

STATE OF CALIFORNIA
OFFICE OF THE ADJUTANT GENERAL
2829 Watt Avenue
P.O. Box 214405
Sacramento, California 95821-0405

CAL ARNG Regulation
No. 37-3
CA ANG Regulation
No. 177-1

1 October 1992

Fiscal Operations

STATE PURCHASING AND CONTRACTING PROGRAM

Chapter 1 GENERAL PROVISIONS	Paragraph	Page
Purpose and Scope of This Regulation	1-1	1-1
Supplementing Regulations	1-2	1-1
Purchase VS. Contract	1-3	1-1
The State Procurement System	1-4	1-1
Procurement System Parameters	1-5	1-2
Purchasing and Contracting Branch	1-6	1-3
Purchases and Contracts with Small, Minority, Women-Owned and Disabled Veteran Business Enterprises	1-7	1-3
Drug-Free Workplace Certification	1-8	1-5
Operations During Non-Budgetary Periods	1-9	1-6
Chapter 2 MILITARY DEPARTMENT PURCHASING OPERATIONS		
The Procurement Cycle	2-1	2-1
Types of Property	2-2	2-7
Lease Versus Purchase	2-3	2-9
Chapter 3 LOCAL PURCHASE AUTHORITY		
General	3-1	3-1
Program Elements and Responsibilities	3-2	3-1
Program Considerations	3-3	3-2
Program Restrictions	3-4	3-3
Procedural Steps	3-5	3-3
Distribution	3-6	3-4
Record Maintenance	3-7	3-5
Chapter 4 DEPARTMENT DELEGATION PURCHASING		
Office of Procurement Delegation	4-1	4-1
Criteria for Delegated Purchase Eligibility	4-2	4-1
Procedure for Purchase Request	4-3	4-1
Processing Time Requirements	4-4	4-2
Standard State Abbreviations	4-5	4-2
Purchase of Replacement Parts	4-6	4-2
Equipment Control Number Requirement	4-7	4-2
Request for Building Materials	4-8	4-2

Chapter 5 FORMAL PURCHASE ORDERS

	<u>Paragraph</u>	<u>Page</u>
General	5-1	5-1
Criteria for Formal Purchase Order	5-2	5-1
Request Procedures	5-3	5-1
Preparation of Purchase Estimate	5-4	5-2
Distribution of Purchase Estimate	5-5	5-2

Chapter 6 STATE CONTRACTS AND STATE PRICE SCHEDULES

General	6-1	6-1
Criteria for State Contract Program	6-2	6-1
Request Procedures for State Contracts	6-3	6-1
Processing Time Requirements	6-4	6-2
State Price Schedules	6-5	6-2
Request Procedures for State Price Schedules	6-6	6-2
Processing Time Requirements	6-7	6-3

Chapter 7 MATERIALS SERVICES (STATE STORES)

General	7-1	7-1
Materials Services Catalog	7-2	7-1
Deliveries From Materials Services	7-3	7-1
Request Procedures For Material Services	7-4	7-1
Processing Time Requirements	7-5	7-2
Return Of Stock For Credit	7-6	7-2
Over, Short, Or Damaged Items (OSD)	7-7	7-2
Report of Supplies Not Received	7-8	7-2

Chapter 8 SPECIAL PURCHASES

Printing	8-1	8-1
Business Cards	8-2	8-1
Rubber Stamps	8-3	8-2
Newspaper and Periodical Subscriptions	8-4	8-2
Office Furniture	8-5	8-3
Surplus Property	8-6	8-3

Chapter 9 RECEIPT OF GOODS AND CLEARANCE OF PROCUREMENT DOCUMENT

General	9-1	9-1
Receipt of Complete or Partial Deliveries	9-2	9-1
Receipt of Damaged Material	9-3	9-1
Receipt of Incorrect Material	9-4	9-2
Receipt of Substandard Material	9-5	9-2
Relationships with vendors	9-6	9-2
Vendor Claims	9-7	9-2
Acknowledgment of Delivery	9-8	9-2
Receipt of Subscriptions/Publications	9-9	9-3
Receipt of Equipment	9-10	9-3

