departmental contact person.

Upon completion, the ~~original~~ report and all relevant documents ~~will be immediately forwarded to~~ may be sent electronically or by mail, immediately, to:

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| Attorney General’s Office |
| P.O. Box 944255 |
| Sacramento, CA 94244-2550 |
| Attn: ~~Tort and Condemnation Section~~ Government Claims Unit |
| ~~916-324-5397~~ Telephone: (916) 210-7524  E-Mail Address: [GCU@doj.ca.gov](mailto:GCU@doj.ca.gov) |

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## REPORTING AND INVESTIGATING ACCIDENTS/INCIDENTS

**INVOLVING STATE EMPLOYEES OR STATE PROPERTY 2455** (Cont. 1)

(~~Reviewed 3/14~~Revised 08/2019)

Department/agencies will have written procedures for maintaining copies of the report for their purposes/records.

Employees are instructed to not discuss or speak to any individual concerning the accident/incident other than (or with approval of) a representative of their legal office or the Office of the Attorney General.

**Investigation**—Complete [STD. 268](https://www.dgsapps.dgs.ca.gov/OSP/StatewideFormsWeb/Forms.aspx)

Obtain all witness information.

Obtain accurate measurements or relevant dimensions.

When possible and appropriate, photographs, video recordings, diagrams will be taken immediately.

Provide the names, titles and telephone numbers of the individual preparing the report and their immediate supervisor.

Opinions and conclusions, if provided, are to be prepared on a separate attached page.

Upon completion, the ~~original~~ report and all relevant documents ~~will be immediately forwarded to~~ may be sent electronically or by mail, immediately, to:

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| Attorney General’s Office |
| P.O. Box 944255 |
| Sacramento, CA 94244-2550 |
| Attn: ~~Tort and Condemnation Section~~ Government Claims Unit  ~~916-324-5397~~ Telephone: (916) 210-7524 |
| E-Mail Address: [GCU@doj.ca.gov](mailto:GCU@doj.ca.gov) |

## Requests for Copies of Accident/Incident Reports

All departments will have written procedures to respond to requests for copies of reports. Reports will only be released through appropriately designated personnel, the department’s legal office, or the Attorney General’s Office.

## OSP PROGRAM SUMMARY, RESOURCES, AND CONTACTS

(Revised ~~12~~5/~~2013~~2019)

* 1. Overview

This chapter provides policy for ~~the~~ state~~’s~~ agency use of printing and reproduction services.~~Printing and Communication Program.~~ The Department of General Services’ (DGS), Office of State Publishing ([OSP)](http://www.dgs.ca.gov/osp/home.aspx) provides printing and reproduction~~communication~~ services for California state agencies, the California State ~~u~~University~~ies~~, the University of California, the California State Legislature, the Governor’s Office~~administration~~, and other public agencies ~~governmental bodies. The OSP offers a variety of products and services which are summarized in section 2820. OSP is located at 344 North 7th Street, Sacramento, CA 95814-0212.~~

* 1. Use of OSP Services

Pursuant to Government Code Section 14850, ~~Due to Management Memo 07-06 issued on June 21, 2007,~~ state agencies must ~~now~~ procure printing services through the Office of State Publishing (OSP), unless OSP authorizes the agency to procure printing services from a state agency printing operation authorized under SAM Section 2875 (“in-plant”), a printing operation enabled under Penal Code Section 2807, or a private sector printer (see SAM Section 2811 for the exemption process)

~~or through service contracts. Justifications for the contracting out of printing services must be made under the provisions of Government Code 19130. Sales tax must be applied and itemized separately on procurement documents per Revenue and Taxation Code 6006.~~

~~Paid advertisements can now be included in state publications printed by OSP. Paid political advertisements are not acceptable.~~For a full list of OSP products and services, see SAM Section 2820.

* 1. Contact Information

For additional information on ~~printing and communication services from~~ OSP services, c~~all~~ontact OSP at (916) 445-5386~~322-1031.~~ or visit the OSP website at: <http://www.dgs.ca.gov/osp>.

## OSP STATUTORY AUTHORITY

(Revised ~~12~~5/2019~~3~~)

1. Enabling Legislation.

**Enabling Legislation.** Govt Code 14612, allows OSP to provide printing services to state and ~~other public agencies, including cities, counties, special districts, community college districts, the California State University, the University of California, the agencies of the United States government.~~

Government Code Section [14850](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&amp;sectionNum=14850) requires that all state printing ~~shall~~ be done ~~at~~ by the Office of State Publishing (OSP).

Government Code Section 14865 requires that all printed ~~matter~~materials for state agencies ~~shall~~ be prepared at the expense of the requesting agency. Government Code Section [14871](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&amp;sectionNum=14871) requires orders for printing to show that sufficient funds have been encumbered to cover the costs.

1. Library Distribution Act ~~(LDA)~~ Responsibilities.

Pursuant to Government Code Section 14900, it is the policy of the State of California to make all state publications freely available by distributing the publications to libraries throughout the state. If the material being printed qualifies for distribution under the Library Distribution Act (LDA), additional copies must be printed and distributed as outlined in Government Code Sections [14901](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&amp;sectionNum=14901) and [14904.](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&amp;sectionNum=14904) Pursuant to Government Code Section 14904, ~~A~~all state publications done by ~~printing done by~~ private sector printers ~~vendors~~ is subject to the LDA ~~as outlined in Government Code Section 14904~~[.](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&amp;sectionNum=14904)

## ~~HOW TO~~ ORDERING OSP SERVICES

(Revised ~~12~~5/~~2013~~2019)

1. Customer Service Representative

The Office of State Publishing (OSP) assigns a dedicated customer service representative to each state agency. Agencies may identify their customer service representative on OSP’s website at: [https://www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-Publishing-](http://www.dgs.ca.gov/osp/Programs/CustomerService) [Resources-List-Folder/Customer-Service-Lookup](http://www.dgs.ca.gov/osp/Programs/CustomerService).

1. Ordering Form

**~~Ordering Form.~~** T~~he~~o request ~~isitioning of~~ printing and ~~mailing~~publishing services from OSP, ~~is initiated by the~~ use ~~of a Printing/Support Service~~the Publishing Order form, ([STD. 67](http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std067.pdf))[.](http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std067.pdf) The reverse side of STD. 67 provides instructions on how to complete the form.

The ~~STD 67~~ Publishing Order form must have the name ~~or~~and signature of the person authorizing the expenditure. ~~Facsimile or Internet transmissions are~~Electronic submissions by fax or email are acceptable.

The reverse side of STD. 67 provides instructions on how to complete the form. The STD 67 must have the name or signature of the person authorizi~~n~~g ~~th~~e expenditure. For additional information, c~~all~~ontact OSP at (916) ~~322-1031~~445-5386.

1. Estimates

**~~Estimates.~~** ~~Upon request,~~ [OSP](http://www.dgs.ca.gov/osp/Home.aspx) will provide cost estimates for services based upon the information available for budgeting or other purposes upon request. Firm prices will be made only when all information and specifications are complete, ~~or~~and materials for printing or reproduction have been examined. All estimates and firm prices are valid for thirty (30) calendar days.

OSP rates are ~~is~~ subject to ~~yearly rate~~ change each fiscal year~~s~~.

1. Scheduling

**~~Scheduling.~~** The OSP Printing Operations Unit will assist in working out non-standard schedules that are reasonable and attainable as needed. ~~Dependent upon material and labor resources available, a satisfactory solution or alternative may be worked out.~~

## OSP PRINTING AND COMMUNICATION SERVICES

(Revised ~~12~~5/~~2013~~2019)

A. Description of OSP Services

The Office of State Publishing (OSP) provides ~~following describes the~~ printing, reproduction and communication services ~~that OSP provides~~to state and other public agencies. ~~For additional information, call (916) 322-1031~~

OSP can ~~print~~provide services ~~for~~to ~~F~~federal, ~~S~~state and ~~L~~local ~~A~~agencies.

OSP offers the following services:

**Publications and Offset Printing.:** Produces single and multiple color printing projects in large quantities, including bound publications, loose leaf documents, brochures, presentation folders, envelopes, posters and single or multi-part forms.

**Digital Printing:** High-speed single and full-color printing within a secure facility, including variable data publishing and document tracking and reporting. Meets the security requirements for the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and Internal Revenue Service Publication 1075 (IRS 1075).

**Bindery ~~s~~Services:** Provides the finishing processes in document preparation, includ~~e~~ing packaging and preparing for distribution. Bindery services include cutting, stitching, ~~perfect~~ binding, collating, ~~cutting,~~ folding, perforating, scoring, trimming, padding and drilling~~, banding, shrink-wrapping and padding~~.

**Electronic Prepress Publishing:.** Provides prepress solutions supporting Mac and Windows operating systems, ~~with PDF as the preferred format. Provided services~~ including~~e~~ client consult~~ing~~ation, composition, proofreading, fill-able form creation, scanning~~/~~, color correction, File Transfer Protocol (FTP) site for file uploading, preflighting, Americans with Disabilities Act (ADA) Remediation, cross-media production, PDF linking, page ~~&~~and color correction ~~of~~for hard-copy proofs profiled for G7 color accuracy.

**Mass Mailing**:**~~.~~** Provides multiple ~~types of~~ mailing services including full- rate 1~~st~~first class, presorted ~~1st~~first class, standard presort, parcel mailing, ~~as well as~~and inserting and sorting of letters and flats. CASS, NCOA, and presorting services of address lists ~~prior to processing your mail~~ are available. ~~Walk Sequence sorting is available for large mailings. Mass Mail can inkjet your address lists onto labels, envelopes, brochures and newsletters.~~

**Addressing:.** Mailing lists can be maintained in the Addressing Services database. Addresses can be added, deleted, or amended,. ~~and a~~Address labels can be prepared from preserved lists.

**Design Services**:**~~.~~** ~~Assist federal, state and local government organizations in improving communication by c~~Combining comprehensive marketing principles, ~~relevant~~ aesthetics, and ~~cutting-edge~~ technology., ~~P~~provides effective designs to objectively develop communication solutions across print, screen and online mediums.

**Imaging and Electronic Document Management Services (EDMS):** Provides secure processing services to convert paper documents and files, including large documents and roll plans, into an easy-to-access electronic format. Services include document preparation, imaging, indexing and metadata capture and electronic storage in a custom electronic repository. Meets the security requirements for HIPAA and IRS 1075.

**Offset Printing.** Produces single a~~n~~d multiple color printi~~n~~g projec~~t~~s includi~~n~~g bound publications, loose leaf, brochures, presentation folders, envelopes, poste~~r~~s and sing~~l~~e or multip~~ar~~t forms. Binde~~r~~y services include stitching, perfect binding, cutting, folding, drilling, banding, shrink-wrapping a~~n~~d padding.

**~~Digital Printing.~~** ~~Providing swift turnaround of digital printing services within a secure facility. Services include single and full color printing, variable data publishing, document tracking and reporting, cutting, stitching, perfect binding, folding, shrinkwrapping, drilling, comb binding and tape binding. Electronic ordering of business cards is also available.~~

**Mass Mailin~~g~~.** Provides multip~~l~~e types of mailing services including fu~~l~~l rate 1st class, presorted 1st class, standard presort, parcel mailing, as well as inserting and sorting of letters and flats.

C~~ASS~~, NCOA and presorting services of address lists prior to processing your ~~mai~~l ~~ar~~e available. W~~al~~k Sequence sorting ~~i~~s availab~~l~~e for large mailings. Mass M~~ai~~l c~~a~~n inkjet your address lists onto labels, envelopes, brochures and newsletters.

**Addressing.** Mailing lists c~~a~~n be maintained ~~i~~n the Addressing Services database. Addresses can ~~b~~e adde~~d~~, deleted or amende~~d~~, and address labels can ~~b~~e prepared.

**Electronic Prepress Publishing.** Provides prepress solutio~~n~~s supporti~~n~~g Mac a~~n~~d Windows operati~~n~~g systems with P~~D~~F as ~~th~~e preferred forma~~t~~. Provided services incl~~ud~~e client consulting, composition, proofreading, fill-able fo~~r~~m creation, scanning/color correction, File Transfer Protocol (FTP) site for file uploading, preflighting, cross-med~~i~~a production, PDF linking, page & color correction of hard-co~~p~~y proo~~f~~s profiled for G7 color accuracy.

**Legislative Printing and Distribution:.** Legislative bills and publications are printed at

OSP and distributed through the Legislative Bill Room located in the basement of the State Capitol.

~~For more information about obtaining copies or purchasing a subscription of Legislative bills and publications, call (916) 445-2323.~~

**Forms Printing:.** Preparation of ~~V~~various sizes of snap out, continuous multi-part and roll -to - roll forms ~~can be~~ prepared using NCR, bond, or OCR papers. Forms can ~~also~~ be numbered and/or perforated.

**State Records Center:** Provides secure offsite storage of records and documents for state agencies. Secure and confidential document destruction services are available.

**Fulfillment:** Manages the storage, packaging and shipping of printed materials and other promotional products for state agencies by processing orders for customers and shipping the items to recipients. Assists with warehousing, distribution and inventory control.

**Interagency Mail Service ~~(Courier Service).~~:** Courier service providing ~~Provides interagency mail service and~~for the delivery of interagency mail to ~~to~~ most state agencies in the Sacramento area. ~~For additional information, call (916) 327-5203.~~

**~~Print Buying.~~** ~~With a network of over 300 vendors statewide, OSP Printing~~

~~Procurement Section can purchase printing from commercial printers at the best value for agencies for purchases under $50,000.~~

## OSP ADVERTISING SERVICES

(Revised ~~12~~X/~~2013~~2019)

A. Overview

Government Code 14851 authorizes the Office of State Publishing (OSP) to include paid advertisements in state publications printed by OSP.

State printing services may not be utilized for paid political advertising.

For more information on OSP’s advertising program, contact OSP at (916) 445-5386 or visit the OSP website at: [https://www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-](https://www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-Publishing-Resources-List-Folder/FAQ) [Publishing-Resources-List-Folder/FAQ](https://www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-Publishing-Resources-List-Folder/FAQ)

~~Contact the OSP Advertising Manager at (916) 327-5867, Danelle Hamilton (danelle.hamilton@dgs.ca.gov) for information regarding the OSP Advertising Program or see SAM Section 0580 for additional information.~~

## STATE AGENCY IN-PLANT PRINTING OPERATIONS

(New X/2019)

1. Definition

An agency in-plant printing operation (hereinafter “in-plant”) is any state agency (state government office, department, division, bureau, board, or commission) which: 1) owns and/or operates one or more pieces of printing equipment, where a piece of equipment is valued at

$50,000 or more at the time of acquisition; 2) employs one or more dedicated personnel under a printing trade classification (Bargaining Unit 14); and, 3) is not under the direct control of the State Printer.

In-plants have also been referred to as “in-house printing and reproduction facilities” or “reproductive units.”

1. Cost Recovery

Pursuant to SAM Section 8752, it is state policy for departments to recover the full cost whenever goods and services are provided for others. Cost recovery is defined by SAM Section 8752 to include all costs attributable directly to the activity, plus a fair share of indirect costs which can be ascribed reasonably to the good or service provided.

As defined in SAM Section 8752.1, indirect costs (or overhead costs) are the mandatory support costs (such as statewide Pro-Rata, departmental overhead, program overhead and FI$Cal) which are accumulated and allocated annually to the organizational units which benefit from the support. Pursuant to SAM Section 8752, each in-plant must account for its share of its agency’s overhead costs.

1. Operating Authority

In-plants shall only produce print work for their own agency (defined as the office, department, division, bureau, board or commission that purchased and/or operates the equipment), unless otherwise authorized by the Office of State Publishing (OSP).

In-plants are only permitted to provide print work for customer agencies when the customer agency has obtained OSP’s approval on a Printing Services Exemption Request (PSER) (see SAM Section 2811 for exemption procedure). An OSP-approved PSER must be included with all interagency agreements for in-plant printing services (see SAM Section 2812(B)). In-plants may not submit a PSER on behalf of another agency.

OSP publishes a directory of in-plants authorized to provide print work for customer agencies on its website at: https://[www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-](http://www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-) Publishing-Resources-List-Folder/In-plant.

Before OSP will authorize an exemption for the in-plant to produce print work for another state agency, the in-plant must provide its services list (see SAM Section 2875(D)) and rate spreadsheet (see SAM Section 2875(E)) to the Statewide In-Plant Operations Manager at [inplantopsmanager@dgs.ca.gov](mailto:inplantopsmanager@dgs.ca.gov) for review and approval by the State Printer.

The in-plant must have a current In-Plant Printing Operations Report (IPPOR) (see SAM Section 2875(F)) on file with the State Printer before OSP will authorize the in-plant to perform work for a customer agency.

1. Services List

In-plants that provide services to other state agencies must submit a list of all printing and reproduction services provided by the in-plant to the Statewide In-Plant Operations Manager at [inplantopsmanager@dgs.ca.gov](mailto:inplantopsmanager@dgs.ca.gov). OSP will refer to this list when reviewing PSERs from customer agencies to determine whether the in-plant can complete the required print work.

Any modifications to the services list should be provided to the Statewide In-Plant Operations Manager by email. The in-plant must provide an updated services list each year by July 1.

1. Rates Development

In-plants that provide printing services to other state agencies must establish an hourly rate for each piece of printing equipment operated to ensure that the printing operation is adequately recovering its costs (pursuant to SAM Section 8752). In-plants that are not providing printing services to other agencies are not required to establish rates.

In-plants should use the Rate Development Spreadsheet (RDS) in developing their rates. The agency must complete the RDS in accordance with the provisions of the RDS Instructions document.

