

Report on the

**Golden State Financial Marketplace
(GS \$Mart) Loans for Fiscal Year 2019-20**

Report to the Joint Legislative Budget Committee
as required by Government Code Section 14934 (d)

State of California

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OVERVIEW

Pursuant to Government Code Section 14934 (d) this annual report is to update the Joint Legislative Budget Committee, the State Treasurer's Office, and the Department of Finance on the following information for each loan entered into during the preceding fiscal year:

- Each agency that entered into a Golden State Financial Marketplace (GS \$Mart) Loan.
- Physical address of the asset(s) being financed.
- The name of the supplier.
- The name of the selected lender.
- The amount financed by each loan.
- The term of the loan.
- The interest rate of the loan.
- A description of the assets, goods or services financed by each loan.
- The total amount of outstanding GS \$Mart Loans.

ABOUT THE PROCUREMENT DIVISION AND THE GOLDEN STATE FINANCIAL MARKETPLACE (GS \$Mart)

PROCUREMENT DIVISION

The state of California purchases a wide variety of goods and services, including information technology (IT), vehicles, food, protective gear, firearms, asphalt and more, with annual purchases totaling over \$10 billion. The Department of General Services (DGS) Procurement Division (PD) is the central purchasing authority for all state departments, agencies, and institutions. DGS/PD sets state procurement policies and provides purchasing services that help state agencies and departments achieve their missions. DGS/PD is responsible for delegating purchasing authority, training state purchasing professionals, resolving contract disputes, conducting supplier outreach, certifying small and disabled veteran-owned businesses to receive state purchasing preferences, overseeing state agency purchasing processes, environmentally preferable purchasing, and establishing and administering master contracts used by state agencies and local governments.

GS \$MART

The Golden State Financial Marketplace (GS \$Mart, pronounced "G S Smart") was established by DGS/PD in 1996.

The award-winning GS \$Mart Program is an efficient, open, organized, internet-based marketplace for state of California installment purchase agreements. It enables financing arrangements to be made quickly and conveniently by eliminating much of the workload, lengthy process, and complexity that existed before GS \$Mart was

established. The result is lower interest rates and greater administrative efficiency. Current available plans are tailored specifically for state contracts for IT and non-IT goods, many IT services, and energy retrofits.

Each potential lender undergoes a thorough prequalification process to ensure the lender is qualified to do business with the state. This process includes a determination of the lender's financial rating, a review of financial statements, customer references, supplier references, other government agencies' financing experience, and additional evaluations as necessary to determine the lender's qualifications. There are currently 21 lenders prequalified to do business with the state.

The GS \$Mart Program combines prequalified lenders, prenegotiated terms and conditions, and current market rates to provide state agencies with easier and quicker installment purchase agreements.

THE REPORT

As of June 30, 2020, the total outstanding loan balance in the GS \$Mart Program from previous years and the fiscal year 2019-20 is approximately \$78.7 million. This includes a total of \$48.9 million in new loans from fiscal year 2019-20. Please see Attachment 1 for the report.

Attachment 1 to the Report on the Golden State Financial Marketplace (GS \$Mart) Loans for Fiscal Year 2019-20

<u>Department</u>	<u>Physical address of asset</u>	<u>Supplier</u>	<u>Lender</u>	<u>Amount of loan</u>	<u>Term</u>	<u>Interest rate</u>	<u>Asset(s) description</u>
California Department of Motor Vehicles (DMV)	2415 First Avenue Sacramento, CA 95818	Pacific Gas and Electric Company	Banc of America Public Capital Corp (BAPCC)	\$ 8,738,214.00	18 annual payments	2.476%	Energy savings project
Office of State Publishing (OSP)	344 N 7th Street Sacramento, CA 95811	B&L Machine Sales, Inc.	BAPCC	\$ 4,003,900.00	5 annual payments	1.8704%	Printing press
California Department of Transportation (Caltrans)	Sacramento Executive Airport Hanger 108 6151 Freeport Boulevard Sacramento, CA 95822	Cirrus Design Corporation	BAPCC	\$ 817,900.00	10 annual payments	1.777%	Single engine aircraft and training
OSP	885 Riverside Parkway West Sacramento, CA 95605	Electronics for Imaging, Inc.	BAPCC	\$ 1,284,138.00	6 annual payments	1.822%	Monarch management information system

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Ontario International Airport Authority	1923 East Avion Street Ontario, CA 91761	Rosenbauer Minnesota, LLC.	BAPCC	\$ 4,296,000.00	10 annual payments	1.799%	Fire engines
Department of Water Resources (DWR)	1416 9th Street Sacramento, CA 95814	Aurora Systems Consulting	BAPCC	\$ 1,304,668.09	3 annual payments	1.7564%	McAfee security refresh
California Department of Technology (CDT)	10860 Gold Center Drive Rancho Cordova, CA 95670	IBM Corporation	International Business Machines Global Financing (IBMGF)	\$ 7,696,019.00	60 monthly payments	1.19%	IBM mainframe upgrade
Office of Statewide Health Planning and Development	2020 West El Camino Ave Suite 1000 Sacramento, CA 95833	NWN Corporation	Hewlett-Packard Financial Services Company	\$ 943,530.98	3 annual payments	0.00%	Computers refresh
Superior Court of California, County of El Dorado	495 Main Street Placerville, CA 95667	Technology Integration Group	BciCapital, Inc.	\$ 157,445.34	3 annual payments	1.94%	VxRail hardware (servers and switches)
Department of General Services	Van Nuys State Office Building 6150 Van Nuys Boulevard Van Nuys, CA 91401	Wildan Energy Solutions	US Bancorp Government Leasing and Finance, Inc. (USBGLF)	\$ 579,500.00	12 annual payments	2.05%	Energy savings project

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DWR	1416 9th Street Sacramento, CA 95814	Enterprise Networking Solutions, Inc.	BAPCC	\$ 1,983,705.50	6 annual payments	0.8189%	Lenovo server rack equipment and server
Department of Finance	915 L Street Sacramento, CA 95819	NWN Corporation	JP Morgan Chase Bank, N.A.	\$ 410,986.83	3 annual payments	2.286%	Computer refresh
DMV	2415 1st Avenue Sacramento, CA 95818	Presidio Networked Solution Group, LLC.	Key Government Finance, Inc. (Key)	\$ 11,141,821.24	5 annual payments	0.00%	Cisco Smartnet
CDT	10860 Gold Center Drive Rancho Cordova, CA 95670	ePlus Technology, Inc.	Key	\$ 4,494,000.00	3 annual payments	0.000%	Cisco Smartnet
Caltrans	100 S. Main Street Los Angeles, CA 90012	Presidio Networked Solution Group, LLC.	Key	\$ 661,368.34	5 annual payments	0.000%	Cisco network and LAN equipment

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California Department of Corrections and Rehabilitation	1600 California Drive Vacaville, CA 95696	Arrow Restaurant Equipment and Supplies, Inc.	USBGLF	\$ 130,300.00	3 annual payments	1.43%	Dishwashing machine
California Department of Alcoholic Beverage Control	3927 Lennane Drive Suite 100 Sacramento, CA 95834	PC Specialist, Inc. & Granite Data Solutions	USBGLF	\$ 354,947.94	5 annual payments	1.46%	IT computer refresh

Total financed

\$ 48,998,445.26

1.33%