Chapter 10 EMERGENCY AND URGENT PURCHASES	<u>Paragraph</u>	<u>Page</u>
Emergency Procurement Actions	10-1	10-1
Urgent Procurement Actions	10-2	10-1
 Chapter 11 MILITARY DEPARTMENT CONTRACTING OPERATIONS		
General	11-1	11-1
Advance Payments	11-2	11-1
Progress Payments	11-3	11-1
Civil Service Considerations	11-4	11-1
Commencement of work	11-5	11-2
California State Contracts Register	11-6	11-2
Department of General Services Approval	11-7	11-3
Requests for Proposals	11-8	11-4
 Chapter 12 SERVICE ORDERS		
Service Order (Type A)	12-1	12-1
Contractor Identifications Numbers	12-2	12-1
Drug-Free Workplace Certifications	12-3	12-1
Service Order Documents	12-4	12-1
 Chapter 13 FORMAL CONTRACTS		
Formal Contracts (Type B)	13-1	13-1
Preparations of Bid Packets	13-2	13-1
Review of Bids Received	13-3	13-1
Contract Award	13-4	13-2
Contracting Officer's Representative	13-5	13-2
 Chapter 14 STATE MASTER RENTAL/MASTER SERVICE AGREEMENTS		
General	14-1	14-1
Master Rental Agreements	14-2	14-1
Copies of Master Rental/Service Agreements	14-3	14-1
Request for Services	14-4	14-1
 Chapter 15 REPORTING COMPLETION OF SERVICE		
General	15-1	15-1
Contract/Contractor Evaluation	15-2	15-1
Distribution of Blank Evaluation Forms	15-3	15-1
 Chapter 16 CONTRACTING OFFICER'S REPRESENTATIVE DUTIES AND RESPONSIBILITIES		
General	16-1	16-1
Scope of the COR's Authority	16-2	16-1
COR Duties	16-3	16-1
Change, Alter Plans or Specifications	16-4	16-2
Progress Reports	16-5	16-2

	<u>Paragraph</u>	<u>Page</u>
Contract/Contracting Problem Reports	16-6	16-2
Resolution of Disputes	16-7	16-2
COR's Arrangement Requirements	16-8	16-3
Correspondence Between COR and Contractor	16-9	16-3
Chapter 17	DEFINITION OF TERMS	
Definitions	17-1	17-1
APPENDICES:		
APPENDIX A	Sample Drug-Free Workplace Certification	A-1
APPENDIX B	Record of Price Quotation	B-1
	Price Quotation Continuation Form	B-2
APPENDIX C	LPA Renewal or Amendment	C-1
	Sample LPA (STD 40A)	C-2
	Local Purchase Authority Record	C-3
APPENDIX D	Record of Price Quotation	D-1
	Units of Measure	D-2
	Sample Purchase Request-Competitive	D-3
APPENDIX E	Sample Purchase Request-Formal	E-1
APPENDIX F	Sample Purchase Request-State Contract	F-1
	Sample Purchase Request-State Price Schedule	F-2
APPENDIX G	Sample Purchase Request-Material Services	G-1
	Sample Purchase Request-Material Services Publication	G-2
	Notice of Exceptions	G-3
APPENDIX H	Sample Purchase Request-Printing	H-1
	Sample Purchase Request-Business Cards	H-2
	Business Card Instruction Sheet	H-3
	Sample Purchase Request-Rubber Stamps	H-4
APPENDIX I	Stock Received Report	I-1
	Acknowledgment of Delivery	I-2
APPENDIX J	Sample Purchase Request-Service & Repair Order	J-1

CHAPTER 1

GENERAL PROVISIONS

1-1. **PURPOSE AND SCOPE OF THIS REGULATION.** a. This regulation is designed to acquaint personnel involved in purchasing and contracting activities with the various procurement programs of the State of California and the Military Department. The policies and procedures referenced in this regulation are an extension of the procurement and contracting rules and regulations of the State of California set forth in the State Administration Manual (SAM).

b. This regulation pertains to State Non-Emergency conditions. During State Emergency operations, specific instructions regarding purchasing and contracting will be provided in accordance with the State Emergency Procedures Manual (EPM).

c. This regulation pertains to the use of the Armory Discretionary Improvement Funds. Armory and Air Base/Station commanders must have a "Plan for Expenditure" and process the request through the area coordinator to Facilities Armory Management (CAFE-AM) or Air Division Civil Engineering Officer (ANG/DE) in accordance with CAL ARNG Regulation 210-11.

1-2. **SUPPLEMENTING REGULATIONS.** This regulation may be supplemented only by policy letters which are issued periodically by the Purchasing and Contracting Branch, Comptroller's Office, Office of The Adjutant General (OTAG).