The rates must be certified by the agency’s Deputy Administrative Director (no designee signature will be accepted) by electronic signature on the Certification section of the RDS.. The RDS should be submitted by the agency’s Deputy Administrative Director to the Statewide In- Plant Operations Manager at [inplantopsmanager@dgs.ca.gov](mailto:inplantopsmanager@dgs.ca.gov) for review and approval by the State Printer. The State Printer may reject any rate structure that does not fully recover the cost of operation.

In-plants must update their rates annually to reflect changes in overhead and operational costs each fiscal year. Each year’s rates should be submitted to the Statewide In-Plant Operations Manager by email for review and approval by July 1.

Electronic copies of the RDS and the RDS Instructions can be found on OSP’s website at: https://[www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-Publishing-Resources-](http://www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-Publishing-Resources-) List-Folder/In-plant.

1. Annual Operations Reporting Requirement

State agencies that operate in-plants are required to provide an annual report detailing their printing operations to the State Printer. The agencies must use the State Printer’s In-Plant Printing Operations Report (IPPOR) to fulfill this requirement. The agency must complete each section of the IPPOR in accordance with the provisions of the IPPOR Instructions document.

The IPPOR must be certified by the agency’s Deputy Administrative Director (no designee signature will be accepted) by electronic signature on the Certification section of the IPPOR.

The IPPOR must be submitted electronically by the agency’s Deputy Administrative Director to the State Printer by January 1, 2020, and each year thereafter. Electronic copies of the IPPOR and the IPPOR Instructions can be found on OSP’s website at: https://[www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-Publishing-Resources-](http://www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-Publishing-Resources-) List-Folder/In-plant.

The provisions of SAM Section 2875 do not apply to the printing operations enabled under Penal Code Section 2807.

# SAM – PUBLISHING/PRINTING 2876

## APPROVAL REQUIRED TO PURCHASE PRINTING EQUIPMENT

(New X/2019)

1. Overview

No state agency may acquire printing equipment, including, but not limited to, offset printing, digital printing, or bindery equipment, where a piece of equipment is valued in excess of

$50,000, without prior approval from the State Printer.

Agencies seeking to acquire new or replacement printing equipment are required to submit a Printing Equipment Acquisition Request (PEAR) (see SAM Section 2876(B)) to the State Printer for approval. The agency should use the PEAR to demonstrate that the agency has the capacity to operate the printing equipment efficiently and cost-effectively, and that the acquisition and use of this equipment will not be unnecessary duplicative of OSP services (or those services provided by other state agency in-plant printing operations as authorized under SAM Section 2875). To assist with this analysis, a Recovery of Investment Template (RIT) (see SAM Section 2876(C)) must be included with the PEAR.

The agency submitting the PEAR must affirm that the print work performed on the equipment will only support the printing needs of the acquiring agency (referring to the office, department, division, bureau, board or commission that purchases and/or operates the equipment), and not that of other agencies, except when a Printing Services Exemption Request (PSER) has been approved by OSP (see SAM Section 2811 for OSP exemptions).

The agency must have a current In-Plant Printing Operations Report (IPPOR) (see SAM Section 2875(F)) on file with the State Printer before they may submit a PEAR for approval.

Agencies that have delegations of procurement authority, issued by the Department of General Services’ (DGS) Procurement Division, are still required to submit and receive approval on a PEAR prior to exercising their delegated procurement authority.

1. Printing Equipment Acquisition Request Information

The PEAR standardizes the acquisition analysis with regard to the acquisition of printing equipment across state agencies. To ensure that the acquisition of printing equipment is cost- effective, the agency submitting the PEAR must provide a detailed account of its recovery of investment and estimated acquisition, overhead, operation, and maintenance costs.

The agency must complete each section of the PEAR in accordance with the provisions of the PEAR Instructions document. The PEAR must be signed by the agency’s Deputy Administrative Director and/or Procurement Contracting Officer (no designee signature will be accepted).

Electronic copies of the PEAR and the PEAR Instructions can be found on OSP’s website at: https://[www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-Publishing-Resources-](http://www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-Publishing-Resources-) List-Folder/In-plant.

A PEAR will not be considered complete unless a complete and accurate RIT with supporting documentation is included.

1. Recovery of Investment Template Information

State printing operations must be budgeted for cost recovery (see SAM Section 8752 requiring departments that provide goods and services to fully recover their costs). An agency seeking to acquire printing equipment must be able to demonstrate that it can recover the cost of owning and operating that printing equipment over five years. The RIT is a detailed financial analysis tool used to evaluate whether the acquisition of printing equipment is a cost-effective investment.

To ensure that the agency can adequately recover its cost, the agency must complete a five- year fiscal analysis on the RIT in accordance with the provisions of the RIT instructions document. OSP will not accept a PEAR without a complete and accurate RIT.

State agencies must depreciate all printing equipment according to the following schedule:

|  |  |
| --- | --- |
| **Table 1** | |
| **Cost of Equipment (Before sales tax)** | **Depreciation Period** |
| $50,000 to $1,999,999 | May be depreciated up to five years |
| $2,000,000 to $4,999,999 | May be depreciated up to seven years |
| Greater than $5,000,000 | May be depreciated up to ten years |

State agencies may not exceed the depreciation schedule indicated in Table 1, but may choose a lesser depreciation period at their discretion.

Electronic copies of the RIT and the RIT instructions can be found on OSP’s website at https://[www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-Publishing-Resources-](http://www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-Publishing-Resources-) List-Folder/In-plant.

1. Submitting the Printing Equipment Acquisition Request

Electronic copies of the PEAR, the RIT, and supporting documentation (as needed) must be submitted by the agency’s Deputy Administrative Director and/or Chief Procurement Officer to the Statewide In-Plant Operations Manager at [inplantopsmanager@dgs.ca.gov](mailto:inplantopsmanager@dgs.ca.gov) for review. OSP will not review a PEAR unless all sections of the PEAR and the RIT are filled out completely.

The PEAR and supporting documentation must be submitted to the State Printer for approval no less than ninety (90) days prior to the anticipated solicitation date. If the agency intends to use one-time acquisition services from the DGS Procurement Division prior to the end of the fiscal year, the PEAR must be received by the Statewide In-Plant Operations Manager no later than the first business day of February. Agencies are not permitted to enter into a purchasing contract for printing equipment until a signed PEAR approval has been returned by the State Printer.

The State Printer may approve the PEAR as written, provide conditional approval through the recommendation of alternative equipment, or reject the PEAR with explanation. When PEAR approval is received, the submitting agency will be required to provide the PEAR to: 1) the DGS Procurement Division (if one-time acquisition services are required); 2) the DGS Office of Legal Services (OLS) (if OLS contract review is required); and, 3) the SCO (included with the invoice for processing of payment). Non-compliance with the PEAR approval process may result in non- approval of the contract and non-payment of invoices.

The amount on the solicitation or delegation of procurement authority to acquire the printing equipment may not exceed 10% of the purchase price indicated on Section 4, Item 1 of the PEAR without secondary approval from OSP.

Approval on a PEAR is valid for the duration of the fiscal year of issuance and the following fiscal year.

Electronic copies of the Scope of Work issued with the solicitation and the final purchase agreement must be provided to the Statewide In-Plant Operations Manager within sixty (60) days of a signed purchase agreement.

# SAM – PUBLISHING/PRINTING 2825

## OSP ADVERTISING SERVICES

(Revised ~~12~~5/~~2013~~2019)

1. Overview

Government Code 14851 authorizes the Office of State Publishing (OSP) to include paid advertisements in state publications printed by OSP.

State printing services may not be utilized for paid political advertising.

For more information on OSP’s advertising program, contact OSP at (916) 445-5386 or visit the OSP website at: [https://www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-](https://www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-Publishing-Resources-List-Folder/FAQ) [Publishing-Resources-List-Folder/FAQ](https://www.dgs.ca.gov/OSP/Resources/Page-Content/Office-of-State-Publishing-Resources-List-Folder/FAQ)

~~Contact the OSP Advertising Manager at (916) 327-5867, Danelle Hamilton (danelle.hamilton@dgs.ca.gov) for information regarding the OSP Advertising Program or see SAM Section 0580 for additional information.~~

**SAM – PUBLISHING/PRINTING**

**CALIFORNIA PRISON AUTHORITY (CALPIA) 2850**

**CALPIA PROGRAM SUMMARY**

(Revised ~~12/2013~~01/2020)

CALPIA is a self-supporting, customer-focused business that reduces recidivism, increases prison safety, and enhances public safety by providing offenders productive work and training opportunities.

Printing and reproduction services may ~~also~~ be obtained from [CALPIA.](https://catalog.calpia.ca.gov/store/printing/) CALPIA is not limited to items listed below and may be able to produce custom services not listed. For questions and additional information, please contact sales at 916.323.2419 or e-mail [print.services@calpia.ca.gov.](mailto:print.services@calpia.ca.gov)

Print Products available from CALPIA: If CALPIA or OSP cannot produce an item on this list, an exemption from OSP is needed prior to purchasing from "in-plants" or the private sector. (See SAM 2800 for additional information)

Banners Booklets Brochures Business Cards Calendars

Certificate Folders Commercial Print Digital Printing Envelopes

File Folders Flyers

Forms (Single & Multipart) Labels

Maps Posters Tabs Tags

Misc. Custom Print Items (not listed below)

CALPIA Exclusive Products: An exemption from CALPIA is needed prior to purchasing any items on this list from the private sector. (CALPIA Exemption Process)

Binders

Braille (Embossing & Transcription) Decals

Diploma Covers Name Plates Notecards Notepads Placards Plaques

Portfolios Registration Tags

Signs (Including metal, vinyl, and other materials) Survey Tags

Tab Dividers

Vehicle Logbooks/Peg Books

**CALPIA STATUTORY AUTHORITY**

(Revised ~~12/2013~~01/2020)

Penal Code Section [2807](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=PEN&amp;division&amp;title=1.&amp;part=3.&amp;chapter=6.&amp;article=1) authorizes CALPIA to provide products and services needed by the state, or any political subdivision thereof, or by the federal government, or any department, agency, or corporation thereof, or for any other public use. ~~printing services to state and local government entities.~~

**CALIFORNIA PRISON AUTHORITY (CALPIA) 2860**

**HOW TO ORDER CALPIA SERVICES**

(Revised ~~12/2013~~01/2020)

* 1. TO PLACE AN ORDER:

Printing and reproduction services may be obtained from CALPIA by submitting a purchase order ~~or Reproduction Order form, STD. 54,~~ to Customer Service, 560 East Natoma Street, Folsom, CA 95630~~-2200~~ or by e-mail at [customerservice@calpia.ca.gov](mailto:customerservice@calpia.ca.gov). ~~faxing the purchase order to (916) 358-2660. Customers needing information or assistance may call (916) 323-24~~ Custom quotes should be attached to purchase orders submitted to customer service. Stock forms do not need an attached quote if pricing has been verified on the CALPIA website.

* 1. QUOTES:

[Stock Forms](https://catalog.calpia.ca.gov/store/printing-1/)): Use the Forms Library to determine item number and price.

Custom Quotes: Please send requests for customer quotes to [print.services@calpia.ca.gov.](mailto:print.services@calpia.ca.gov)

Information to provide (if known):

* + 1. How would you describe the item (ex. brochure, form, notepad, etc.)? 2. How many are needed?

1. Full color or black & White?
2. What is the size?
3. What type of paper?
4. If it has multiple pages: How many? How is it bound? Color throughout or just the cover?
5. Brochures: Bi-fold or tri-fold or quad-fold? 8. Do you have a sample?

9. Did you provide hi-resolution artwork?

For questions and additional information, please contact sales at 916.323.2419 or e-mail [print.services@calpia.ca.gov.](mailto:print.services@calpia.ca.gov)

**CALIFORNIA PRISON AUTHORITY (CALPIA) 2865**

**~~CALPIA SERVICES~~**

~~(Revised 12/2013)~~

~~The following describes printing and reproduction services provided by the California Prison Industry Authority (CALPIA). For additional information call Customer Services at (916) 323-2419.~~

1. ~~Preparing and planning print jobs.~~
2. ~~Typesetting for booklets, reports, newsletters, forms, etc.~~
3. ~~Preparing of camera ready copy for printing and reproduction. 4. Copying and duplication work.~~
4. ~~Presswork that includes offset printing of forms, envelopes, publications, etc. This includes sheet fed or web fed to a maximum of 18” x 24” finished sheets.~~
5. ~~Two color printing from mechanical separation or multiple color process printing. 7. All bindery operations such as cutting, folding, stitching, drilling, etc.~~
   1. ~~Special Services that include labels mounted on a carrier base produced in rolls or flat fold configuration; screen printed labels, signs, and posters; ticket and script books; inventory tags; decals; OCR forms; bar- coding; and sequential numbering up to 8” x 10” stock.~~

**SAM-PURCHASES (Cont.)**

**TYPICAL FLEET VEHICLE 3620.1**

(Revised 10~~6~~/2019~~6~~)

Typical fleet vehicles are two-door and four-door sedans with interior volume, passenger and luggage area combined, less than 110 cubic feet. Each agency's annual purchases that are powered solely by internal combustion engines utilizing fossil fuels, or that are powered by more than one source, such as a nonplug-in hybrid electric vehicles must average at least 38 Environmental Protection Agency combined city/highway mileage for passenger vehicles and 22.2 Environmental Protection Agency combined city/highway mileage for light duty trucks, vans and sport utility vehicles. The Director of the Department of General Services (DGS) may adjust the average miles per gallon (MPG) figure upward each year if examination of the mileage performance of vehicles that will meet the State's needs shows there will be at least two competing manufacturers that can meet higher mileage requirements. DGS may waive application of the standards if the State is unable to secure a competitively bid contract for a vehicle that meets both the needs of the department purchasing it, and the minimum MPG standard in this policy. Colors shall be solar reflective (white, silver metallic or gold metallic) unless the department is granted specific approval to use a non-solar reflective color by the Department of General Services, Office of Fleet and Asset Management. The following preapproved exemptions do not require a written request:

* + - Vehicles over 8,500 GVWR
    - Vehicles that are NOT rated for highway speeds (e.g.: Gator, electric cart)
    - Authorized Emergency vehicles, as defined in §165 of the Vehicle Code, that are equipped with emergency lamps or lights described in §25252 of the Vehicle Code.
    - Vehicles that are modified for the purpose of providing services by a state entity to an individual with a disability or a developmental disability, as defined under the statues or regulations governing that state entity; or, as a reasonable accommodation to an employee for a known physical or mental disability, as defined in Government Code Section 12926.

~~For additional information on Fuel Economy Standards see Management Memo (MM) 15-03.~~

## SAM—TRANSPORTATION SERVICES

**STATE FLEET FUEL CARD PROGRAM ~~FUEL CARD MANAGEMENT~~ 4108**

(Renumbered from 4151 and Revised 10/2019~~76/96~~)

~~It is the responsibility of agencies/departments to review gasoline credit card charges and monthly billing statements in order to reduce unnecessary and improper charges. Agencies/departments shall pursue recovery of unauthorized charges.~~

The State Fleet Fuel Card can only be used by state employees conducting official state business. Additionally, state departments may authorize other individuals (such as retired annuitants, volunteers, etc.) who are on official state business and whose travel expenses are paid by the state, to use the card.

The State Fleet Fuel Card can be used for department-owned and DGS-leased vehicles. Additionally, departments are authorized to use the State Fleet Fuel Card for long-term commercial vehicle rentals through the state’s commercial car rental contract. A long-term commercial rental is defined as a vehicle rental of 30 calendar days or more that has been approved by DGS Office of Fleet & Asset Management (OFAM).

## Allowable Purchases

As authorized by a department, the State Fleet Fuel Card may be used to purchase the following items when conducting official state business:

* Regular-grade unleaded gasoline and diesel.
* Alternative fuels such as E-85, biodegradable diesel, CNG, electricity and hydrogen.
* Fluids and lubricants (i.e. oil, antifreeze, washer fluid, etc.).
* Basic (low-cost) car washes.
* Emergency roadside assistance
* Tires in accordance to the statewide tire contract.

In addition, emergency purchases, such as wiper blades, fan belts, tires, etc., are allowed in urgent situations only. Emergency purchases must be defined and approved by each department.

## Prohibited Purchases

The following items are prohibited and must not be purchased using the State Fleet Fuel Card:

* Unless specifically required by the vehicle manufacturer, the purchase of mid-grade or premium (supreme) unleaded gasoline is strictly prohibited.
* Fuel for personal vehicles.
* Miscellaneous items such as food or sundries (personal items).

## SAM – TRANSPORTATION

(Continued)

## STATE FLEET FUEL CARD PROGRAM 4108

(Renumbered from 4151 and Revised 10/2019)

## Appropriate State Fleet Fuel Card Usage

It is the responsibility of each department to monitor and verify the appropriate usage of the State Fleet Cards issued to their employees. If misuse is determined, each department must take appropriate action according to their departmental policy.

## Requirements

All state departments that utilize the State Fleet Card Program must implement oversight procedures as specified in the [*State Fleet Card Oversight Usage and Responsibilities*](https://www.dgs.ca.gov/-/media/Divisions/OFAM/Fleet-Services-and-Operations/Fleet-Card-Oversight-Usage-and-Responsibilities.pdf?la=en&amp;hash=D1EA4457027ED38E5DEE5D4AB25AFE3A18346856)(https:/[/w](http://www.dgs.ca.gov/-/media/Divisions/OFAM/Fleet-Services-and-Operations/Fleet-)w[w.dgs.ca.gov/-/media/Divisions/OFAM/Fleet-Services-and-Operations/Fleet-](http://www.dgs.ca.gov/-/media/Divisions/OFAM/Fleet-Services-and-Operations/Fleet-) Card-Oversight-Usage-and-Responsibilities.pdf). Each department will designate an employee to act as the Fleet Card Coordinator (Coordinator) to closely manage the department’s use of the State Fleet Card Program. This will include the review of fleet card exception reports on an ongoing basis.

