July 17, 2006

The Honorable Wesley Chesbro, Chair
Joint Legislative Budget Committee
State Capitol, Room 5035
Sacramento, CA  95814

Dear Senator Chesbro:

The Department of General Services (DGS), in consultation with the Prison Industry Authority (PIA), submits the following information as required by Item 1760-001-0666 of the Supplemental Report of the 2005 Budget Act.

After this Supplemental Report language was adopted, an agreement with the Department of Finance and the Legislative Analyst’s Office was reached that the report would be limited to those non-PIA purchases where the DGS invoked Government Code (GC) Section 14612(e). GC Section 14612(e) provides that, notwithstanding Section 2807 of the Penal Code, the Director or his or her designee may procure goods from the private sector even though the goods may be available from the PIA, when in his or her discretion, it is cost beneficial to do so and if the Director or his or her designee continues to include the authority in soliciting quotations for goods.

For Fiscal Year 2005-06, to date, the DGS has not used its authority granted by GC Section 14612(e) to purchase goods from the private sector that are also available from the PIA.

If you have any questions, please contact Ben Martin, Purchasing Manager, Procurement Division, Department of General Services, at (916) 375-4523.

Sincerely,

Ron Joseph
Director

cc:  See attached distribution list
     Ben Martin, Purchasing Manager, Procurement Division, Department of General Services
SUPPLEMENTAL REPORT
LEGISLATIVE REPORT DISTRIBUTION LISTING

ORIGINAL LETTER TO EACH OF THE FOLLOWING:

The Honorable Wesley Chesbro, Chair
Joint Legislative Budget Committee
State Capitol, Room 5035
Sacramento, CA 95814
(1 original + 17 copies)

The Honorable Joseph Dunn, Chair
Senate Budget Subcommittee #4
State Capitol, Room 2080
Sacramento, CA 95814
(1 original)

The Honorable Rudy Bermúdez, Chair
Assembly Budget Subcommittee #4
State Capitol, Room 5135
Sacramento, CA 95814
(1 original)

Ms. Elizabeth G. Hill
Legislative Analyst
925 L Street, Suite 1000, B-29
Sacramento, CA 95814
(1 original)

COPY OF JLBC LETTER TO EACH OF THE FOLLOWING:

The Honorable Jenny Oropeza, Vice Chair
Joint Legislative Budget Committee
State Capitol, Room 2148
Sacramento, CA 95814
(1 copy)

The Honorable Wesley Chesbro, Chair
Senate Budget & Fiscal Review Committee
State Capitol, Room 5019
Sacramento, CA 95814
(1 original)

The Honorable John Laird, Chair
Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814
(1 original)

The Honorable Dennis Hollingsworth, Vice Chair
Senate Budget & Fiscal Review Committee
State Capitol, Room 5064
Sacramento, CA 95814
(1 copy)

The Honorable Rick Keene, Vice Chair
Assembly Budget Committee
State Capitol, Room 6027
Sacramento, CA 95814
(1 copy)

Richard Costigan, Legislative Secretary
Office of the Governor
State Capitol, First Floor, E-15
Sacramento, CA 95814
(1 copy)

Happy Chastain, Deputy Secretary-Legislation
State and Consumer Services Agency
915 Capitol Mall, Room 200, C-14
Sacramento, CA 95814
(1 copy)

Ms. Diane F. Boyer-Vine
Legislative Counsel
925 L Street, Suite 900, B-30
Sacramento, CA 95814
Attn: Ms. Diane Anderson
(1 original)

Mr. Gregory Palmer Schmidt
Secretary of the Senate
State Capitol, Room 400, E-22
Sacramento, CA 95814
(1 original)

Mr. E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196, E-24
Sacramento, CA 95814
(1 original)

Andrew J. Chang, Chief Deputy Director
Department of General Services
707 Third Street, 8th Floor, Z-1
West Sacramento, CA 95605
(1 copy)

Vacant, Program Budget Manager
Department of Finance
915 L Street, A-15
Sacramento, CA 95814
(1 copy)

Jan Boel, Deputy Director–Legislation
Department of General Services
707 Third Street, 8th Floor, Z-1
West Sacramento, CA 95605
(1 copy)

Gary Fujii, Budget and Planning Officer
Office of Fiscal Services
707 Third Street, 9th Floor, Z-1
West Sacramento, CA 95605
(1 copy)

California State Library
Government Publications Section
914 Capitol Mall, E-29
Sacramento, CA 95814
(2 copies)

Office of Legislative Counsel
Attention: Indexing Division
925 L Street, Suite 1150, B-30
Sacramento, CA 95814
(1 copy)

Originating Office

SUPPLEMENTAL REPORT--REVISED  04/25/06