1-3. **PURCHASE VS. CONTRACT.** a. Chapter 2-10 of this regulation addresses purchasing and the accounting for receipt of material. Contracting for services is addressed in Chapters 11-16. In determining applicability of procedures, the rule is transactions with less than 10% labor charges are purchases, while transactions with greater than 50% labor charges are services. Transactions with labor charges between 10%-50% require consultation with the Purchasing and Contracting Branch to determine the appropriate method of acquisition.

b. Certain procurement activities are by their very nature always considered contracting actions without regard to the division of dollar value between material and labor. Examples of these activities include requirements for painting of buildings, roof repairs, etc.

c. Final determination of the appropriate procurement method for any specific acquisition project rests with the Chief, Purchasing and Contracting Branch.

1-4. **THE STATE PROCUREMENT SYSTEM.** a. The State procurement system is designed and operated to buy the right material of the right quality in the proper quantity at the right time from the proper source while conserving public funds through reduction in cost and improvement in the quality of materials purchased.

b. The State has adopted centralized purchasing to reduce the overhead cost of buying and to reduce the volume and streamline the flow of paperwork. The Office of Procurement, Department of General Services, is responsible for every purchase of supplies or equipment in excess of \$100 and for contracts for purchases for every State agency. By concentrating all purchases in one organization the State strives to achieve standardization, elimination of duplication of effort, and lower prices as a result of volume buying.

c. As it relates to the Military Department, the State procurement system exists primarily to support the operation and maintenance of facilities. The supplies and equipment required to support the State infrastructure are acquired via the State supply system (the State Procurement system described in this regulation). With the exception of the Office of The Adjutant General, supplies and equipment required to support unit activities (operations) are acquired via the Federal supply system.

1 October 1992

1-5. PROCUREMENT SYSTEM PARAMETERS. a. Competitive Purchasing.

(1) The State is committed to a program of active competition in the purchase of commodities. Government Code Section 14781 makes it illegal for any agency or employee to draft or cause to be drafted any specification in such a manner as to limit the bidding directly or indirectly to any one specific vendor, or any specific brand, product, thing, or service. It is the aim and desire of the Office of Procurement to require that such competition be at all times conducted with responsible vendors, and the materials bought through such competition be properly suited to the job intended both as to price and quality.

(2) When an activity preparing a requisition determines that an article of a specified brand or trade name is the only article which will properly meet its needs, the activity will state such fact on the requisition and set forth all reasons requiring purchase of the specified item.

(3) When the range of bids received is such that procurement is not in the best interests of the State, all bids will be rejected.

b. Prohibited Practices.

(1) No State officer or employee will personally derive any benefit from use of facilities available to the State for the purchase of equipment, supplies, or commodities. Use of subpurchase orders or other State purchasing procedures to obtain property for personal use, or misrepresentations to vendors that personal purchases are for the State, for the purpose of obtaining price discounts not allowed on personal purchases, will expose officers or employees to prosecution under Penal Code provisions relating to embezzlement and theft.

(2) No Military Department employee nor any member of the employee's immediate family may derive any financial benefit from any procurement action executed by the Military Department.

(3) No Military Department employee nor any member of the employee's immediate family may accept any gift or gratuity (to include gratuitous product samples) from any vendor or potential vendor doing business with the Military Department.

(4) No Military Department employee shall accept from a potential vendor any free "field trial" service without prior approval from the Chief, Purchasing and Contracting Branch. The practice of accepting such trial services could potentially lead to complaints from other vendors not afforded a similar opportunity to display their wares, as well as potentially placing the employee in a position of defending against an accusation of accepting gratuities.

(5) No Military Department employee shall draft a specification that is unduly restrictive of competition (between manufacturers or between retail vendors), or that sets forth more than the minimum actual requirements of the State. Purchase descriptions shall include the common generic identification of the item required. A request to procure "brand name or equal" must detail the physical, functional, or other characteristics of the referenced product(s) which are essential. Procurement specifications from requesting activities are reviewed by the concerned fund manager and by Purchasing and Contracting Branch to insure compliance with this procedure.

(6) Requests to issue a purchase order after the goods have been received by the requesting activity will not be honored by Purchasing and Contracting Branch. After the fact orders ("Confirming Orders") will not be considered unless prior coordination has been accomplished with the Chief, Purchasing and Contracting Branch.

(7) An employee who represents himself to a vendor or contractor as having the authority to execute or approve a procurement action when in fact such authority is not vested with the employee exposes himself to potential disciplinary action.

(8) No employee shall make representations, commitments, or statements that a vendor or contractor will be awarded a contract or purchase order prior to the actual award of a contract or purchase order by the Purchasing and Contracting Branch.

c. Incompatible Activities.

(1) As a requirement of the terms and conditions of the Delegated Purchase Program, issued by the Department of General Services' Office Procurement, state agencies must ensure that all personnel involved in the procurement function are "free from conflict of interest" and do not engage in "incompatible activities" (Government Code Section 19990 covers incompatible activities).