Each department participating in the State Fleet Card Program must submit the [*Annual*](http://www.documents.dgs.ca.gov/dgs/fmc/dgs/ofam003.pdf)[*Certification Form*](http://www.documents.dgs.ca.gov/dgs/fmc/dgs/ofam003.pdf)([http://www.documents.dgs.ca.gov/dgs/fmc/dgs/ofam003.pdf) indicating](http://www.documents.dgs.ca.gov/dgs/fmc/dgs/ofam003.pdf)indicating) that the department has executed the required procedures as well as certified that it has assigned a Coordinator to manage its State Fleet Card usage, as stated in the *State Fleet Card Oversight Usage and Responsibilities* document. This certification must be submitted to the DGS on an annual basis by June 30 of each year.

Additionally, each department must ensure that all individuals authorized to use the State Fleet Card sign a [*Fleet Card User Agreement*](http://www.documents.dgs.ca.gov/dgs/fmc/dgs/ofam001.pdf)([http://www.documents.dgs.ca.gov/dgs/fmc/dgs/ofam001.pdf). All active Fleet Card User](http://www.documents.dgs.ca.gov/dgs/fmc/dgs/ofam001.pdf).AllactiveFleetCardUser) Agreements should be kept on file by the department.

Department compliance with the State Fleet Card Program’s oversight requirements will be subject to auditing by the DGS on a periodic basis.

For more information, contact the DGS Fleet Services Call Center at (858) 611-OFAM (6326) or [FleetServices@dgs.ca.gov](mailto:FleetServices@dgs.ca.gov).

## Rev. 470 SEPTEMBER 2009

**SAM -TRANSPORTATION SERVICES**

**HOME STORAGE 4109**

(Renumbered from 4144 and Revised 10/2019~~09/1~~8 ~~6/96~~)

## DEFINITION OF VHSP

A VHSP is required for any employee who stores a state vehicle at or in the vicinity of his/her home on a frequent basis as defined by [CCR, Title 2, Section 599.808 (d)](https://govt.westlaw.com/calregs/Document/IE242F0005D9711E4A9828577DD5F1BF2?viewType=FullText&amp;originationContext=documenttoc&amp;transitionType=CategoryPageItem&amp;contextData=(sc.Default)).

Section 599.808 (d) requires the Department of General Services (DGS) to prescribe the rules and procedures relating to the home storage of state vehicles as well as to review and approve VHSPs at DGS’ discretion.

## OVERVIEW

~~Storage of state-owned mobile equipment at an employee’s residence on a regular basis requires an approved Vehicle Home Storage Request/Permit form, STD. 377, be on file with the employee’s department. Annual renewal of STD. 377 is required. See DPA Section 599.808 and OFAM State Fleet Handbook.~~

The Department of General Services (DGS) requires that vehicle home storage permits (VHSPs) issued by state agencies shall adhere to policies outlined in section *VHSP Requirements* and meet the criteria of essential or cost effective permits as noted in section *Criteria for Essential & Cost-Effective Permits*. DGS requires the use of criteria that augment those provided in the [CCR, Title 2, Section](http://www.documents.dgs.ca.gov/osp/Sam/mmemos/mm13_03-ccr599-808.pdf) [599.808.](http://www.documents.dgs.ca.gov/osp/sam/mmemos/mm13_03-ccr599-808.pdf) Further, agencies shall use the revised [STD 377](http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std377.pdf), [*Vehicle Home Storage*](http://www.documents.dgs.ca.gov/osp/pdf/std377.pdf)[*Permit/Request For*](http://www.documents.dgs.ca.gov/osp/pdf/std377.pdf)*m* when requesting vehicle home storage permits.

Storage of state-owned mobile equipment at an employee’s residence on a regular basis requires an approved Vehicle Home Storage Request/Permit form, STD. 377, be on file with the employee’s department. Annual renewal of STD. 377 is required. See DPA Section 599.808 and OFAM State Fleet Handbook.

## VHSP REQUIREMENTS

* State vehicles shall be used only in the conduct of state business, and that no state officer or employee shall use, or permit the use of, any state-owned motor vehicle other than in the conduct of state business (see Government Code [Sections 19993.1-19993.8](http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&amp;division=5.&amp;title=2.&amp;part=2.6.&amp;chapter=4.5.&amp;article)).
* State agencies utilizing non-exempt license plates on state vehicles must strictly adhere to the Department of Motor Vehicles (DMV) rules pursuant to Vehicle Code [Sections 5001-5002.6](http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=VEH&amp;division=3.&amp;title&amp;part&amp;chapter=1.&amp;article=8), and DMV Form INV 218, Request for Nonexempt License Plates.
* State vehicles stored at or in the vicinity of an employee’s home more than 72 nights in a 12-month period, or 36 nights in a 3-month period, require a VHSP

approved by the department head, deputy, or chief administrative officer pursuant to CCR Section 599.808 and STD 377, Vehicle Home Storage Request/Permit Form.

* Employers must apply facts and circumstances on a case-by-case basis to ensure they follow Internal Revenue Service and Franchise Tax Board regulations regarding taxable compensation for personal use of a state vehicle. The [State Controller's Office Payroll Procedures Manual](https://sco.ca.gov/Files-PPSD/PPM/PPM_Section_N_NonUSPS-FB-EBEs_2019_0716..pdf), Section N 129 et seq. has information that covers the taxable event triggered by state vehicle use, as well as the reportable/taxable amount to report and exceptions to the taxable reporting requirements (see State Administrative Manual Section 8572.4).
* State employees must report the taxable amount monthly on the State Controller's Office [STD 676V](http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std676V.pdf), Non-USPS Adjustment Request-Values (Fringe Benefits/Employee Business Expense), and submit it to their department’s human resources office. If you have questions regarding the taxable amount or the STD 676V, please contact your department’s human resources office.

## CRITERIA FOR ESSENTIAL & COST-EFFECTIVE PERMITS

[Executive Order (EO) B-2-11](https://www.ca.gov/archive/gov39/2011/01/28/news16890/index.html) specifies that state agencies and departments may only issue VHSPs that are essential or cost effective. In continuance of this policy, DGS developed ongoing criteria to assist departments in their future determinations of essential and cost-effective VHSPs.

*ESSENTIAL PERMITS*

An essential VHSP is deemed necessary even though it may not be cost-effective; it must meet all of the following criteria:

* The individual must respond to emergency events after hours as a primary responder.
* The emergency responder must respond to the field, rather than to a state facility where his/her vehicle could be stored.
* The emergency responder must be able reach the emergency event within 30 minutes to no more than 1 hour.
* The emergency response must require specialized equipment that is not transferrable to a personal vehicle, or include activity that is not reasonable for a personal vehicle (i.e., taking a felon into custody).
* The emergency response must be for health and safety purposes (i.e., responding to hazards or criminal activity).
* The individual only takes a vehicle home when he/she is needed as a primary responder.
* The individual must respond to a minimum of 24 emergency responses per year.\*

A department should not issue an essential VHSP to any employee who does not meet all of the above criteria. It is also incumbent upon the department to report/record information as necessary to support the issuance of an essential VHSP.

\*DGS will allow an exemption process for essential VHSPs that cannot meet the minimum of 24 emergency responses per year if a department can demonstrate that there will be a significant health and safety risk to the public if this permit is not issued. A department is required to submit the STD 377, Vehicle Home Storage Request/Permit Form, to DGS for approval and to provide narrative to substantiate the critical need for each VHSP.

*COST-EFFECTIVE PERMITS*

A cost-effective VHSP must meet at least one of the criteria from both Category A and Category B:

Category A

1. The employee has a department-approved home office separate from the department’s facilities. Generally, the employee’s duty statement and personnel file will denote that his/her reporting office is his/her home.
2. The vehicle is essentially the employee’s office (i.e. performing requisite duties in the field on a daily basis directly from his/her home). However, the employee may still be required to occasionally work from a state office.

Category B

1. The employee’s job (as reflected on the official duty statement) requires substantial field work (greater than 50 percent), and it is more efficient for the employee to travel directly to the field work location.
2. The employee drives directly to the field from home and/or has work-related after- hour activities that account for 50 percent or more work days within a given month.

A department should not issue a cost-effective VHSP to any employee who does not meet the above criteria. It is also incumbent upon the department to report/record information as necessary to support the issuance of a cost-effective VHSP.

These general standards for cost effectiveness justify the use of a state vehicle versus reimbursement for the use of a personal vehicle or rental – it is not a justification for the state to pay for personal commute miles associated with taking a vehicle home.

Providing for personal commuter transportation is not an obligation of the state.

## ANNUAL CERTIFICATION

Beginning on January 2, 2014, and each year thereafter, state agencies shall submit a DGS OFAM 162 - VHSP Certification Form to DGS that denotes the number of VHSPs issued at that time. DGS may, at any time, request copies of the permits or a list of names and other specific data for the individuals who have been issued permits.

## AUDIT REQUIREMENTS

DGS reserves the right to audit state agencies to ensure compliance with the VHSP requirements. DGS further reserves the right to withdraw a department’s ability to issue and approve its own VHSP pursuant to CCR Section 599.808 (d), if it is determined that a state agency is not in compliance with the VHSP policy.

The following required documents shall be on file and available upon request.

* DGS STD 273, Monthly Vehicle Travel Log shall be completed on a daily basis to record, among other things, the following: daily miles traveled, date and time of travel, itinerary, overnight storage information, and the driver’s name. VHSP annual certifications shall be completed each calendar year.
* VHSP requests (STD 377, Vehicle Home Storage Request/Permit Form) shall be completed for each applicable employee.
* VHSP annual certifications shall be completed each calendar year.
* VHSP requests (STD 377, Vehicle Home Storage Request/Permit Form) shall be completed for each applicable employee.

The minimum retention schedule for the required documents noted above shall be the current fiscal year and the preceding fiscal year.

Should a state agency conduct its own internal audit of its assigned VHSPs, it is required to provide the VHSP audit results and/or findings to the DGS Office of Fleet and Asset Management.

## SAM —TRANSPORTATION SERVICES

**ZEV CREDITS AND CREDIT RATIOS 4121.3**

(~~New 12/2016~~ Revised 08/2019)

## Zero Emission Vehicle (ZEV) Credits

ZEV credits earned and retained prior to July 1, 2017, are treated as State Agency ZEV Credits. State Agency ZEV Credits, which were earned as a result of purchasing more ZEVs than was required for a given fiscal year, may be used by the owning agency in subsequent years to meet applicable yearly mandatory ZEV acquisition requirements. ~~ZEV credits may be used toward the applicable yearly mandatory ZEV acquisition requirements. ZEV credits may be acquired for ZEV purchases approved prior to July 1, 2017 that exceeds the amount required for a fiscal year.~~ Effective July 1, 2017 agencies will no longer acquire ZEV credits for purchases that exceed the amount required for a fiscal year; after July 1, 2017, all excess ZEV credits achieved will become statewide ZEV credits (see next section: Statewide ZEV Credits). ~~However, agencies may still use ZEV credits acquired prior to July 1, 2017 to meet applicable ZEV acquisition requirements in subsequentyears.~~

~~Please note, while BEV credits may be used towards all ZEV requirements, plug-in hybrid vehicle (PHEV) credits can only be used to meet compliance for PHEVs after the 50 percent battery electric vehicle (BEV) requirement has been met.~~

Please note, state agencies that have not received an exemption to the 50 percent Pure ZEV requirement through the installation of telematics on 100 percent of their ZEVs, as indicated in section 4121.2, may not use credits acquired from the purchase of plug-in hybrid vehicles (PHEV) credits to satisfy the 50 percent requirement.

## Statewide ZEV Credits

As of July 1, 2017, any excess ZEV credits earned as the result of purchasing more ZEVs than was required in a given fiscal year will be treated as Statewide ZEV Credits.

Statewide ZEV Credits will be tracked by the Department of General Services (DGS), Office of Fleet and Asset Management (OFAM). Statewide ZEV Credits will be used, if available, at the end of a given fiscal year (FY) to offset any statewide deficiency resulting from Operational Need Exemptions (see next section: Operational Need Exemption) in meeting the state fleet’s overall ZEV purchasing requirements. Statewide ZEV credits may be used as either Pure ZEV or PHEV credits, regardless of which ZEV type was purchased to generate the original credit.

## Operational Need Exemption

State agencies that meet applicable eligibility criteria (see next section: Operational Need Exemption Eligibility Criteria) may request an Operational Need Exemption from a given FY’s ZEV purchasing requirements. To request an Operational Need Exemption, state agencies shall submit their request on an OFAM 190 along with their Fleet Acquisition Plan (FAP). State agencies requesting an Operational Need Exemption that are not required to submit a FAP, due to having earned accreditation for Level Three fleet acquisition delegation, may submit an OFAM 190 without a FAP once they have determined their annual light-duty purchases and ZEV purchasing requirements for a given fiscal year.

## Operational Need Exemption Eligibility Criteria

To qualify for an Operational Need Exemption, state agencies must meet the following eligibility criteria:

1. The requesting state agency has sufficiently demonstrated that they are unable to purchase the requisite number of ZEVs to meet that fiscal year’s applicable purchasing threshold. DGS shall make the final determination that a state agency has sufficiently demonstrated that they are unable to acquire the requisite number of ZEVs to meet that fiscal year’s applicable purchasing thresholds. To make that determination, DGS will primarily use the following criteria:
   1. A full light duty fleet composition analysis has been conducted by DGS and the requesting agency, which demonstrates that all opportunities for replacement of eligible vehicles that could be converted to ZEVs, have been exhausted.
   2. The requesting state agency has certified on the OFA 190 that there are no opportunities for vehicle replacement downgrades or re-directions that could increase their ability to comply with the annual ZEV purchasing threshold.
   3. The requesting state agency shall have exhausted all of their applicable State Agency ZEV credits.
2. The following criteria will not be used in determining a state agency’s eligibility:
   1. Lack of sufficient charging infrastructure
   2. Cost to procure the ZEVs

## ZEV Credit Ratios

**Light Duty (LD) and Heavy Duty (HD) ZEV and PHEV Ratio Table**

|  |  |  |  |
| --- | --- | --- | --- |
| **Vehicle Type** | **Minimum Range** | **Maximum Range** | **Ratio**1 |
| BEV | Not Applicable | Not Applicable | 1:1 |
| Low Range PHEV | 10 | 19 | 5:1 |
| Mid Range PHEV | 20 | 34 | 3:1 |
| Long Range PHEV | 35 | 49 | 2:1 |
| Extra Long Range PHEV | 50 | ~~n/a~~  Not Applicable | 1:1 |

**Medium Duty (MD) and Heavy Duty (HD) ZEV and PHEV Ratio Table1**

|  |  |  |  |
| --- | --- | --- | --- |
| **Vehicle Type** | **Minimum Range** | **Maximum Range** | **Ratio** |
| MD ZEV 1 | Not Applicable | Not Applicable | 1:1.5 |
| HD ZEV 2 | Not Applicable | Not Applicable | 1:3 |
| MD ~~ZEV~~ 1 PHEV | 100 | Not Applicable | 1:1 |
| HD ~~ZEV~~ 2 PHEV | 100 | Not Applicable | 1:2 |
| MD ~~ZEV~~ 1 PHEV | 50 | ~~<100~~  Less than 100 | 2:1 |
| HD ~~ZEV~~ 2 PHEV | 50 | ~~<100~~  Less than 100 | 1:1 |
| MD ~~ZEV~~ 1 PHEV | 30 | ~~<50~~  Less than 50 | 3:1 |
| HD ~~ZEV~~ 2 PHEV | 30 | ~~<50~~  Less than 50 | 1.5:1 |

|  |  |  |  |
| --- | --- | --- | --- |
| HD Bucket Truck (conventional ~~ICE~~ Internal Combustion Engine) with Electric Power Takeoff (ePTO) | Not Applicable | Not Applicable | 12:1 |

## Note:

1. Ratio example: 1:3 ratio means each corresponding Class 4 to 8 HD ZEV is equivalent to 3 LD ZEVs.
2. Medium Duty ZEV’s include Class 2B to 3, Gross Vehicle Weight Rating (GVWR) from 8,501 to 14,000 lbs.
3. Heavy Duty ZEV’s include Class 4 to 8, GVWR greater than 14,000 lbs.

**Motorcycles (MC) ZEV Ratio Table**

|  |  |
| --- | --- |
| **Vehicle Type** | **Ratio**  **(Number of MC ZEV vehicle: Number of LD ZEV equivalent)** |
| MC Electric | 2:1 |

**DEFINITIONS 4819.2**

(Revised 09/2018)

The following definitions of administrative and technical terms are provided to assist Agencies/state entities in their application of information technology (IT) policy.

The primary source for technical definitions is the Information Processing Systems Technical Report, American National Dictionary for Information Processing Systems, developed by the American National Standards Committee, X3 Information Processing Systems. In some cases, the definitions have been modified to meet state needs.

**Accessibility/Accessible**: Individuals with disabilities are able to acquire the same information, engage in the same activities, perform the same functions, and access the same content and services as individuals without disabilities, with similar ease.

**Agency:** This term refers to one of the state's umbrella Agencies. Umbrella Agencies include the Natural Resources Agency, California Environmental Protection Agency, Government Operations Agency, Business Consumer Services and Housing Agency, California Department of Corrections and Rehabilitation, California State Transportation Agency, Labor Agency and the California Health and Human Services Agency.

**Agency-affiliated State Entities:** This term refers to State Entities that are governed by one of the state's umbrella Agencies. See definition of Agency.

**Agency Information Management Strategy:** An Agency/state entity’s information management strategy is the Agency/state entity’s comprehensive plan for using IT to address its business needs, i.e., to successfully carry out its programmatic mission. Ideally, the Agency/state entity’s information management strategy represents one aspect of a well-defined overall Agency/state entity business strategy and is therefore closely aligned to its business strategy. If the Agency/state entity has not established a business strategy, Agency/state entity staff that are responsible for the Agency/state entity information management strategy must make assumptions based on their knowledge of the Agency/state entity’s overall mission, its program resources and priorities, and the changing nature of its environment.