(2) The Military Department utilizes the Incompatible Activities Statement (OTAG Form 900-24 [rev 1/87]) to identify those activities considered incompatible with State employment. Each employee involved with the purchasing and contracting process, regardless of civil service classification (Federal or State) is required to have a signed statement on file. The signed statement must be available for audit.

1-6. PURCHASING AND CONTRACTING BRANCH. a. Purchasing and Contracting Branch, Comptroller's Office, OTAG, is responsible for purchasing all equipment, supplies, and other required commodities for the Military Department within the State procurement system. Purchasing and Contracting Branch can provide assistance in the areas of:

- * Prerequisite investigation of possible supply sources and alternative product examination.
- * Material specification preparation.
- * Order follow-up and materials expediting.
- * Enforcement of terms and conditions of sales, including product quality as well as delivery standards.

b. Questions concerning procurement should be referred to Purchasing and Contracting Branch. It is the policy of the Military Department that Purchasing and Contracting Branch is the single point of contact with the Office of Procurement, Department of General Service. Direct contact with Office of Procurement by other elements of the Military Department without the prior specific approval of the Chief, Purchasing and Contracting Branch is prohibited.

1-7. PURCHASES AND CONTRACTS WITH SMALL, MINORITY, WOMEN-OWNED AND DISABLED VETERAN BUSINESS ENTERPRISES. a. The California Government Code mandates that a fair share of the State's purchases and contracts for goods and services be placed with small businesses.

b. The Public Contract Code mandates business placement goals of 15% for minority business enterprises (MBE) and 5% for women business enterprises (WBE). These two mandatory goals are separate and distinct from each other.

c. The Military and Veterans Code mandates that all purchases and contracts awarded by state government entities for construction and certain related purposes have statewide participation goals of not less than 3% for disabled veteran business enterprises (DVBE).

1 October 1992

d. The goal of the Military Department is to meet all statewide participation goals. Individuals charged with the management and prioritization of expenditures of funds dedicated to the support of a specific Military Department program or activity will take an active role to involve small, minority, woman and disabled veteran businesses in day-to-day purchase activity.

e. Definitions:

(1) **Small Business:** A business, in which the principal office is located in California, which is independently owned and operated, and which is not dominant in its field of operation.

(2) **MBE/WBE:** A business concern, (1) which is at least 51% owned by one or more minorities or women or, in the case of publicly owned business, at least 51% of the stock of which is owned by one or more minorities or women, and (2) whose daily management and daily business operations are controlled by one or more such individuals.

(3) **DVBE:** A business concern, (1) which is at least 51% owned by one or more disabled veterans or, in the case of publicly owned business, at least 51% of the stock of which is owned by one or more disabled veterans, and (2) whose daily management and daily business operations are controlled by one or more such individuals.

f. Evaluation and progress of the Small Business Procurement and Contract Act is monitored by quarterly reporting by the Military Department to the Office of Small and Minority Business (OSMB), Department of General Services.

g. The level of participation by small, minority, women, disabled veteran business enterprises is reported annually to the Governor and the Legislature. If the established goals are not being met, the Department must report the reasons for its inability to achieve the standards and identify remedial steps it will take.

h. Ethnic Identification Codes:

MALE

FEMALE

a = American Indian
b = Asian
c = Black
d = Filipino
e = Hispanic
f = White

W = Woman-owned Business

i. Ethnic Group Key

(1) **American Indian.** Includes all people having origins in any of the original peoples of North America. Individuals must be no less than one-quarter (25%) American Indian and who are recognized by either a tribe, tribal organization, or a suitable authority in the community. Alaskan native includes Eskimo and Aleuts.

(2) **Asian-Americans:**

(a) **Asian-Pacific Americans:** Includes all people of Chinese, Japanese, Korean, Okinawan, Thai, and Vietnamese or Southeast Asian descent

(b) **Pacific Islanders:** Includes all people of Hawaiian Samoan, and Guamanian descent.

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

(c) **Asian-Indian American:** Includes all people whose origins are from India, Pakistan and Bangladesh

(3) **Black.** Includes all people of Black racial groups.

(4) **Filipino.** Includes all people having origins in the peoples of the Philippine Islands.

(5) **Hispanic.** Includes all people of Mexican, Puerto Rican, Central or South American descent, or other Spanish Native language culture or origin.

(6) **Woman-Owned Business.** If also minority owned, business will be coded as minority only.

j. Small Business Codes.

Small	S
Non-small	N

k. Small Business(es) Key

(1) A business which has requested the status of a small business and has been approved as such by the Office of Small and Minority Business.

(2) A concern shall not qualify as a small business if it is not, together with any affiliate(s), dominant in its field of operations.

(3) A business which is independently owned and operated, with the principal place of business located in California, and the officers, in the case of a corporation or owners in all other cases, of such business domiciled in California.

(4) A business which does not have, together with any affiliates, annual receipts in the aggregate for the prior three years which exceed maximum receipts specified for applicable industry groups whether contractor, non-manufacturer, manufacturer or service firm.

1. The goal of the Military Department is to place a minimum of 25% of its purchases and contracts with small businesses.

1-8. **DRUG-FREE WORKPLACE CERTIFICATION.** a. The Military Department may do business only with firms who certify that their firm maintains a "Drug-Free Workplace". Every contractor/vendor who does business with the state, must comply with the code and provide certification.

b. Completed Drug-Free Workplace Certification forms (Standard Form 21, with original signature) must accompany each Purchase Request, Service/Rental Request, and/or Local Purchase Authority (LPA) transaction or a current form must be on file in Purchasing and Contracting Branch.

c. Purchasing and Contracting Branch will compile a list of all vendors with a current Drug-Free Workplace Certification on file. The expiration date of the certification will be noted on the report. This list will be updated quarterly and distributed to each fund manager.

1 October 1992

1-9. OPERATIONS DURING NON-BUDGETARY PERIODS. a. In the event that the California State Legislature and the Governor of California do not have a signed budget by July 1 of the new fiscal year, normal procurement and contracting functions are suspended.

b. Purchasing is prohibited by any method including Local Purchase Authority, Service and Repair Order Delegations and the processing of Purchase Requests/Orders by the Purchasing Section.

c. The only exception to purchasing during a non-budgetary period is for an emergency expenditure. Compliance with the following criteria is essential:

(1) The emergency request must be processed and issued by the Purchasing and Contracting Branch. Absolutely no Local Purchase Authority or Service and Repair Orders will be issued for emergency situations in non-budgetary periods.

(2) A detailed statement describing the nature of the emergency must be attached. The Legislature has strictly defined "emergency expenditure" as an expenditure incurred in response to conditions of disaster or extreme peril which threaten the health or safety of person or property within the State.

(3) The Purchase Request(s) must be approved by the Comptroller.

(4) All information required for processing the document under "normal" situations must be provided.

CHAPTER 2

MILITARY DEPARTMENT PURCHASING OPERATIONS

2-1. **THE PROCUREMENT CYCLE.** a. The cycle of procurement may be divided into specific sequential steps for examination and discussion. These steps are:

- (1) Identification of need
- (2) Determination of responsible agency
- (3) Examine timing of purchase
- (4) Preliminary vendor search
- (5) Obtain comparative quotations
- (6) Identify funding
- (7) Transmit purchase request
- (8) Procurement Process (performed by Purchasing and Contracting Branch)
- (9) Receipt of goods
- (10) Processing and payment of vendor invoice

In a number of procurement actions these steps may overlap and in certain circumstances they may not occur in the order listed; however, in the preponderance of cases procurement actions will follow this sequence of events.

b. Identification of Need.

(1) The first step in the cycle is the identification of a need for an article or a service (or a combination of the two). For example, the need may result from a requirement to:

(a) Replace an article which has been in place for a period of time; such as burned out light bulbs, a replacement part for a machine, or a new device to replace one which is worn out.

(b) Replenish stocks of consumable supplies such as janitorial supplies or office stationery.

(c) Support a new function or activity.

(2) At the time a requirement for a procurement action is recognized, a determination must be made concerning whether such requirement is properly classified as a purchase or as a service contract. The rule of thumb concerning classification is that the predominance of value received for the funds paid out must be goods or merchandise for an action to be considered a purchase. Many aspects of the proposed action may be examined to make this determination. If an action is determined to be a service requiring contracting action reference should be made to Chapters 11-16 of this regulation for procedures to be followed.

(3) During this first step of the cycle, a determination must be made concerning the urgency of need of the purchase. A procurement action which must proceed on an urgent or emergency basis may be handled in the manner described in Chapter 10 of this regulation.

c. Determination of Responsible Agency.