**Ancillary Solicitation:** An acquisition that may be necessary to achieve and/or support the primary procurement activities and objectives of an IT project. An IT project may be supported by many Ancillary Solicitations.

**Assistive Technology**: Any item, piece of equipment, software, or system that is designed to increase, maintain, or improve the functional capabilities of individuals with disabilities.

(Continued)

(Revised 09/2018)

**Business Strategy:** An Agency/state entity’s business strategy is its overall plan for accomplishing its mission in a changing environment with the resources it can reasonably expect to be available. Such a strategy typically addresses the Agency/state entity’s statutory mission and historical role, the expectations of its key stakeholders (individuals and organizations that affect the Agency/state entity or that the Agency/state entity affects), the factors that are critical to its success as an organization, the Agency/state entity’s internal strengths and weaknesses, and the political, social, economic, and technological forces in its environment that support or constrain its programs. Business strategies articulate the key issues that must be successfully addressed by the Agency/state entity and identify the priorities and required resources for proposed actions. A strategy may have a time frame that is as short as a few months. However, most Agency/state entity business strategies present a three- to five-year perspective, with some Agencies/state entities finding it useful to extend their strategic vision as much as ten to twenty years into the future. Strategic planning is not a one-time effort; it is a fundamental, continuing management process that allows the Agency/state entity to respond in an effective manner to a changing environment.

**California Project Management Framework:** The California Project Management Framework (CA-PMF) is a collection of project management best practices and scalable resources, tools, and templates to be used by project management practitioners to effectively plan and manage projects. The CA-PMF is based on the Project Management Body of Knowledge (PMBOK® Guide), as well as project management lessons learned in the State of California.

**Cloud Computing:** A model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction.

**Cloud Software as a Service (SaaS):** The capability provided to the consumer is to use the provider’s applications running on a cloud infrastructure. The applications are accessible from various client devices through a thin client interface such as a web browser (e.g., web-based email). The consumer does not manage or control the underlying cloud infrastructure including network, servers, operating systems, storage, or even individual application capabilities, with the possible exception of limited user- specific application configuration settings.

(Continued)

**Cloud Platform as a Service (PaaS):** The capability provided to the consumer is to deploy onto the cloud infrastructure consumer-created or acquired applications created using programming languages and tools supported by the provider. The consumer does not manage or control the underlying cloud infrastructure including network, servers, operating systems, or storage, but has control over the deployed applications and possibly application hosting environment configurations.

**Cloud Infrastructure as a Service (IaaS):** The capability provided to the consumer is to provision processing, storage, networks, and other fundamental computing resources where the consumer is able to deploy and run arbitrary software, which can include operating systems and applications. The consumer does not manage or control the underlying cloud infrastructure but has control over operating systems; storage, deployed applications, and possibly limited control of select networking components (e.g., host firewalls).

**Commercial Off-the-Shelf (COTS):** A computer hardware or software product that is ready-made for specific uses and available for sale to the general public. COTS products are designed to be installed without requiring custom development. For example, Microsoft Office is a COTS product that is a packaged software solution for businesses and individuals. The set of rules for COTS is defined by the Federal Acquisition Regulation(FAR).

**Computer Accessibility:** In human-computer interaction, computer accessibility (also known as accessible computing) refers to the accessibility of a computer system to all people, regardless of ability.

**Confidential Information:** Information maintained by Agencies/state entities that is exempt from disclosure under the provisions of the California Public Records Act (Government Code Sections [6250-6265](http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&amp;amp%3Bamp%3Bamp%3Bamp%3Bdivision=7.&amp;amp%3Bamp%3Bamp%3Bamp%3Btitle=1.&amp;amp%3Bamp%3Bamp%3Bamp%3Bpart&amp;amp%3Bamp%3Bamp%3Bamp%3Bchapter=3.5.&amp;amp%3Bamp%3Bamp%3Bamp%3Barticle=1)) or other applicable state or federal laws. See SAM Section [5320.4](http://www.sam.dgs.ca.gov/TOC/5300.aspx).

**Continuing Costs:** Costs associated with the operation and maintenance of an IT system or application after development and implementation of the system.

**Critical Application:** An application that is so important to the state that the loss or unavailability of the application is unacceptable. With a critical application, even short- term unavailability of the information provided by the application would have a significant negative impact on the health and safety of the public or state workers; on the fiscal or legal integrity of state operations; or on the continuation of essential Agency/state entity programs.

**Data:** A representation of facts, concepts, or instructions in a formalized manner suitable for communication, interpretation, or processing by humans or by automated means.

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**Data Processing:** The systematic performance of operations upon data, e.g., handling, merging, sorting, computing. Synonymous with information processing.

**Data Processing System:** A system, including computer systems and associated IT personnel, that performs input, processes storage, output, and control functions to accomplish a sequence of operations on data.

**Data/Information Storage:** The retaining of data/information on any of a variety of mediums (i.e., magnetic disk, optical disk, or magnetic tape) from which the datacan be retrieved.

**Data Transmission:** The conveying of data from one functional unit to one or more additional functional units through the transmission of signals by wire, radio, light beam, or any other electromagnetic means. (Voice or video transmissions are not considered data transmission for the purposes of state policy.)

**Delegated Cost Threshold:** See SAM Section 4819.39

**Development:** Activities or costs associated with the analysis, design, programming, staff training, data conversion, acquisition, and implementation of new IT applications.

**DGS Delegated Purchasing Authority:** Through Statutory Authority, the Department of General Services (DGS) may grant delegated purchasing authority to Agencies/state entities to procure non-information technology goods and information technology goods and services with a total cost equal to or less than the delegated purchasing authority amount under each category, as defined within the State Contracting Manual (SCM), Volume 3, Chapter 1.

**Domain Name Service:** A series of computer databases that resolve or link Internet Protocol (IP) addresses with an alphanumeric domain name. Domain names are divided into hierarchical fields separated by a period. The field to the farthest right is the top-level (or first-level) domain, in “ca.gov” for example, "gov" is the top-level domain. In the same example, "ca" is the second-level within the domain, and the field to the left of the second-level domain is the third-level domain (e.g., cdt.ca.gov). Names that fall to the right of the domain following a "/" are subdirectories of the domain (e.g., ca.gov/services).

**Electronic and Information Technology (EIT or E&IT):** Includes IT and any equipment or interconnected system or subsystem of equipment that is used in the creation, conversion, or duplication of data or information. The term electronic and IT includes, but is not limited to, telecommunications products (such as telephones, cell phones, smart phones, and radio receivers), information kiosks and transaction machines, World Wide Web sites, multimedia, and office equipment such as copiers and fax machines.

**Emergency:** A sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services”. SAM Section [6560](http://www.sam.dgs.ca.gov/TOC/6000.aspx) specifies that when the Governor declares an emergency, expenditures cannot exceed $25,000, unless approved by the Department of Finance.

**Hardware:** See Information Technology equipment.

**Information Processing:** The systematic performance of operations upon data, e.g., handling, merging, sorting, computing. Synonymous with data processing.

**Information Technology:** Information technology (IT) means all computerized and auxiliary automated information handling, including systems design and analysis, conversion of data, computer programming, information storage and retrieval, voice, video, data communications, microwave, light ware, routers, network equipment, requisite systems controls, and simulation.

**Information Technology Activities:** Any activity listed below, or any combination of these activities for a single IT project, is to be considered an "IT activity."

* 1. IT facility preparation, operation and maintenance.
  2. Information management planning.
  3. Feasibility determination, development and implementation of application systems or programs, or changes to application systems or programs to meet new or modified needs, or maintenance, including: Project Approval Lifecycle Stage/Gate deliverable preparation, systems analysis, systems design, purchase and installation of software, programming, conversion of data or programs, documentation of systems and procedures, and project appraisal or assessment.
  4. Operation of application systems or programs including handling, assembling, or editing of input-output data or media where IT equipment or IT personnel are used.
  5. Information Technology Procurement.
  6. Installation, operation, and maintenance of data processing equipment, IT equipment, goods and services, and software.

(Continued)

* 1. Other installation management activities including performance measurement, system tuning, and capacitymanagement.
  2. Preparation and administration of requests for proposals or bid solicitations for contracts for any of the above activities.
  3. Preparation of contracts, interagency agreements, and purchase estimates for any of the above activities.
  4. Employment of personnel in support of, or directly related to, any of the above activities, including: administration, technical services, clerical services, travel, training, and preparation of periodic and special reports.
  5. Control functions directly related to any of the above activities.

**IT Equipment:** Information Technology devices used in the processing of data electronically. The following are examples of IT equipment:

1. Mainframes and all related features and peripheral units, including processor storage, console devices, channel devices, etc.;
2. Minicomputers, midrange computers, personal computers, laptop, tablets, smart phones and all peripheral units associated with suchcomputers;
3. Special purpose systems including word processing, Optical Character Recognition (OCR), bar code readers/scanners, and photocomposition;
4. Communication devices used for transmission of data such as: modems, data sets, multiplexors, concentrators, routers, switches, local area networks, private branch exchanges, network control equipment, or microwave or satellite communications systems; and
5. Input-output (peripheral) units (off-line or on-line) including: display screens, optical character readers, magnetic tape units, mass storage devices, printers, video display units, data entry devices, plotters, scanners, or any device usedas a terminal to a computer and control units for these devices.

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**Information Technology Expenditure:** The expenditure of funds regardless of source by any Agency/state entity for IT activities, equipment, facilities, personnel, services, supplies and the automated processing of information.

**Information Technology Infrastructure:** An Agency/state entity’s IT infrastructure is the base or foundation for the delivery of information to support the Agency/state entity’s programs and management. The infrastructure contains elements upon which an Agency/state entity’s IT activities are dependent. An Agency/state entity must therefore define, implement, and manage these infrastructure elements to successfully employ IT.

The desirable characteristics of this infrastructure are efficient support for the exchange of information within the Agency/state entity and between the Agency/state entityand other organizations; reliable availability of information processing capabilities whenever and wherever they are needed; preservation of the integrity and confidentiality of information maintained by the Agency/state entity; sufficient flexibility to allow the timely and efficient addition of new information management capabilities and modifications of established capabilities; and consistency with a coherent set of technical and managerial standards for the employment of IT.

Typical elements in an IT infrastructure include:

**Application Systems**. The applications that an Agency/state entity purchases and/or develops to achieve personal productivity and program support benefits.

**Architecture**. The guidelines or blueprints that an Agency/state entity follows in designing, acquiring, and implementing IT solutions. Organizationally approved definitions, specifications, and standards are the primary components in an Agency/state entity’s IT architecture.

**Communications**. Local area and wide area network components, including linkages with other organizations.

**Equipment**. An Agency/state entity’s hardware platforms and components ranging from individual personal computers to mainframes and associated peripherals.

**Facilities**. The electrical, ventilation, fire suppression, physical security, wiring, and other components required to support an Agency/state entity’s IT capability, including the physical structure itself.

**Funding**. Current and projected funding for IT planning, acquisition, development, and operations activities.

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**Partnerships**. Relationships with other public and private sector organizations that support and enable the Agency/state entity’s pursuit and use of IT.

**People**. An Agency/state entity’s technical staff, user community groups, and executive steering and oversight committees that are charged with IT planning, approval, development, management, operations, and security responsibilities.

**Plans**. Detailed designs or methods for aligning IT activities with Agency/state entity business strategies and accomplishing business objectives. Typical Agency/state entity IT plans includes strategic, risk management, and operational recovery.

**Policies**. The rules, conventions, and protocols adopted by the Agency/state entity to govern the pursuit and use of IT.

**Processes and Procedures**. The defined steps for planning, approving, acquiring, developing, operating, maintaining, enhancing, and using IT within the Agency/state entity.

**Service Definitions**. The types of services provided, accepted service levels, and service delivery time frames established for an Agency/state entity’s IT support organization.

**Software**. The set of operating system, utility, communications, user interface, and management programs that enable users to operate and control computers and develop application systems.

The infrastructure includes elements owned by the Agency/state entity and available under contract or through interagency agreement. For Agencies/state entities that employ the services of a consolidated data center, for example, the required data center resources are considered part of the Agency/state entity’s infrastructure.

**Reengineering the Business Process**. The search for, and implementation of, radical changes in business processes that result in dramatic efficiencies, reductions in turnaround time, improvements in quality, or improvements in customer service.

**Strategic Planning Process for Information Technology**. The process of aligning Agency/state entity plans for, and uses of, IT with the Agency/state entity’s business strategies.

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**Information Technology Procurement:** Any process to obtain IT goods/services through competitive, non-competitive, purchase or lease, for the benefit of the State. Sometimes referred to as contracting, purchase or acquisition.

**Information Technology Project:** A unique endeavor involving activities required to plan, design, develop, implement, operate and maintain an Information Technology (IT) solution that meets a specific and measurable policy or programmatic objective. IT projects include the entire systems development lifecycle from project initiation through the normalized operational cycle. IT activities related to the refresh of non- data center hardware required to operate an IT project shall not be considered an IT project. See SAM Section 4819.37 for Project Delegation Criteria.

**Information Technology Project Oversight Framework:** Minimum requirements for IT project management, risk management and IT project oversight activities for Agencies/ state entities. Description of control agency project reporting requirements and processes for assessing Agency/state entity project management and oversight activities. See [SIMM Section 45](http://www.cio.ca.gov/Government/IT_Policy/SIMM.html).

**Information Technology Personnel:** All state personnel employed in IT or telecommunications classifications as defined by the Department of Human Resources or by the Trustees of the California State University and Colleges, and all personnel of other classifications in Agencies/state entities who perform IT activities for at least 50 percent of their time. Users of personal computers and office automation are not included in this category unless they are in IT classifications or spend at least 50 percent of their time performing IT activities.

(Continued)

**Information Technology Supplies:** All consumable items and necessities (excluding equipment defined as IT equipment) to support information technology activities and IT personnel, including:

* 1. Documents (such as standards and procedures manuals, vendor-supplied systems documentation, and educational or training manuals);
  2. Equipment supplies (such as printer cartridges and magnetic tape); and
  3. Furniture (such as terminal tables and printer stands).

**Input-Output Unit/Device:** A unit or device in an IT system by which data may be entered into the system, received from the system, or both.

**Life Cycle:** The anticipated length of time that the IT system or application can be expected to be efficient, cost-effective and continue to meet the Agency/state entity’s programmatic requirements. Synonymous with operational life.

**Maintenance:** Activities or costs associated with the ongoing upkeep of operational applications of IT. Maintenance includes correcting flaws, optimizing existing systems or applications, responding to minor changes in specified user requirements, renewal of equipment maintenance agreements, software or hardware upgrade or refresh to maintain the health of the systems, and meeting normal workload increases using substantially the same applications, facilities, IT personnel, supplies and software.

**Metadata:** Information about a [dataset](https://data.ca.gov/open-data-glossary#dataset) that makes it easier to find, understand and use. Metadata may describes the dataset’s structure, elements, creation, access, format, and content. Metadata may also include the title and description, method of collection, limitations, author, publisher, area and time period covered, license, date and frequency of release.

**Mobile Web:** Mobile web refers to access to the Internet or Web applications using a mobile device, such as a smart phone, connected to a wireless network.

**Network Equipment:** Equipment facilitating the use of a computer network. This includes routers, switches, hubs, gateways, access points, network bridges, modems, firewalls, and other related hardware and software.

**Non-affiliated State Entities:** This term refers to State Entities that are not governed by an Agency. See definition of Agency.

**Non-Delegated Project:** An IT Project that meets one or more of the criteria listed in SAM Section 4819.37. Non-Delegated Projects must be formally approved by the Department of Technology through the Project Approval Lifecycle. Agency/state entity directors are delegated approval authority for IT Projects that do not meet any of the criteria listed in SAM Section 4819.37.

**One-Time Costs:** Costs associated with the analysis, design, programming, verification and validation services, staff training, data conversion, acquisition, and implementation of new IT applications. See SIMM Section 19F (Financial Analysis Worksheets).

**Open Data:** Data is open if it can be freely accessed, used, modified and shared by anyone for any purpose (<http://opendefinition.org/>). For [Data.ca.gov](https://data.ca.gov/), open data is regularly updated and comes from an authoritative source.

**Open Source Software:** Software that includes distribution terms that comply with the following criteria provided by the Open Source Initiative: (The open source definition used here is from the Open Source Initiative and is licensed under a Creative Commons Attribution 2.5 License (<http://creativecommons.org/licenses/by/2.5/>)

1. Free Redistribution: The software can be given as part of a package with other applications;
2. Source Code: The code must either be distributed with the software oreasily accessible;
3. Derived Works: The code can be altered and distributed by the new authorunder the same license conditions as the product on which it isbased;
4. Integrity of the author's source code: Derived works must not interfere with the original author's intent or work;
5. No discrimination against persons or groups;
6. No discrimination against fields of endeavor: Distributed software cannot be restricted in who can use it based on their intent;
7. Distribution of license: The rights of the program must apply to all to whom the program is re-distributed without need for an additional license;
8. License must not be specific to a product; Meaning that an operating system product cannot be restricted to be free only if used with another specific product;
9. License must not contaminate other software; and
10. License must be technology-neutral.

**Operational Life:** See Life Cycle.

**Operations:** Activities or costs associated with the continued use of applications of IT. Operations includes IT personnel associated with computer operations, including network operations, job control, scheduling, key entry, and the costs of computer time or other resources for processing.

**Peripheral Unit/Device:** With respect to a particular processing unit or device, any equipment that can communicate directly with that unit or device.

**Power Management:** A feature of some electrical appliances, especially copiers, computers and computer peripherals such as monitors and printers, which turns off the power or switches the system to a low-power state when in active.