- (1) In determining the agency responsible (Federal or State) to procure required material the intended use of item(s) is the primary factor considered.
- (2) Material intended to be utilized by units and activities will normally be procured through Federal channels by the United States Property and Fiscal Office (USPFO) utilizing Federal funds.
- (3) Items intended to support the operation and maintenance of facilities (OTAG, IMPACT, CCC, warehouse, armories, training sites and air bases/stations) will normally be procured with State funds by the Purchasing and Contracting Branch.
- (4) Fund managers through which requests for procurement action (RFPA) flow will review these requests and reroute those requests improperly forwarded in either system.
- (5) Requests arriving at OTAG Purchasing and Contracting Branch will be screened to insure their appropriateness for State procurement action.

d. Examine Timing of the Purchase.

- (1) All State activities which have recurring procurement requirements should develop a purchasing plan on an annual basis. Proper projection of requirements and planning of purchases will insure sufficient lead time and eliminate unnecessary "emergency" procurement actions.
- (2) Development of a procurement plan is required for articles defined as "equipment" by SAM 8602. The plan to procure equipment items is normally developed during the prior fiscal year budget preparation cycle.
- (3) Acquisition of certain commodities must be reviewed and approved by "control agencies" outside of the Military Department and the Office of Procurement. Review of requests for procurement by these agencies takes time and must occur before the purchase action can be forwarded to Office of Procurement. In these cases ordering activities must take action early enough to allow for these reviews (in addition to the normal time required for purchasing) prior to the date the material is required by the user. Documents are submitted to control agencies by the Purchasing and Contracting Branch.
- (4) Office of Procurement announces annually specific "cut-off dates" for various types of purchase requests in order for the purchase to be taken from current year funds. Purchasing and Contracting Branch publishes these dates for the use of fund managers in determining the last day of the fiscal year which Purchasing and Contracting Branch will accept requests to procure various categories of material. Often final request submission dates occur several months prior to the close of the State fiscal year and if the fund manager misses the deadline the purchase must be deferred until the following State fiscal year.

e. Preliminary Vendor Search.

- (1) Locating commercial vendors initially serves a twofold purpose. First, it is necessary to determine that a required item is available commercially ("off the shelf") and does not have to be fabricated. Second, locating an initial vendor provides a price estimate which is necessary in determining the path which the purchase action will take. Also, initial vendor pricing provides information to the requestor and the concerned supervisor to evaluate if the purchase action should proceed any further, be reduced in scope or quantity (e.g. unit cost too expensive), or perhaps be increased in quantity (e.g. unit cost less than anticipated).

(2) Requesting activities will many times be aware of local vendors to make initial inquiries based upon the type of goods sold by the vendor (e.g. hardware items, office equipment, etc.), and/or previous purchases made from a local vendor. The Purchasing and Contracting Branch is available to provide assistance in locating vendors.

(3) Catalogs are an excellent source of initial vendor and pricing information. Requesting activities which frequently purchase certain commodities are encouraged to build a small library for vendor catalogs and pamphlets.

(4) The most significant aspect of the preliminary vendor search is determining if the required article is available from Mandatory Sources i.e., Materials Services ("State Stores") Prison Industry Authority (PIA), State Contract or State Price Schedule (SPS). NOTE: See Chapter 6-5 for the exception to mandatory usage of SPS.

(a) Activities which frequent purchase requests and their approving supervisors and fund managers, will be issued Material Services and PIA catalogs and receive copies of frequently used State Contracts and SPS for their use in identifying available products.

(b) Items available from Materials Services must be ordered from that source (see Chapter 7). Items available on State Contract must be ordered from the contract vendor if the contract conditions can be met (see Chapter 6). Items on SPS must be ordered from the SPS unless a significant advantage to the State can be realized by purchasing the articles elsewhere (see Chapter 6). Items available from Prison Industry Authority must be ordered from that source.

f. Obtain Comparative Quotations.

(1) Assuming the preliminary vendor search established that the required article(s) would be appropriately purchased from an outside vendor, a number of different potential vendors must be contacted for price quotations as required by the purchasing program to be used:

(a) Local Purchase Authority (LPA) purchases require one quote for commonly available items and/or for non-standard/unique items (see Chapter 3).

(b) Department Delegation purchases require from one quote to three quotes, depending upon the amount of the transaction. (see Chapter 4).

(c) Formal Purchase Orders (to be issued by Office of Procurement) require a single price quote (see Chapter 5).

(2) Regardless of the type of purchasing program being utilized or the number of quotes required, adherence to specific standards in developing quotations is required.

(3) All vendors must quote on like items.

(a) Care must be taken (just as in the preliminary vendor search) that the requesting activity has decided on a specific make/model of article based upon an initial generic specification of the required functions and capabilities of the item. This specification must not be unduly restrictive of competition (between manufacturers or retail vendors) and set forth only the minimum actual requirements of the State.

(b) Quotations must be solicited on like items based upon the brand and model of article acceptable for purchase.

1 October 1992

(c) Purchasing and Contracting Branch will review requests for applicability of generic product characteristic standards and may suggest alternate product lines; however, fund managers' decisions as to specific brand name items will not normally be altered except in cases involving "sole source" purchases, cases where quotations are not responsive to the requirements, or where there appears to be a significant advantage to the State in procuring an alternate product.

(4) All vendors must be quoting on a like quantity.

(a) The quantity in which a product is purchased will often affect the price a vendor will charge for the item. All vendors contacted for quotations should clearly understand the anticipated quantity of the purchase.

(b) If during the gathering of quotes a price is developed which will permit purchasing of a greater quantity than originally anticipated for the same total cost (and the fund manager determines to make the larger purchase) each vendor who had previously provided a quote at a lower quantity must be recontacted and provided an opportunity to quote again on the larger quantity purchase.

(5) All vendors should be quoting the same delivery basis.

(a) A factor which must be evaluated in determining the lowest cost of acquisition is the cost of the material reaching the requesting activity - the transportation cost.

(b) This factor is most often expressed as Free on Board (FOB) basis. FOB point is simply that place to which the purchase is transported free. The cost of moving the item from place of manufacture to the FOB point is included in the price quoted by the vendor. FOB has also been commonly referred to as Freight on Board. The Department of General Services Traffic Management Division has determined that the use of either phrase is appropriate.

(c) Most small purchases for facility (armory/training site/airbase) maintenance will be picked up at the vendor's place of business and delivery charges will not be a factor in the purchase decision, provided all potential vendors are local to the facility. FOB basis would be expressed as "will call" on the RFP. Tax rate is based on the vendor's location.

(d) Other purchases to support facility maintenance or repair projects may come from local or regional vendors where delivery to the work site is desired. When a vendor will charge extra to deliver to the location where the commodity is ultimately required, the FOB basis may be expressed as "pre-pay and add" followed by the name of the city in which the vendor's shop is located. When delivery to worksite is included in price quoted by the vendor the FOB basis is expressed as "destination". In either case, the tax rate is based on the "ship to" location (i.e. where the items requested are taken possession of by Military Department representative).

(e) Some shipments of purchased goods will originate a great distance from the delivery location. If the basis is not FOB: Destination (that is, if delivery was not included in the quoted price) the actual city from which the State will pay transportation charges must be specified. Notations such as FOB: Pre-pay and Add - Fresno, CA or FOB: Pre-pay and Add - New York, NY properly express the FOB basis. Notations like FOB: Vendor's Warehouse are not permissible.

(f) RFP reaching Purchasing and Contracting Branch should all quote the same FOB basis; however, in those cases where it is not possible to provide the required number of quotes with the same basis, differing quotes may be listed as long as the FOB point is clearly noted for each quote.

(g) At the time of price quotation, each vendor must provide a date of final delivery (to be stated as "after receipt of order"-ARO). This should be noted on the RFPA as "date wanted" (e.g, 15 days ARO).

(6) When price quotations are solicited for all but LPA purchases, vendors should be requested to provide a price quote valid for at least 30 days.

(7) In those cases where verbal price quotations are solicited a record of price quotation (OTAG Form 37-3-5) must be prepared. See Figure 2-1, page B-1 for sample. A price quotation continuation form (OTAG Form 37-3-5a) is also available. See Figure 2-2, page B-2, for sample.

g. Identify Funding.

(1) The process of identifying proper funding should commence at the time the need for the purchase action is identified. One factor in determining that the State is responsible for the procurement is the verification by the approving supervisor and/or fund manager that the proposed purchase can be properly charged to an existing State object of expense account.

(2) As the vendor search and comparison quotation phases proceed, further review should be done by the approving supervisor to insure that it is fully appropriate to charge the proposed purchase to the account originally intended and that the fund manager believes sufficient funds are available to support the request as comparison prices are developed.

h. Transmit Purchase Request.

(1) Routing of requests for Local Purchase Authority (LPA) purchase orders is the internal function of the organization granted LPA authority by Purchasing and Contracting Branch. Documentation of request and approval specified in Chapter 3 is required for retention in the organization's record file.

(2) Requests for purchase orders to be processed by Purchasing and Contracting Branch will normally be prepared on Military Department Purchase Request OTAG Form 37-3-4 (6 part form) and signed by the requesting official (originator) and approving authority.

(a) Specifics concerning completion of the OTAG Form 37-3-4 are found in the respective chapter concerning the type of purchase action being sought by the requesting organization.