**Previously Approved Effort/Project:** An IT activity or project previously approved by the California Department of Technology or the Agency/state entity’s executive officer in accordance with SAM Section [4819.3](http://www.sam.dgs.ca.gov/TOC/4800.aspx). Qualification of an activity as a previously approved effort requires an approved Stage 4 Project Readiness and

Approval AND an approved Post-Implementation Evaluation Report (PIER). Applicable activities include meeting modified needs, improving the effectiveness of the activity, program or system maintenance, or extension of existing services to new or additional users performing essentially the same functions as those that the project was designed to support. A previously approved effort/project must use substantially the same equipment, facilities, technical personnel, supplies and software to meet substantially the same requirements or to meet normal workload increases. (Note: "Substantially the same equipment" does not include the addition, upgrade or replacement of a central processing unit.)

**Primary Solicitation:** The acquisition that will procure and obtain the main IT Goods and/or Services for an IT project solution. An IT Project may only have one Primary Solicitation, but may be supported by many Ancillary Solicitations.

**Procurement Oversight:** An independent review and analysis to determine if the procurement methodology is sound and feasible. Procurement Oversight includes coaching, guidance and direction in all aspects of IT procurement. Oversight activities may include procurement planning, assistance in developing deliverables, review and approval of procurement documents and the execution and award of contracts.

**Program:** A sequence of instructions suitable for processing. See Information Processing or Data Processing.

**Programming:** The designing, writing, testing, debugging, and documentation of programs.

**Project:** See Information Technology Project.

**Project Approval Lifecycle (PAL):** The policy, procedures and templates that make up the State of California’s process for gaining approval of IT projects. The Project Approval Lifecycle is divided into four stages, separated by gates. Each stage consists of a set of prescribed, cross-functional, and parallel activities to develop deliverables used as the inputs for the next gate. The gates provide a series of “go/no go” decision points that request only the necessary and known information needed to make sound decisions for that particular point in time. The four stages, which document the business analysis, alternatives analysis, solution development and project readiness analysis, must be approved by the Department of Technology prior to the encumbrance or expenditure of funds, including the use of staff resources, on any IT project beyond the Project Approval Lifecycle.

**Project End Date:** The proposed project end date should reflect the conclusion of project activities; the last date that proposed project activities are estimated to be completed. This should exclude any activities related to the Post Implementation Evaluation Report (PIER).

**Project Oversight:** An *independent* review and analysis to determine if the project is on track to be completed within the estimated schedule and cost, and will provide the functionality required by the sponsoring business entity. Project oversight identifies and quantifies any issues and risks affecting these project components.

**Project Planning Start Date:** The project planning start date is the date an Agency/state entity begins a Stage 2 Alternatives Analysis. The planning phase of an IT project proposal begins with the Stage 2 Alternatives Analysis and ends at the conclusion of Stage 4 Project Readiness and Approval (Gate 4).

**Project Planning End Date:** The project planning end date should reflect the conclusion of project planning activities; the last date that project planning activities are estimated to be completed at the conclusion of Stage 4 Project Readiness and Approval (Gate 4).

**Project Start Date:** The project start date is the date an IT project proposal is both approved and funded. For most projects dependent on a funding request, this datewill be July 1st of the year the project funding is approved. For projects without this dependency, the project start date is the project approval date (Gate 4 approval).

**Proprietary Software:** Computer programs which are the legal property of one party, the use of which is made available to a second or more parties, usually under contract or licensing agreement.

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**Public Facing Applications:** Applications available to the broadest base of potential users as well as designed and delivered with the intent of access by all individuals or organizations over the public internet.

**Public Information:** Any information prepared, owned, used or retained by an Agency/state entity and not specifically exempted from the disclosure requirements of the California Public Records Act (Government Code Sections [6250-6265](http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&amp;amp%3Bamp%3Bamp%3Bamp%3Bdivision=7.&amp;amp%3Bamp%3Bamp%3Bamp%3Btitle=1.&amp;amp%3Bamp%3Bamp%3Bamp%3Bpart&amp;amp%3Bamp%3Bamp%3Bamp%3Bchapter=3.5.&amp;amp%3Bamp%3Bamp%3Bamp%3Barticle=1)) or other applicable state or federal laws.

**Sensitive Information:** Information maintained by Agencies/state entities that requires special precautions to protect it from unauthorized modification or deletion. See SAM Section [5320.4](http://www.sam.dgs.ca.gov/TOC/5300.aspx). Sensitive information may be either public or confidential (as defined above).

**Server Room:** Any space that houses computer operations. Such computer operations could utilize mainframes, servers, or any computer resource functioning as a server.

**Shutdown:** Turning the power off in a controlled manner.

**Software:** Programs, procedures, rules, and any associated documentation pertaining to the operation of a system. (Contrast with hardware.)

**Staff Augmentation Procurement:** The acquisition of contracted services to address state staff resource constraints or skill gaps for IT project activities.

**Staff Redirection:** The redirection of existing Agency/state entity staff resources to support IT project activities or backfill behind existing staff redirected to support IT project activities. Contracted services are not considered Staff Redirection.

**Stage/Gate Deliverables:** The formal deliverable documents that support the Project Approval Lifecycle. Stage/Gate deliverables are the Stage 1 Business Analysis, Stage 2 Alternatives Analysis, Stage 3 Solution Development and Stage 4 Project Readiness and Approval. Formal project approval occurs upon approval of the Stage 4 Project Readiness and Approval.

**State Entity:** Includes every state office, officer, department, division, bureau, board, and commission, including Constitutional Officers. “State entity” does not include the University of California, California State University, the State Compensation Insurance Fund, the Legislature, or the Legislative Data Center in the Legislative Counsel Bureau.

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**Statewide Information Management Manual (**[SIMM](http://www.cio.ca.gov/Government/IT_Policy/SIMM.html)**):** The Statewide Information Management Manual ([SIMM](http://www.cio.ca.gov/Government/IT_Policy/SIMM.html)) as structured by the Department of Technology that contains standards, procedures, instructions and guidelines, as well as samples,

models, forms and communication documents that Agencies/state entities either must use, or will find helpful to use, in complying with established state policy relating to

IT. For clarity, references in SIMM to "Department of Finance" that are not related to budget documents such as Budget Change Proposals or Finance Letters, should be read as references to the "California Department of Technology".

**State Telecommunications Management Manual (**[STMM](http://www.dts.ca.gov/stnd/resources/stmm-online.asp)**):** The State Telecommunications Management Manual (STMM) as structured by the Department of Technology contains state telecommunications policies and procedures based on SAM [4500-4555](http://sam.dgs.ca.gov/TOC/4500.aspx) and Government Code Section [11534-11543](http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&amp;amp%3Bamp%3Bamp%3Bamp%3Bdivision=3.&amp;amp%3Bamp%3Bamp%3Bamp%3Btitle=2.&amp;amp%3Bamp%3Bamp%3Bamp%3Bpart=1.&amp;amp%3Bamp%3Bamp%3Bamp%3Bchapter=5.5.&amp;amp%3Bamp%3Bamp%3Bamp%3Barticle=2). The STMM is continually updated to reflect current telecommunications policies and practices, and links to helpful outside resources are included throughout the STMM.

**System Standby:** A low power mode for electronic devices such as computers, televisions, and remote controlled devices (aka “sleep mode”). These modes save significant electrical consumption compared to leaving a device fully on and idle but allow the user to avoid having to reset programming codes or wait for a machine to reboot.

**Technology Letter:** Letters issued by the Department of Technology conveying official communications regarding state IT, announcing new or changes to existing IT policies and procedures, or announcing new or changes to existing state IT services or standards.

**Telecommunications:** Includes voice and data communications, the transmission or reception of signals, writing, sounds, or intelligence of any nature by wire, radio, light beam, or any other electromagnetic means.

**Tenant Managed Services:** Centralized Tier III-equivalent data center space providing participating state Agencies/state entities the ability to operate their own environment with a degree of independence in the overall management of their server infrastructure. Additionally, Agencies/state entities can plan utilization of the Tenant Managed Services (TMS) as a disaster recovery site.

**Tier III-Equivalent Data Center:** Data Center facility consisting of multiple active power and cooling distribution paths; however, only one path is active. The facility has redundant components and is concurrently maintainable providing 99.982% availability.

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## DEFINITIONS

(Revised 01~~9~~/2020~~18~~)

**4819.2** (Cont. 15)

**Total Planning Cost:** The total planning cost is the sum of all costs associated with the planning activities conducted in Stage 2 Alternatives Analysis through Stage 4 Project Readiness and Approval.

**Total Project Cost:** The total project cost is the sum of ALL costs associated with the project planning phases (Stage 2 through Stage 4) and the project execution phase (design, development and implementation), plus one full year of maintenance and operations costs.

**Validation:** The process of evaluating software during or at the end of the development process to determine whether it satisfies specified requirements. [IEEE-STD-610]

**Verification:** The process of evaluating software to determine whether the products of a given development phase satisfy the conditions imposed at the start of that phase. [IEEE-STD-610]

**Virtualization:** A framework or methodology of dividing the resources of a computer into multiple execution environments, by applying one or more concepts or technologies such as hardware and software partitioning, time-sharing, partial or complete machine simulation, emulation, quality of service, and many others.

**Workgroup Collaboration Platform**: Cloud-based collaboration tool that integrates features such as chat, conferencing, calendaring, notes, and attachments organized by topics and accessible through a specific URL or invitation. Within the platform, members can create channels or topics of conversation and collaborate through a shared workspace.

**Workload Increase:** Employing substantially the same resources (equipment, facilities, IT personnel, supplies, software) to process a greater volume of the same or similar information. The results of the processing are the same or similar outputs distributed to comparable users.

**PROJECT APPROVAL LIFECYCLE 4819.35**

(Revised ~~1/201611/2019~~02/2020)

1. The mechanism for approving IT projects is the Project Approval Lifecycle (PAL). The PAL ensures projects are undertaken with a strong business case, clear business objectives, accurate costs, and realistic schedules.
2. PAL Stage/Gate deliverables, prepared in accordance with SAM Section 4922 through 4927, and must be approved for every IT project prior to the encumbrance or expenditure of funds on the project, including the use of staff resources, beyond project approval. Agencies/state entities are required to follow the SIMM Section 19 instructions for preparing and submitting the PAL Stage/Gate deliverables.
3. If, during project development or implementation, the Agency/state entity finds that program requirements cannot be adequately satisfied by the course of action described in the approved Stage 4 Project Readiness and Approval and that an alternative course of action is more appropriate, a Special Project Report (SPR) (SAM Sections [4945-4945.2](http://www.sam.dgs.ca.gov/TOC/4900.aspx) and [SIMM Section 30](http://www.cio.ca.gov/Government/IT_Policy/SIMM.html)) shall be prepared. No encumbrance or expenditure of funds, including the use of staff resources, shall be made to implement such change or alternative course of action until approval has been received from the Department of Technology, or from the Agency/state entity director if the Department of Technology has delegated approval of the project to the director and the project remains within the limitations of the Agency/state entity’s delegated authority. SPRs that must be submitted to the Department of Technology must be transmitted within 30 days after recognition of the situation that necessitates preparation of the SPR. Agencies are required to follow the SIMM Section 30 instructions for preparing and submitting the SPR.

In the event an SPR approved by the Department of Technology results in a procurement that exceeds the Department of General Services Delegated Purchasing Authority, the procurement will be subject to the Department of Technology/Statewide Technology Procurement Division (STPD) approval.

1. Projects subject to approval by the Department of Technology (non-delegated projects) require submission of PAL Stage/Gate deliverables (beginning at the Stage 2 Alternatives Analysis through the Stage 4 Project Readiness and Approval) to the Office of the Legislative Analyst. See SIMM Section 19.

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**PROJECT APPROVAL LIFECYCLE 4819.35** (Cont. 1)

(Revised ~~1/201611/2019~~02/2020)

1. The Department of Technology will review the procurement planning information in the Stage 2 Alternatives Analysis, as applicable, to evaluate the proposed IT procurement strategy.
2. Projects whose approval has been delegated to the Agency/state entity’s director normally require all PAL Stage/Gate deliverables to be prepared in accordance with SAM Section [4928](http://www.sam.dgs.ca.gov/TOC/4900.aspx) and approved by the Agency/state entity director (SAM Sections [4921](http://www.sam.dgs.ca.gov/TOC/4900.aspx) and [4927](http://www.sam.dgs.ca.gov/TOC/4900.aspx)). A copy of the analysis, and a signed document indicatingapproval by the Agency/state entity director, must be on file in the Agency/state entity. The Agency approved PAL Stage/Gate deliverables for delegated efforts are not submitted to the Department of Technology.
3. The Department of Technology may decide to review specifications in procurement documents before they are advertised to ensure that the specifications are consistent with the solution requirements and proposed architecture in the PAL Stage/Gate deliverables or SPR for the projects. See SAM Section [5211](http://www.sam.dgs.ca.gov/TOC/5200.aspx).

**~~DELEGATED COST THRESHOLD~~PROJECT COST DELEGATION 4819.39**

(Revised ~~6~~10~~X~~/2019~~5~~)

The California Department of Technology (Department of Technology) assigns each Agency/state entity a minimum total ~~project~~ Project ~~development c~~Cost ~~threshold~~ Delegation for reporting purposes. See [SIMM Section 15](http://www.cio.ca.gov/Government/IT_Policy/SIMM.html). The Department of Technology delegates to the Agency/state entity the ~~resource~~ approval authority for any IT proposal with an estimated total development cost equal to or less than the Agency/state entity’s assigned Project Cost Delegation~~cost threshold~~, provided the proposal does not meet any other Department of Technology established reporting criteria defined in Section 4819.37.

The total development cost is synonymous with one-time cost and is defined as all estimated or projected costs associated with the project planning, analysis, design, programming, verification and validation services, staff training, data conversion, acquisition, and implementation of an IT investment. Excluded from development costs are estimated costs of continued operations and maintenance.

**General Procurement Procedures: Procurement of Goods and Services**

## POST-AWARD ACTIVITY 5230.3

(Revised 01/2020~~16~~)

Post-award Activity includes elements such as contract management, project management, and reporting. Effective contract and project management ensures that the State and its contractors honor their agreements and ~~deal~~ collaborate with one another in good faith. Following the award of the contract, the acquiring department shall:

* + Adhere to the provisions of the contract and comply with statutory requirements, policies and procedures.
  + Enforce contractual requirements.
  + Follow plans for project management and risk management, if applicable.
  + Manage implementation of the goods and/or services in accordance with the level of project oversight directed by the California Department of Technology.
  + Fulfill all reporting requirements.
  + ~~Fulfill~~Prepare and submit all post evaluations for IT services contracts totaling ~~ove~~r $500,000 or more associated ~~to~~with IT projects in accordance with the governing statutory requirements, policy and procedures.

[SCM Volume 3](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/State-Contracting-Manual-Volume-2-3-FI%24Cal) Additional Post-award Activity information is available ~~o~~in the State Contracting Manual Volume 3.~~c~~-~~ontains additional information related to Post-award Activity.~~

## SAM – INFORMATION SECURITY

**(Office of Information Security)**

**MINIMUM SECURITY CONTROLS 5300.5**

(Revised ~~12/13~~12/19)

**Policy:** California has adopted the [National Institute of Standards and Technology](http://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r4.pdf) [(NIST) Special Publication (SP) 800-53](http://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r4.pdf) as minimum information security control requirements to support implementation and compliance with the [Federal Information](http://csrc.nist.gov/publications/PubsFIPS.html) [Processing Standards (FIPS)](http://csrc.nist.gov/publications/PubsFIPS.html). Each state entity shall use the [FIPS](http://csrc.nist.gov/publications/PubsFIPS.html) and [NIST SP 800-53](http://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r4.pdf) in the planning, development, implementation, and maintenance of their information security programs. Adoption of these standards will facilitate a more consistent, comparable, and repeatable approach for securing state assets; and, create a foundation from which standardized assessment methods and procedures may be used to measure security program effectiveness.

The CISO has also adopted additional standards and procedures to address more specific requirements or needs unique to California. These additional standards are referenced in the applicable policy section and maintained in the [Statewide Information](http://www.cio.ca.gov/Government/IT_Policy/SIMM.html) [Management Manual (SIMM).](http://www.cio.ca.gov/Government/IT_Policy/SIMM.html) Entities shall ensure their security control selections and tailoring, at a minimum, comply with the State-defined Security Parameters for NIST SP 800-53 (SIMM 5300-A) and the prioritization of their information security program development and implementation align with the Foundational Framework for Information Security (SIMM 5300-B).

**Governing Provisions:** [SAM section 5100](http://www.sam.dgs.ca.gov/TOC/5100.aspx) requires state entities to use the [American](http://www.ansi.org/) [National Standards Institute (ANSI)](http://www.ansi.org/) and the [FIPS](http://csrc.nist.gov/publications/PubsFIPS.html) standards in their information management planning and operations.

**Implementation Controls:** [ANSI](http://www.ansi.org/); [FIPS](http://csrc.nist.gov/publications/PubsFIPS.html); [NIST SP 800-53](http://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r4.pdf); SIMM 5300-A and SIMM 5300- B

## Rev. 424 ~~DECEMBER~~

**~~2013~~October 2019**

**~~AUTOMATED ACCOUNTING SYSTEMS/CALSTARS 7260~~ THE STATE’S FINANCIAL AND ADMINISTRATIVE INFORMATION TECHNOLOGY SYSTEM 7260**

(Revised ~~6/2014~~11/2019)

## The Financial Information System for California (FI$Cal)

FI$Cal is the state’s integrated financial and administrative information technology (IT) system that supports accounting, budgeting, cash management, and procurement functions. FI$Cal is a statewide enterprise resource planning (ERP) system that maximizes efficiency in the state’s business, implements best practices, limits the number of duplicative systems, provides the ability to produce statewide reports and analysis, and standardizes the state’s business processes.

The broad functional areas in FI$Cal are listed below.

* Accounting
* Asset Accounting
* Budgeting
* Cash Management
* Cost Accounting
* Financial Reporting
* Grant Management
* Procurement
* Project Cost Management

For a description of the FI$Cal business functionality, see the [Department of FI$Cal](https://fiscal.ca.gov/library/reports/) website or contact the FI$Cal Change Management Office at [fiscal.cmo@fiscal.ca.gov](mailto:fiscal.cmo@fiscal.ca.gov) for additional information regarding FI$Cal functionality.

## Implementation of FI$Cal

The Department of Finance, Department of General Services, the State Controller, and the State Treasurer formed a cooperative partnership to develop, implement and utilize FI$Cal, which has replaced the California State Accounting and Reporting System. The Department of FI$Cal is responsible for implementing, onboarding, upgrading, and providing operational support for the system.

## Entities Not Using FI$Cal

All state departments/agencies, except for specified deferred and exempt entities, are required to use FI$Cal. The deferred entities are not required to use the full functionality of FI$Cal until their existing systems become outdated or required upgrade. However, all the deferred and exempt entities must exchange necessary information with FI$Cal for specified purposes, such as budget development, contract and procurement reporting, and annual financial reporting.

**THE STATE’S FINANCIAL AND ADMINISTRATIVE INFORMATION TECHNOLGY SYSTEM 7260** (cont’d)

(Revised 11/2019)

## Prior Approval Required to Acquire, Develop, and Enhance Financial and Administrative IT System

Agencies/departments may not design, develop, or acquire any automated financial and administrative IT systems or services that will duplicate the functionality in FI$Cal without prior approval from the California Department of Technology (CDT). Advance approval is required for any state agency/department that will:

1. Contract to design, develop, acquire, or implement a new financial and administrative IT system, or to modify, enhance, change, reconfigure, or upgrade an existing financial and administrative IT system.
2. Contract to procure hardware or software to modify, expand, change, enhance, or upgrade a financial and administrative IT system.

FI$Cal provides the financial, administrative, and business functionality needed by agencies/departments for their daily operations. State agencies/departments should leverage these functionalities to ensure the state derive maximum benefits from the ERP system.

IT systems whose core functions are not accounting or administrative operations may have overlapping functionalities similar to those FI$Cal provides. For example, a department case management system may also perform a billing function. Such sub- systems are exempt from the approval process but must interface to FI$Cal using the interface functionality available in FI$Cal. Contact the Department of FI$Cal Change Management Office at [fiscal.cmo@fiscal.ca.gov](mailto:fiscal.cmo@fiscal.ca.gov) to obtain a list of approved interfaces. The usage of FI$Cal interface functionality requires the approval of the Department of FI$Cal.

## Exemption Request Process

A state agency/department with a critical business need that will not be met by FI$Cal may submit a request for exemption from this SAM section after consulting with the Department of FI$Cal, to ensure an exemption is needed. The written request should be submitted to the California Department of Technology (CDT) at [ProjectOversight@state.ca.gov](mailto:ProjectOversight@state.ca.gov). The CDT will coordinate a review of the request with the Department of Finance, the Department of FI$Cal, and other partner agencies, if necessary, before responding to the requesting agency/department. Exemption approvals will be granted on a case-by-case basis. The exemption request must include the following minimum information:

1. A clear description of the critical business need or complex functionality that FI$Cal cannot address.
2. The adverse effects of not addressing the critical business need and the impact a delay could have on operations. The effects must be substantiated and quantified.
3. A summary of the alternatives considered. Include arguments for and against each alternative, as well as an estimate of one-time and ongoing implementation costs.

## THE STATE’S FINANCIAL AND ADMINISTRATIVE INFORMATION TECHNOLGY SYSTEM 7260 (cont’d)

(Revised 11/2019)

1. A high-level plan to implement the proposed solution with the following information: a. Design, development and implementation timeframes
   * 1. Critical project milestones
     2. Requisite approvals (state or federal if applicable) d. Funding decision points

e. Procurement information

## ~~Implementation~~

~~The California State Accounting and Reporting System (CALSTARS) is designed to satisfy the basic accounting needs of most state departments. CALSTARS is being installed in selected departments each year, as staff resources from the Department of Finance (Finance) are available to provide support in making or overseeing the installation.~~

~~Advance Finance approval is required for any state department that will: a. Contract to acquire, design, or develop any accounting system.~~

1. ~~Contract to procure hardware or software components to modify or expand any accounting system.~~
2. ~~Contract to obtain support staff to implement any accounting system.~~

~~Requests should be forwarded to Finance, Fiscal Systems and Consulting Unit, at 915 L Street, Sacramento, CA 95814. A copy of the request should be forwarded to the CALSTARS Client Support Unit. If applicable, see SAM sections 6700-6770 for more details on information technology systems.~~

## ~~CALSTARS Consulting Services~~

~~CALSTARS departments may request CALSTARS analyst assistance for accounting organizational studies, accounting system problems, or modification to their accounting operations or reporting capabilities. Requests should be forwarded to Finance, CALSTARS Client Support Unit, at 915 L Street, Sacramento, CA 95814.~~

~~(Continued)~~ **~~SAM – GENERAL OUTLINE OF PROCEDURES Rev. 426~~**

~~(Continued)~~

## ~~AUTOMATED ACCOUNTING SYSTEMS/CALSTARS 7260 (Cont. 1)~~

~~(Revised 6/2014)~~

~~CALSTARS departments need Finance approval to independently contract with other state departments or independent consulting firms or consultants for accounting related services. Requests should be forwarded to the CALSTARS System Support Unit, 915 L Street, Sacramento, CA 95814. Other services requiring Finance approval include:~~

1. ~~Operational Assistance: Monthly reconciliations, year-end financial reports/process, problem solving, table review and analysis, etc.~~
2. ~~Report Processes/Reports: Requests to acquire, design, develop, or modify CALSTARS reporting processes or reports.~~
3. ~~Subsystems/Automated Interfaces. Assistance in reviewing subsystem specifications to determine interface to CALSTARS and developing coding requirements, dataset requirements, record layouts, etc.~~

~~Departments with Finance approval to acquire services as defined above must continue to incorporate the State's uniform coding structure and capabilities prescribed in SAM sections 7261–7262 or as amended in accordance with Finance instructions.~~

**SAM - RECONCILIATIONS AND REPORTS**

**LIST OF YEAR-END REPORTS AND THEIR DISTRIBUTION 7951**

(Revised ~~09/14~~08/2019)

The chart shown in the 7951 Illustration lists the required year-end financial reports, their distribution, and applicable SAM references.

Departments are required to submit one certification letter per fund. Each certification letter must have an original signature of authorization and include the certification statement shown below.

I certify (or declare) under penalty of perjury that the ~~data on the~~ attached ~~statements is~~ reports are true, accurate, and complete ~~correct;~~ and were prepared following the applicable laws, regulations, policies, procedures, and instructions. ~~that~~ I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090) and Article 2, Chapter 1, Part 3, Division 3, Title 2, Government Code (commencing with Section 13030).

Subscribed and executed this day of , 20 \_ at , California.

Signature of Officer

Name and Title of Officer

The certification letter must include:

1. Date.
2. Department name and organization number.
3. Department mailing address and the name and e-mail addresses for the department
4. Director and Chief of Accounting.
5. Fund name and number.
6. A list of the reports submitted. If there is nothing to report, note this on the certification letter as “no activity to report.”
7. Contact person, phone number, and e-mail address.
8. Certification statement signed by the officer responsible for fiscal administration.

**SAM—RECONCILIATION AND REPORTS**

**REPORTING CHANGES IN ACCRUALS - SUBSEQUENT EVENTS 7981**

(Revised ~~06/14~~08/2019)

Reporting changes in accruals enable the State Controller’s Office (SCO) to more accurately prepare an annual report as required by law.

After issuing its year-end financial reports, if a department determines there are material differences between amounts accrued as of June 30 and subsequent events (e.g., receipts and expenditures) relating to prior year funds, it will immediately contact the SCO, ~~Division of Accounting and Reporting,~~ Bureau of State Government Reporting for instructions. The definition of material, for this purpose, is a net change in the total accrued income and the total accrued expenditures of $1,000,000 or more. ~~If possible, s~~Submit changes to the SCO as soon as possible. ~~by September 15.~~

To determine if material changes have occurred, departments will periodically review their expenditure and income accruals as follows:

1. Expenditures

Prior year expenditures incurred and abatements received to the date of the review, plus an estimate of prior year expenditures yet to be made and abatements to be collected, will be compared with the amount anticipated when the expenditure accrual was determined.

1. Income

The total of amounts billed as prior year income and amounts of prior year income received at the date of the review, plus an estimate of prior year income yet to be billed or received, will be compared with the total amount of income anticipated when the income accrual was determined.

If the net effect of (a) and (b) above is $1,000,000 or more, departments will contact the SCO for instructions.

Departments will not reopen its prior year accounts to record income changes because such subsequent events are recorded as prior year adjustments in the year they occur. However, if the SCO includes the adjustments in the annual report for expenditures, departments must reopen its accounts and post the adjustment in order for the expenditures in the following year to agree with the records of the SCO.

**ACCOUNTS OUTSIDE OF THE CENTRALIZED STATE**

**TREASURY SYSTEM 8002**

(Revised 10/2019)

Departments may be authorized either by statute or by approval from the Department of Finance ([Finance)](http://www.dof.ca.gov/), Fiscal Systems and Consulting Unit (FSCU) to maintain bank, savings and loan association, or credit union accounts outside the centralized State Treasury System ([CTS)](http://www.treasurer.ca.gov/inside/divisions/ctsmd/index.asp). Please refer to SAM section [19462](https://www.dgsapps.dgs.ca.gov/documents/sam/SamPrint/new/sam_master/sam_master_file/chap19000/19462.pdf) for bank accounts or section 19463 for savings and loan association and credit union accounts. Departments are encouraged to establish the account outside the CTS with one of the State Treasurer’s Office ([STO)](http://www.treasurer.ca.gov/index.asp) approved depository banks.

Departments without statutory authority must submit a written request to Finance, FSCU. All requests shall include the following information:

1. Justification for the need to open an account outside the CTS.
2. The name and location of the proposed bank, savings and loan association, or credit union.
3. The legal name of the department and the official designation of the account.
4. Whether the bank or savings and loan association is insured by the Federal Deposit Insurance Corporation ([FDIC)](http://www.fdic.gov/). For credit unions, whether it is insured by the National Credit Union Administration ([NCUA)](http://www.ncua.gov/Pages/default.aspx).
5. Account details:
   * The amount, source, and purpose of the funds to be deposited.
   * Type of account (savings, checking, zero balance account \*, certificate of deposit, investment, etc.).
   * Date account is needed, length of deposit, fees associated with the account, and interest rate to be received.
6. The provisions for the withdrawal of funds.

\*Zero Balance Account (ZBA) is a type of account held outside the CTS in which a balance of zero is maintained by automatically transferring funds into the CTS daily. No other withdrawal of funds or disbursements will be made from the ZBA.

Departments must submit a new request for approval for account maintained outside the CTS if any of the conditions of the Finance approval have changed such as purpose or banking information. However, for ZBAs, Finance approval is not required for change in depository banks when all of the following conditions are met:

* + The change in depository bank is for a contract between the STO or the State Controller’s Office ([SCO)](http://www.sco.ca.gov/).
  + The ZBA was previously approved by Finance.
  + No other changes are made to the account(s). (Continued)

[Finance](http://www.dof.ca.gov/) will notify the [SCO,](http://www.sco.ca.gov/) Division of Accounting and Reporting, and the [STO i](http://www.treasurer.ca.gov/index.asp)n writing of each new account approved.

Departments will obtain signature cards from banks, savings and loan associations, and credit unions. Finance approval of signature cards is not required. It is the department’s responsibility to ensure that adequate safeguards are taken to prevent improper or unauthorized use of facsimile signatures. (See SAM sections 8080-8082.)

Departments shall ensure that deposited funds are collateralized throughout the year in accordance with the following Government Code (GC) sections:

## Bank Accounts

GC section [16520](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&amp;sectionNum=16520) – Security is not required for that portion of deposited funds insured under any law of the United States.

GC section [16521](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&amp;sectionNum=16521) – Requires banks to deposit securities as collateral with the State Treasurer valued at 110 percent of the uninsured portion of the collected funds deposited with the banks. Pursuant to Section 16522, letters of credit shall at all times be an amount in value of at least 100 percent of the amount deposited with the bank.

GC section [16522](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&amp;sectionNum=16522) – Specifies the types of securities that banks may deposit as collateral with the State Treasurer.

(Continued)

## Savings and Loan Association and Credit Union Accounts

GC section [16610](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&amp;sectionNum=16610) – Security is not required for that portion of deposited funds insured under any law of the United States.

GC section [16611](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&amp;sectionNum=16611) – Requires savings and loan associations and credit unions to deposit securities as collateral with the State Treasurer valued at least 110 percent of the uninsured portion of the collected funds deposited with the savings and loan association and credit unions.

GC section [16612](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&amp;sectionNum=16612) – Specifies the types of securities that savings and loan associations and credit unions may deposit as collateral with the State Treasurer.

To provide collateral as required by law, departments shall instruct financial institutions to submit form STO-TD-011B to the [STO,](http://www.treasurer.ca.gov/) Centralized Treasury and Securities Management Division and ensure that the appropriate Safekeeping Agreement is in place with the STO, Collateral Management Section. To obtain form STO-TD-011B, refer to the STO website at:

<http://www.treasurer.ca.gov/publications/forms.asp>

For additional information regarding the security and collateral requirements, consult with the STO.

**ADDITIONAL INFORMATION AND PROVISIONS 8474.1**

(Revised ~~6/2015~~ 08/2019)

1. **No Additional Invoice Required for Penalty Amount**: State departments shall pay the applicable penalties without requiring a vendor invoice for the penalty amount.
2. **Penalty Shall not be Waived**: Except for the 30-day extensions granted in the event of emergencies during a declared fire season (see paragraph [h] below), the late payment penalties specified in the Act may not be waived, altered, or limited by a state department that acquires property or services pursuant to a contract or that awards a specific grant or by any person or business that contracts with a state department to provide property or services or that is a recipient of a grant for victim services and prevention programs.
3. **Nonprofit Organizations**: A nonprofit organization shall only be eligible to receive a penalty payment if it has been awarded a contract or grant for victim services and prevention programs in an amount less than five hundred thousand dollars ($500,000).
4. **No Additional Appropriation**: State departments shall not seek any additional appropriation to pay late payment penalties. Any state department that requests a deficiency appropriation from the Legislature shall identify the portion, if any, of the requested amount attributable to penalties incurred.
5. **Subcontractors**: State departments shall encourage contractors to promptly pay their subcontractors and suppliers, especially those that are small businesses. State departments shall utilize expedited payment processes to enable faster payment by prime contractors to their subcontractors and suppliers, and shall promptly respond to any subcontractor or supplier inquiries regarding the status of payments made to prime contractors.
6. **Fire Season Emergencies**: Except in the case of a contract with a certified small business, a nonprofit organization, or a nonprofit public benefit corporation, if an invoice from a business under a contract with the Department of Forestry and Fire Protection would become subject to late payment penalties during the annually declared fire season, then the required payment approval date shall be extended by 30 calendar days.
7. **Budget Enactment Delays**: During a budget impasse, late payment penalties continue to accrue until the payment is made, except for penalties incurred to nonprofit public benefit corporations, or for refunds, or other payments due to individuals.

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**ADDITIONAL INFORMATION AND PROVISIONS 8474.1** (Cont. 1)

(Revised ~~6/2015~~ 08/2019)

1. **Calamities, Disasters, and Criminal Acts**: If the Department of Finance (Finance) determines that a state department or the Controller is unable to promptly pay an invoice, as required, due to a major calamity, disaster, or criminal act, the otherwise applicable late payment penalty provisions shall be suspended except as they apply to a claimant which is either a certified small business, a nonprofit organization, a nonprofit public benefit corporation, or a small business or nonprofit organization that provides services or equipment under the Medi-Cal program. The suspension shall remain in effect until Finance determines that the suspended late payment penalty provisions of this section should be reinstated.
2. **Liquidated Claims**: Government Code section 926.10, regarding interest on liquidated claims filed against public entities, shall not apply to any contract covered by the Act. See SAM section 8473.
3. **Invoice Dispute Notification:** A state department may dispute an invoice for reasonable cause. To dispute an invoice, the state department must notify the claimant within 15 working days from receipt of the invoice, or delivery of the property or services, whichever is later. State employees shall not dispute an invoice based upon minor or technical defects in order to avoid late payment penalties. The latest Invoice Dispute Notification form, ~~STD. 209~~STD. 209, is on the [DGS website](http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std209.pdf) ~~at~~ [~~http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std209.pdf~~.](http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std209.pdf)
4. **Notice of Refund Dispute:** A State department may dispute a refund request for reasonable cause. To dispute a refund, the State department must notify the claimant within 15 working days after the department receives notice from the individual that the refund is due.

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**ADDITIONAL INFORMATION AND PROVISIONS 8474.1** (Cont. 2)

(Revised ~~6/2015~~ 08/2019)

1. **Medi-Cal program**: Late payment penalty provisions shall not apply to claims for reimbursement of health care services provided under the Medi-Cal program, unless the Medi-Cal health care services provider is a small business or nonprofit organization. In applying these provisions to claims submitted to the state or its fiscal intermediary, by providers of services or equipment under the Medi-Cal program, payment for claims shall be due 30 calendar days after a claim is received by the state or its fiscal intermediary, unless reasonable cause for nonpayment exists. With regard to Medi-Cal claims, reasonable cause shall include review of claims to determine medical necessity, review of claims from providers who are subject to special prepayment fraud and abuse controls, and review of claims by the fiscal intermediary or the Department of Health Care Services (DHCS) due to special circumstances. Claims requiring special review as specified above shall not be eligible for a late payment penalty.
2. **Reporting Requirement**: State departments shall annually report to DGS, by September 30, the amount of late payment penalties paid during the preceding fiscal year. The report shall separately identify the total number and dollar amount of late payment penalties paid to small businesses, other businesses, and refunds or other payments to individuals. State departments may, at their own initiative, provide DGS with other relevant performance measures. DGS shall prepare a report separately listing the total number and dollar amount of all late payment penalties paid to small businesses, other businesses, and refunds and other payments to individuals by each state department during the preceding fiscal year, together with other relevant performance measures, and shall make the information available to the public. Inquiries regarding additional information on this reporting requirement should be directed to the Prompt Payment Coordinator, DGS, Procurement Division, at [osdshelp@dgs.ca.gov](mailto:osdshelp@dgs.ca.gov).
3. **Other Penalties**: State departments will pay other legally authorized late payment penalties. These include the Public Utilities Commission (PUC) approved late payment charges in invoices from utilities operating under the authority of the PUC. However, when state departments pay other authorized penalties, they must take care to do so in lieu of the penalties authorized in the Act.

**PENALTY REQUIREMENTS 8474.2**

(Revised ~~06/2016~~ 08/2019)

1. **Small Businesses and Nonprofits**

If the claimant is a certified small business, a nonprofit organization, a nonprofit public benefit corporation, or a small business or nonprofit organization that provides services or equipment under the Medi-Cal program, the state department, ~~or~~ Controller, or the Department of FISCal shall pay the claimant a penalty at a rate of 10 percent above the United States Prime Rate on June 30 of the prior fiscal year. However, a nonprofit organization shall only be eligible to receive a penalty payment if it has been awarded a contract or grant for victim services and prevention programs in an amount less than five hundred thousand dollars ($500,000). If the amount of the penalty is ten dollars ($10) or less, the penalty shall be waived and not paid by the state department, ~~or~~ Controller, or the Department of FISCal.

It is the responsibility of each state department to determine whether or not a claim has been submitted by a qualified small business.

It is the responsibility of the [DGS Office of Small Business and Disabled Veteran Business](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) [Enterprise Services (OSDS)](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) to verify which firms qualify as "small business" under the general provisions, [California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 8, section](https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=IABE101D0D49111DEBC02831C6D6C108E&amp;originationContext=documenttoc&amp;transitionType=Default&amp;contextData=(sc.Default)) [1896](https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=IABE101D0D49111DEBC02831C6D6C108E&amp;originationContext=documenttoc&amp;transitionType=Default&amp;contextData=(sc.Default)) et seq. Any questions regarding whether a particular vendor contractor or service firm is a certified small business should be directed to OSDS at [osdshelp@dgs.ca.gov](mailto:osdshelp@dgs.ca.gov). This information may also be accessed by using the OSDS Cal eProcure public search engine located on the [DGS web site](https://www.caleprocure.ca.gov/pages/index.aspx) ~~at: https://~~[~~www.dgs.ca.gov/pd/Programs/caleprocure.aspx~~.](http://www.dgs.ca.gov/pd/Programs/caleprocure.aspx)

It is the responsibility of DHCS to verify/certify which providers under the Medi-Cal program qualify as a "small business." See SAM section 8474.4, paragraph (n).

1. **Other Businesses and Defined Grantees**

For all other businesses and victim services and prevention program grantees, the state department, ~~or~~ the Controller, or the Department of FISCal shall pay a penalty at a rate of one percent above the Pooled Money Investment Account daily rate on June 30 of the prior fiscal year, not to exceed a rate of 15 percent. However, if the amount of the penalty is one hundred dollars ($100) or less, the penalty shall be waived and not paid by the state department, ~~or~~ Controller, or the Department of FISCal.

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**PENALTY REQUIREMENTS 8474.2** (Cont. 1)

(Revised ~~06/2016~~ 08/2019)

1. **Refunds and Other Payments to Individuals**

For refunds or other payments due to individuals, the state department, ~~or the~~ Controller, or the Department of FISCal shall pay a penalty at a rate equal to the Pooled Money Investment Account daily rate on June 30 of the prior fiscal year minus one percent.

However, if the amount of the penalty is ten dollars ($10) or less, the penalty shall be waived and not paid by the state department, ~~or~~ Controller, or the Department of FISCal.

This section requires:

* 1. No penalty shall accrue on any refund or payment due to individuals that is the result of a federally mandated program or directly depends upon the receipt of federal funds.

This section does not apply to:

1. Late payments for goods and services covered under SAM sections 8473 and 8473.1.
2. Income tax payments, refunds, or credits.
3. Reimbursement for health care services or mental health services provided under the Medi-Cal program, pursuant to the [Welfare and Institutions Code section 14000](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=WIC&amp;sectionNum=14000) et seq.
4. Benefit payments to participants of public social service or public health programs.
5. Claims to the Department of General Services.
6. Payments made by the Commission on State Mandates.
7. Department of Human Resources payments pursuant to [Government Code section 19823](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&amp;sectionNum=19823).

**PENALTY CALCULATION 8474.3**

(Revised ~~6/2015~~ 08/2019)

Whenever a state department, ~~or~~ the Controller, or the Department of FISCal determines a penalty is due, the rate for small businesses and nonprofits shall be a rate of 10 percent above the United States Prime Rate on June 30 of the prior fiscal year. The rate for all other businesses including grantees that provide victim services or prevention programs shall be one percent above the [Pooled Money Investment Account (PMIA)](https://www.treasurer.ca.gov/pmia-laif/pmia/program.asp) daily rate on June 30 of the prior fiscal year, not to exceed 15 percent. The rate for refunds or other payments due to individuals is one percent below the PMIA daily rate on June 30 of the prior fiscal year. These rates change annually; therefore, the PMIA rate is communicated to state departments via a Budget Letter (BL). For the latest BL on late payment penalty rates, refer to the [Finance website](http://www.dof.ca.gov/budget/Budget_Letters/) ~~at:~~ [~~http://www.dof.ca.gov/budget/Budget\_Letters/~~.](http://www.dof.ca.gov/budget/Budget_Letters/)

The penalty will be calculated as follows:

|  |  |
| --- | --- |
| Step 1:  Determine the Payment Due Date | The payment due date is 45 calendar days after receipt of a properly submitted, undisputed invoice, unless otherwise specified in the contract or grant.  In the case of refunds, the payment due date is 45 calendar days after notification of the refund to the payee or other payments due to individuals. |
| Step 2:  Amount Subject to Penalty | The gross amount of the invoice less taxes or the “refund or other payment due” amount. |
| Step 3:  Penalty Amount Per Day | Multiply the amount subject to penalty (as determined in Step 2) by the applicable daily penalty rate (based on the payment due date) as specified in the BL. |
| Step 4:  Number of Days Penalized: | Calculate the number of calendar days between the payment due date (as determined in Step 1) and the date payment is issued. |
| Step 5:  Late Payment Penalty Amount | Multiply the penalty amount per day (as determined in Step 3) by the number of days penalized (as determined in Step 4). The result is late payment penalty amount due the claimant; except that penalty amounts of $10 or less shall not be paid to small businesses, nonprofit and refunds or other payments due to individuals. For all other businesses, penalty amounts of $100 or less shall not be paid. |

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**PENALTY CALCULATION 8474.3** (Cont. 1)

(Revised ~~6/2015~~ 08/2019)

See Illustration 1 below for samples of late payment penalty calculations.

When a late payment penalty is incurred, a completed Penalty Calculation Worksheet, STD. [208](https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std208.pdf) must be attached to the related invoice submitted to the Controller. The latest Penalty Calculation form, STD. 208, can be found on the [DGS website](http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std208.pdf) ~~at~~ [~~http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std208.pdf~~.](http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std208.pdf)

Any invoice included in a claim ~~schedule~~ the Controller determines is subject to a claim correction shall be deemed to be improperly submitted and the state department shall be responsible for the penalty incurred on the invoice.

**SAM - DISBURSEMENTS**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **FACTS** | **PAYMENT DUE DATE SET FORTH IN CONTRACT AS DEFINED IN SAM 8474.4 (c)** | **PAYMENT DUE DATE NOT SET FORTH IN CONTRACT** |
| **A** | Date Agency Receives Invoice | 3/1/XX | 3/1/XX |
| **B** | Payment Due Date Per Contract | 4/1/XX | N/A |
| **C** | Payment Issue Date | 4/6/XX | 4/30/XX |
| **STEP** | **Completing Penalty Calculation Form (STD. 208) – Part A** | | |
| **1** | Required payment approval date **/1** | 4/1/XX | 3/31/XX |
| **2** | Amount subject to penalty **/2** | $30,000 | $30,000 |
| Daily Penalty Rate |  | |
| * Small Business | .000363 | .000363 |
| * Other Business | .000034 | .000034 |
| **3** | Penalty per day (multiply amount by daily penalty rate as shown in Step 3) | 10.89  1.02 | 10.89  1.02 |
| **4** | Number of days penalized **/3** | 5 | 15 |
| **5** | Penalty amount (multiply amount by the number of days as shown in Steps 4 & 5) **/4** |  | |
| * Small Business | $10.89 x 5 = $54.45 | $10.89 x 15 = $163.35 |
| * Other Business | $1.02 x 5 = $5.10 | $1.02 x 15 = $15.30 |

1/ The payment date specified in the contract, or 30 calendar days after the date the department receives an undisputed invoice.

2/ Use the current penalty interest factor per day provided annually in ~~a~~ the [Finance budget letter](http://www.dof.ca.gov/budget/Budget_Letters/) ~~available at~~ [~~http://www.dof.ca.gov/budget/Budget\_Letters/~~.](http://www.dof.ca.gov/budget/Budget_Letters/)

3/ Count the number of days from required payment approval date to date claim ~~schedule~~ submitted to SCO.

4/ Minimum late penalty payments: Small business - $10 / Other business - $100

**~~Rev. 430~~**

***8474.3 Illustration 1 (Revised 08/2019~~6/2015~~)***

**~~REV 430~~**

**DEFINITION OF TERMS 8474.4**

(Reviewed ~~6/2015~~ 08/2019)

* 1. **Claim:** A ~~bill, invoice, or written~~ payment request prepared and submitted by a state department to the Controller for payment to ~~provided by~~ the claimant. ~~Written request includes contract as defined in paragraph c. below.~~ A claim includes vouchers with supporting invoices and documents submitted in the FI$Cal system and claim schedule forms (STD. 218) submitted with supporting invoices and documents.
  2. **~~Claim schedule~~** ~~(STD. 218 (Continuous)): A schedule of invoices prepared and submitted by a state department to the Controller for payment to the named claimants.~~

~~c.~~b.**Contract:** Any enforceable agreement, including purchase orders, sub-purchase orders, delegated purchase orders, service agreements, or rental and lease agreements of real and personal property.

~~d.~~c.**Grant:** A signed final agreement between any state department and a local government agency or organization authorized to accept grant funding for victim services or prevention programs administered by any state department.

~~e.~~d. **Invoice:** A bill or claim that requests payment on a contract under which a state department acquires property or services, or a claim pursuant to a grant for victim services and prevention programs.

~~f.~~e. **Disputed Invoice:** An improperly executed invoice or an invoice that requires additional evidence of its validity. The state department must notify the claimant in writing of a disputed invoice within 15 working days of receipt of the invoice using [Invoice Dispute Notification, STD. 209.](http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std209.pdf)

* 1. **Undisputed Invoice:** An invoice executed by the claimant and for which additional evidence is not required to determine its validity. Undisputed invoices include:
     1. A once disputed invoice which has been corrected or for which additional evidence of its validity has been provided and received by the state department.
     2. An improper invoice where goods and services have been received by the contracting state department, but the state department fails to notify the claimant that the invoice is improper within 15 working days of receipt of the invoice.

~~h.~~g. **Medi-Cal program:** The program established pursuant to [Chapter 7 (commencing](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=14000.&amp;lawCode=WIC) [with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=14000.&amp;lawCode=WIC).

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**DEFINITION OF TERMS 8474.4** (Cont. 1)

(Reviewed ~~6/2015~~ 08/2019)

~~i.~~h. **Nonprofit public benefit corporation:** A corporation, as defined by subdivision (b) of [Section 5046 of the Corporations Code](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=CORP&amp;sectionNum=5046) that has registered with the DGS as a small business.

* 1. **Reasonable cause:** A determination by a state department that any of the following conditions are present:
     1. A discrepancy exists between the invoice or claimed amount and the provisions of the contract.
     2. A discrepancy exists between the invoice or claimed amount and either the claimant’s actual delivery of property or services to the state or the state's acceptance of those deliveries.
     3. Additional evidence supporting the validity of the invoice or claimed amount is required to be provided to the state department by the claimant.
     4. The invoice has been improperly executed or needs to be corrected by the claimant.
     5. A discrepancy exists between the refund or other payment due as calculated by the person to whom the money is owed and by the state department.

~~k.~~j. **Received by a State department:** The date an invoice is delivered to the state location or party specified in the contract or, if a state location or party is not specified in the contract, wherever otherwise specified by the state department.

~~l.~~k. **Revolving fund:** A fund established pursuant to [Article 5 (commencing with GC section 16400) of Division 4 of Title 2](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=16400.&amp;lawCode=GOV).

~~m.~~l.**Small business:** A business certified in accordance with requirements of subdivision (c) of [GC section 14837](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=14837.&amp;lawCode=GOV).

* 1. **Small business and nonprofit organization Medi-Cal providers:**

In reference to providers under the Medi-Cal program, a business or organization that meets all of the following criteria:

* + 1. Principal office is located in California.
    2. Officers, if any, are domiciled in California.
    3. If a small business, it is independently owned and operated.
    4. Business or organization is not dominant in its field of operation.
    5. Together with any affiliates, the business or organization has gross receipts from business operations that do not exceed three million dollars ($3,000,000) per year, except that the Director of the [DHCS](http://www.dhcs.ca.gov/Pages/default.aspx) may increase this amount if the Director deems that this action would be in furtherance of the intent of the Act.

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**DEFINITION OF TERMS 8474.4** (Cont. 2)

(Reviewed ~~6/2015~~ 08/2019)

~~o.~~n. **State department:** State department refers to all state departments, offices, boards, commissions, institutions, colleges, and special organizational entities within state government.

~~p.~~o. **Payment:** The issuance of a warrant or a registered warrant by the Controller, or the issuance of a revolving fund check by a state department, to a claimant in the amount of an undisputed invoice.

**LATE PAYMENT PENALTIES 8474**

(Revised ~~06/2015~~ 08/2019)

[Chapter 4.5, sections 927-927.13 of the Government Code](http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&amp;amp%3Bamp%3Bdivision=3.6.&amp;amp%3Bamp%3Btitle=1.&amp;amp%3Bamp%3Bpart=3.&amp;amp%3Bamp%3Bchapter=4.5.&amp;amp%3Bamp%3Barticle), also known as the California Prompt Payment Act (the Act), requires state departments to automatically calculate and pay late payment penalties if they fail to make payments by the date required in the Act for the following:

* Properly submitted, undisputed invoices
* Grant claims for victim services or prevention programs
* Refunds or other undisputed payments due to individuals

The payment due date required in the Act is 45 calendar days after receipt of a properly submitted, undisputed invoice, unless otherwise specified in the contract or grant. In the case of refunds, the payment due date is 45 calendar days after notification of the refund to the payee or other payments due to individuals. Payment is defined as the issuance of a warrant or a registered warrant by the State Controller’s Office (Controller) or the issuance of a revolving fund check by a department. Late payment penalties shall not be paid when payees elect to return registered warrants to the state.

State departments shall pay penalties if a correct claim ~~schedule~~ is not submitted to the Controller within 30 calendar days and payment is not issued within 45 calendar days. The Controller shall pay penalties if payment is not issued with 15 calendar days of receipt of a correct claim ~~schedule~~ and payment is not issued within 45 calendar days. Chapter 29, Statutes of 2019 (SB 84) amended the Prompt Payment Act to include the Department of FISCal as another entity responsible for applicable penalties if the Financial Information System for California (FI$Cal) system causes delays in the delivery of a correct claim from the state department to the Controller, preventing the Controller from making payment within 15 calendar days and payment is not issued within 45 calendar days from state departments receipt of an undisputed invoice. On an exception basis, departments may avoid late payment penalties by making payments through the Office Revolving Fund or utilizing the Controller’s claim schedule expedites service.

The Department of General Services ~~(DGS)~~ will not approve contracts with invoice payment terms exceeding 45 days.

**~~REV. 430~~**

**BEGINNING AND ENDING DATES OF PAY PERIOD 8512**

(Revised ~~9~~12/~~00~~2019)

The Department of Finance (~~DOF~~F~~INANCE~~inance), [Fiscal Systems and Consulting](http://www.dof.ca.gov/accounting/fscu/) [Unit,](http://www.dof.ca.gov/accounting/fscu/) prescribes the beginning and ending pay period dates. A schedule of 14 patterns that repeat within a 28-year cycle ~~of pay period dates~~ will be used. Table 1 below shows the 28 calendar years from 2019 to 2046 and the corresponding pattern number that will be used for that year. Table 2 shows the patterns from 1 to 14, the related pay period dates, and the number of workdays for that pattern.~~The patterns repeat within a 28-year cycle. The patterns are numbered 1 through 14 and are listed below. The pattern that will be used is shown below each calendar year for the 28-year cycle 1994 2019 through 20212046.~~

## Table 1: Calendar Year and Corresponding Pattern Number

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **~~YEAR:~~** | ~~1994~~ | ~~1995~~ | ~~1996~~ | ~~1997~~ | ~~1998~~ | ~~1999~~ | ~~2000~~ | ~~2001 2002 2003 2004~~ | | | |
| **~~PATTERN #:~~** | ~~7~~ | ~~1~~ | ~~9~~ | ~~4~~ | ~~5~~ | ~~6~~ | ~~14~~ | ~~2 3 4 12~~ | | | |
| **~~YEAR:~~** | ~~2005~~ | ~~2006~~ | ~~2007~~ | ~~2008~~ | ~~2009~~ | ~~2010~~ | ~~2011~~ | ~~2012 2013 2014 2015~~ | | | |
| **~~PATTERN #:~~** | ~~7~~ | ~~1~~ | ~~2~~ | ~~10~~ | ~~5~~ | ~~6~~ | ~~7~~ | ~~8~~ | ~~3~~ | ~~4~~ | ~~5~~ |
| **~~YEAR:~~** | ~~2016~~ | ~~2017~~ | ~~2018~~ | ~~2019~~ | ~~2020~~ | ~~2021~~ |  |  |  |  |  |
| **~~PATTERN #:~~** | ~~13~~ | ~~1~~ | ~~2~~ | ~~3~~ | ~~11~~ | ~~6~~ |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Year Pattern # | 2019  3 | 2020  11 | 2021  6 | 2022  7 | 2023  1 | 2024  9 | 2025  4 | 2026  5 | 2027  6 | 2028  14 | 2029  2 |
| Year Pattern # | 2030  3 | 2031  4 | 2032  12 | 2033  7 | 2034  1 | 2035  2 | 2036  10 | 2037  5 | 2038  6 | 2039  7 | 2040  8 |
| Year Pattern # | 2041  3 | 2042  4 | 2043  5 | 2044  13 | 2045  1 | 2046  2 |  |  |  |  |  |

**Table 2: Pattern Number, Pay Period Dates, and Number of Workdays**

|  |  |  |
| --- | --- | --- |
| **PAY PERIOD** | **INCLUSIVE DATES** | **NUMBER OF WORKDAYS**  **(Including Holidays)** |
| **PATTERN #1 January** | **January 1 to January 31** | **22** |
| **February** | **February 1 to March 1** | **21** |
| **March** | **March 2 to March 31** | **22** |
| **April** | **April 1 to May 1** | **21** |
| **May** | **May 2 to May 31** | **22** |
| **June** | **June 1 to June 30** | **22** |
| **July** | **July 1 to August 1** | **22** |
| **August** | **August 2 to August 31** | **22** |

(Continued)

## BEGINNING AND ENDING DATES OF PAY PERIOD 8512 (Cont. 1)

(Revised ~~9~~12/~~00~~2019)

|  |  |
| --- | --- |
| **September** | **September 1 to September 30 21** |
| **October** | **October 1 to October 31 22** |
| **November** | **November 1 to November 30 22** |
| **December**  (Continued) | **December 1 to December 31 21** |

|  |  |  |
| --- | --- | --- |
| **PATTERN #2 January** | **January 1 to January 30** | **22** |
| **February** | **January 31 to February 28** | **21** |
| **March** | **March 1 to March 31** | **22** |
| **April** | **April 1 to April 30** | **21** |
| **May** | **May 1 to May 30** | **22** |
| **June** | **May 31 to June 30** | **22** |
| **July** | **July 1 to July 31** | **22** |
| **August** | **August 1 to August 30** | **22** |
| **September** | **August 31 to September 30** | **21** |
| **October** | **October 1 to October 30** | **22** |
| **November** | **October 31 to November 29** | **22** |
| **December** | **November 30 to December 31** | **22** |
| **PATTERN #3 January** | **January 1 to January 30** | **22** |
| **February** | **January 31 to February 28** | **21** |
| **March** | **March 1 to March 31** | **21** |
| **April** | **April 1 to April 30** | **22** |
| **May** | **May 1 to May 30** | **22** |
| **June** | **May 31 to June 30** | **21** |
| **July** | **July 1 to July 30** | **22** |
| **August** | **July 31 to August 29** | **22** |
| **September** | **August 30 to September 30** | **22** |
| **October** | **October 1 to October 30** | **22** |

(Continued)

## BEGINNING AND ENDING DATES OF PAY PERIOD 8512 (Cont. 2)

(Revised ~~9~~12/~~00~~2019)

|  |  |  |
| --- | --- | --- |
| **November** | **October 31 to November 30** | **22** |
| **December**  (Continued) | **December 1 to December 31** | **22** |

|  |  |  |
| --- | --- | --- |
| **PATTERN #4 January** | **January 1 to January 30** | **22** |
| **February** | **January 31 to February 28** | **21** |
| **March** | **March 1 to March 31** | **21** |
| **April** | **April 1 to April 30** | **22** |
| **May** | **May 1 to May 31** | **22** |
| **June** | **June 1 to June 30** | **21** |
| **July** | **July 1 to July 30** | **22** |
| **August** | **July 31 to August 31** | **22** |
| **September** | **September 1 to September 30** | **22** |
| **October** | **October 1 to October 30** | **22** |
| **November** | **October 31 to December 1** | **22** |
| **December** | **December 2 to December 31** | **22** |
| **PATTERN #5 January** | **January 1 to January 29** | **21** |
| **February** | **January 30 to February 28** | **21** |
| **March** | **March 1 to March 31** | **22** |
| **April** | **April 1 to April 30** | **22** |
| **May** | **May 1 to May 31** | **21** |
| **June** | **June 1 to June 30** | **22** |
| **July** | **July 1 to July 30** | **22** |
| **August** | **July 31 to August 31** | **22** |
| **September** | **September 1 to September 30** | **22** |
| **October** | **October 1 to October 31** | **22** |
| **November** | **November 1 to December 1** | **22** |

(Continued)

## BEGINNING AND ENDING DATES OF PAY PERIOD 8512 (Cont. 1)

(Revised ~~9~~12/~~00~~2019)

|  |  |  |
| --- | --- | --- |
| **December**  (Continued) | **December 2 to December 31** | **22** |

|  |  |  |
| --- | --- | --- |
| **PATTERN #6 January** | **January 1 to January 31** | **21** |
| **February** | **February 1 to March 1** | **21** |
| **March** | **March 2 to March 31** | **22** |
| **April** | **April 1 to April 30** | **22** |
| **May** | **May 1 to May 31** | **21** |
| **June** | **June 1 to June 30** | **22** |
| **July** | **July 1 to July 31** | **22** |
| **August** | **August 1 to August 31** | **22** |
| **September** | **September 1 to September 30** | **22** |
| **October** | **October 1 to November 1** | **22** |
| **November** | **November 2 to December 1** | **22** |
| **December** | **December 2 to December 31** | **22** |
| **PATTERN #7 January** | **January 1 to January 31** | **21** |
| **February** | **February 1 to March 1** | **21** |
| **March** | **March 2 to March 31** | **22** |
| **April** | **April 1 to April 30** | **21** |
| **May** | **May 1 to May 31** | **22** |
| **June** | **June 1 to June 30** | **22** |
| **July** | **July 1 to August 1** | **22** |
| **August** | **August 2 to August 31** | **22** |
| **September** | **September 1 to September 30** | **22** |
| **October** | **October 1 to October 31** | **21** |
| **November** | **November 1 to November 30** | **22** |
| **December**  (Continued) | **December 1 to December 31** | **22** |

|  |  |  |
| --- | --- | --- |
| **PATTERN #8 January** | **January 1 to January 31** | **22** |
| **February** | **February 1 to February 29** | **21** |
| **March** | **March 1 to March 31** | **22** |
| **April** | **April 1 to April 30** | **21** |
| **May** | **May 1 to May 30** | **22** |
| **June** | **May 31 to June 30** | **22** |
| **July** | **July 1 to July 31** | **22** |
| **August** | **August 1 to August 30** | **22** |
| **September** | **August 31 to September 30** | **21** |
| **October** | **October 1 to October 30** | **22** |
| **November** | **October 31 to November 29** | **22** |
| **December** | **November 30 to December 31** | **22** |
| **PATTERN #9 January** | **January 1 to January 30** | **22** |
| **February** | **January 31 to February 29** | **22** |
| **March** | **March 1 to March 31** | **21** |
| **April** | **April 1 to April 30** | **22** |
| **May** | **May 1 to May 30** | **22** |
| **June** | **May 31 to June 30** | **21** |
| **July** | **July 1 to July 30** | **22** |
| **August** | **July 31 to August 29** | **22** |
| **September** | **August 30 to September 30** | **22** |
| **October** | **October 1 to October 30** | **22** |
| **November** | **October 31 to November 30** | **22** |
| **December**  (Continued) | **December 1 to December 31** | **22** |

|  |  |  |
| --- | --- | --- |
| **PATTERN #10January** | **January 1 to January 30** | **22** |
| **February** | **January 31 to February 29** | **22** |
| **March** | **March 1 to March 31** | **21** |
| **April** | **April 1 to April 30** | **22** |
| **May** | **May 1 to May 31** | **22** |
| **June** | **June 1 to June 30** | **21** |
| **July** | **July 1 to July 30** | **22** |
| **August** | **July 31 to August 31** | **22** |
| **September** | **September 1 to September 30** | **22** |
| **October** | **October 1 to October 30** | **22** |
| **November** | **October 31 to December 1** | **22** |
| **December** | **December 2 to December 31** | **22** |
| **PATTERN #11January** | **January 1 to January 30** | **22** |
| **February** | **January 31 to February 29** | **21** |
| **March** | **March 1 to March 31** | **22** |
| **April** | **April 1 to April 30** | **22** |
| **May** | **May 1 to May 31** | **21** |
| **June** | **June 1 to June 30** | **22** |
| **July** | **July 1 to July 30** | **22** |
| **August** | **July 31 to August 31** | **22** |
| **September** | **September 1 to September 30** | **22** |
| **October** | **October 1 to October 31** | **22** |
| **November** | **November 1 to December 1** | **22** |
| **December**  (Continued) | **December 2 to December 31** | **22** |

|  |  |  |
| --- | --- | --- |
| **PATTERN #12January** | **January 1 to January 31** | **22** |
| **February** | **February 1 to March 1** | **21** |
| **March** | **March 2 to March 31** | **22** |
| **April** | **April 1 to April 30** | **22** |
| **May** | **May 1 to May 31** | **21** |
| **June** | **June 1 to June 30** | **22** |
| **July** | **July 1 to July 31** | **22** |
| **August** | **August 1 to August 31** | **22** |
| **September** | **September 1 to September 30** | **22** |
| **October** | **October 1 to November 1** | **22** |
| **November** | **November 2 to December 1** | **22** |
| **December** | **December 2 to December 31** | **22** |
| **PATTERN #13January** | **January 1 to January 31** | **21** |
| **February** | **February 1 to March 1** | **22** |
| **March** | **March 2 to March 31** | **22** |
| **April** | **April 1 to April 30** | **21** |
| **May** | **May 1 to May 31** | **22** |
| **June** | **June 1 to June 30** | **22** |
| **July** | **July 1 to August 1** | **22** |
| **August** | **August 2 to August 31** | **22** |
| **September** | **September 1 to September 30** | **22** |
| **October** | **October 1 to October 31** | **21** |
| **November** | **November 1 to November 30** | **22** |
| **December**  (Continued) | **December 1 to December 31** | **22** |

|  |  |  |
| --- | --- | --- |
| **PATTERN #14January** | **January 1 to January 31** | **21** |
| **February** | **February 1 to March 1** | **22** |
| **March** | **March 2 to March 31** | **22** |
| **April** | **April 1 to May 1** | **21** |
| **May** | **May 2 to May 31** | **22** |
| **June** | **June 1 to June 30** | **22** |
| **July** | **July 1 to July 31** | **21** |
| **August** | **August 1 to August 30** | **22** |
| **September** | **August 31 to September 30** | **22** |
| **October** | **October 1 to October 31** | **22** |
| **November** | **November 1 to November 30** | **22** |
| **December** | **December 1 to December 31** | **21** |

**BILLING FOR SERVICES OF EMPLOYEES PAID ON MONTHLY 8740**

(Revised 0~~2~~1/20~~19~~20)

This section provides the methodology and formula for determining the hourly billing rate when a department bills for the services of employees paid on a monthly basis on or after January 1, 20~~19~~20. As outlined below, the hourly billing rate is computed using the total actual working time per year and the state’s staff benefit contribution percentage.

Total actual working time per year is determined by deducting the number of hours for Saturdays, Sundays, holidays, and other absences from total hours for the calendar year. To determine other absences, departments will compile and average absences such as vacation leave, annual leave, personal leave program, sick leave, bereavement leave, informal time off, jury duty leave, military leave, furlough leave, and professional development leave.

This formula only provides billing for hours actually worked. The formula does not include an amount for such costs as identifiable operating expenses incurred in rendering the service, charges for other than incidental use of equipment, overhead, and other costs. In addition, Workers’ Compensation, Industrial Disability, Unemployment Compensation, and Life Insurance benefits are not included in the formula since these expenses can vary substantially among departments. However, such costs should be included in billing for services in accordance with SAM sections 8752.1 and 8758.

(Continued)

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**BILLING FOR SERVICES OF EMPLOYEES PAID ON MONTHLY BASIS 8740** (Cont.1)

(Revised 0~~2~~1/20~~19~~20)

**HOURLY BILLING RATE CALCULATION – TOTAL ACTUAL WORKING TIME PER YEAR**

|  |  |  |
| --- | --- | --- |
| CALENDAR YEAR | 36~~5~~6 days x 8 hours = | 292~~0~~8 hrs. |

LESS DEDUCTIONS

|  |  |  |
| --- | --- | --- |
| Saturdays | 52 days X 8 hours = | 416 hrs. |
| Sundays | 52 days x 8 hours = | 416 hrs. |
| Holidays: | 12 days x 8 hours = | 96 hrs. |
| New Year’s Day  Martin Luther King Jr. Day President’s Day  Cesar Chavez Day Memorial Day Independence Day Labor Day Veteran’s Day Thanksgiving Day  Day After Thanksgiving Christmas Day Personal Holiday |
| Other Absences (averages): |  |  |
| Vacation/Annual Leave\* Personal Leave Program (PLP)\* Miscellaneous – Sick, Bereavement, Informal Time Off, Jury Duty, Military, Furlough Off,  Professional Development Leave\* |

Subtotal of Other Absences (Vacation, PLP, and Miscellaneous)

TOTAL DEDUCTIONS

(Include all amounts calculated under deductions)

TOTAL ACTUAL WORKING TIME PER YEAR

(292~~0~~8 hrs. less Total Deductions)

\*Statewide data is not available. Each department, based on previous experience and expertise, must compile the information for Other Absences. Remember to calculate a separate average for each type of Other Absences (i.e., average vacation/annual leave, average PLP, and average miscellaneous absences).

(Continued)

(Continued)

## BILLING FOR SERVICES OF EMPLOYEES PAID ON

**MONTHLY BASIS 8740** (Cont. 2)

(Revised 0~~2~~1/20~~19~~20)

STATE’S STAFF BENEFIT CONTRIBUTION PERCENTAGES

(Effective January 1, 20~~19~~20)

|  |  |
| --- | --- |
| Employee’s Retirement | ~~29.40~~31.08 |
| OASDI | 6.20 |
| Medicare | 1.45 |
| Health, Vision, and Dental Benefits | ~~14.94~~15.18 |
| TOTAL PERCENT | ~~51.99~~53.91 1/ |

## FORMULA FOR CALCULATING THE HOURLY BILLING RATE:

(Monthly Salary Rate x ~~1.5199~~1.5391) divided by (“Total Actual Working Time per Year” divided by 12)

Note: Monthly Salary Rate should be adjusted as necessary to reflect (average) salary reductions for PLPs and furloughs.

## Formula for calculating daily rate for 2,000 hours or less per year:

The number of working hours per month is not appropriate for employees not expected to work 2,000 hours per year, less vacation and sick leave. In such instances, an estimate of actual working time per month or year, considering average holiday, vacation, and sick leave should be used. For example, billing rates for academic year employees, such as college instructors, would be computed on the basis of the number of workdays in a year, less the average of sick leave usage. (Holidays and vacation are not considered in this instance since they are considered in determining the number of working days.)

Daily Rate = (Annual Salary Rate x ~~1.5199~~1.5391) divided by (Working Days per Year - Average Sick Leave Days Used per year)

Hourly Rate = Daily Rate divided by 8 (Continued)

(Continued)

## BILLING FOR SERVICES OF EMPLOYEES PAID ON

**MONTHLY BASIS 8740** (Cont. 3)

(Revised 0~~2~~1/20~~19~~20)

Note: The ~~51.99~~53.91 percent rate is applicable only to employees who are Miscellaneous Tier 1 members of the Public Employees' Retirement System. For those employees who are not Miscellaneous Tier 1 members, but who still belong to Social Security, their appropriate retirement contribution rate will be substituted for the ~~29.40~~31.08 percent rate. Those employees who are not Miscellaneous Tier 1 members and who do not belong to Social Security will include their appropriate Medicare and retirement rates, and health, vision, and dental benefit rates. For example, the appropriate total rate for members of the Safety Retirement Category who do not belong to Social Security is ~~37.92~~39.34 percent consisting of:

|  |  |
| --- | --- |
| Employee’s Retirement (State Safety) | ~~21.53~~  22.71 |
| Medicare | 1.45 |
| Health, Vision, and Dental Benefits | ~~14.94~~  15.18 |
| TOTAL PERCENT | ~~37.92~~  39.34 |

This ~~37.92~~39.34 percent figure will be used in lieu of the ~~51.99~~53.91 percent figure shown above. State departments with employee members in different retirement categories may use a composite employer contribution rate, based on department experience. Also, any department may use other rates for [OASDI,](https://www.ssa.gov/policy/docs/quickfacts/prog_highlights/index.html) Medicare, and health, vision, and dental benefits if more accurate rates can be determined from the actual experience of their operations.