(b) Routing of these documents between the originator and the fund manager will be determined by the fund manager who must insure that OTAG Form 37-3-4 reaches Purchasing and Contracting Branch with the proper commodity description (including appropriate SLAMM classification), properly documented comparative quotations, appropriate fund citation, and signature of the fund manager. All purchase requests must be routed through either State Accounting (CAST-SA) or Federal Accounting (CAST-FA), depending upon type of funds used for purchase action (State or Federal), for assignment of a fiscal control number (FCN) and encumbrance of funds prior to the action reaching the Purchasing and Contracting Branch.

i. Procurement Process.

(1) The process of actually accomplishing the purchasing action (except LPA purchase orders) is performed by the Purchasing and Contracting Branch at OTAG.

1 October 1992

(2) During the procurement process questions may arise regarding the requirements of the originator. Purchasing and Contracting Branch will normally address these questions to the fund manager who approved the purchase request. When prompt action is required to meet the needs of the requesting organization, Purchasing and Contracting Branch may contact a field element (the requestor) directly.

(3) Prior to completion of the purchasing action, fluctuation in price may occur. Minor variations increasing or decreasing the dollar value of the order will be administratively approved by Purchasing and Contracting Branch. Fund managers will be notified by distribution of a copy of the final purchase document. No separate notification will be made.

(4) Major changes in the proposed value of a purchase action (increases greater than \$100.00) will be referred to the fund manager for a commitment (verbally or in writing) prior to the purchase document being issued.

(5) When a purchase document is issued by Purchasing and Contracting Branch a copy is forwarded to the approving fund manager. This copy is intended to provide final information concerning the dollar value of the order, the selected vendor, and the estimated delivery date to the fund manager, intermediate approving supervisors, and the requestor. This copy also provides information required by receiving personnel to accurately check the order when received.

j. Document Receipt of Goods.

(1) Receipt of articles purchased under Local Purchase Authority (LPA) is documented by the person receiving and signing the Sub-Purchase Order (STD 40A) in the certification of receipt box at the bottom of the form. This procedure may be followed only in those cases when the merchandise is picked up at the time the LPA document is turned over to the vendor. In those instances where merchandise is delivered at a later time, procedures described below for use of a Stock Received Report (SRR) must be followed.

(2) Receipt of goods purchased under any procurement program other than LPA must be documented by use of a Stock Received Report (STD 106).

(a) Each Military Department activity designated to receive vendor deliveries will have a specific individual responsible for completing the SRR after checking in orders.

(b) Stock Received Reports must be completed and forwarded to the Military Department ATTN: CAST-AP, on a daily basis as partial and/or complete orders are received.

(c) Detailed completion instructions for the SRR will be found in Chapter 9.

k. Processing and Payment of Vendor Invoices.

(1) The process of reviewing, validating, and effecting payment of vendor invoices is accomplished by the Accounts Payable Section of the Accounting Branch at the Military Department.

(2) All purchase documents issued by Purchasing and Contracting Branch or by Office of Procurement will specify that vendor claims (invoices) should be presented directly to Accounts Payable Section and not to the delivery location of the goods.

(a) Personnel at field elements (delivery locations) should take no action which would cause a vendor not to mail a claim for payment directly to the Military Department.

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

(b) Vendor invoices mistakenly mailed to delivery locations (or arriving with the goods purchased) must be forwarded directly to the Military Department ATTN: CAST-AP.

(3) Provisions of law and procedures found in the State Administrative Manual govern the methods and priorities for payment of claims.

(a) Field elements may not make any guaranty as to a specific time period required to process an invoice nor make any commitment concerning any certain day or date an invoice will be paid.

(b) Requests for such commitments from vendors should be referred to Purchasing and Contracting Branch for response.

(c) No invoice (except LPA purchases) is processed for payment until a Stock Received Report (STD 106) is received specifying the items and quantities actually received.

(4) Because of the necessity to expeditiously process vendor invoices, Accounts Payable personnel may, on occasion, contact personnel at delivery locations directly. Any questions not resolved between Accounts Payable and receiving personnel will be referred to the concerned fund manager by the Accounts Payable.

(5) The State of California is required by law to the pay late payment penalties on vendor invoices where payment is delayed. Additional penalties are due when the vendor is a small business and final payment is not made within 30 days after the vendor presents the invoice.

(6) Following audit by Accounts Payable Section, invoices are transmitted to the State Controller's Office for payment to the vendor. Invoices are not paid directly by the Military Department.

2-2. **TYPES OF PROPERTY.** a. All property purchased through the State procurement system will be classified as either "equipment" or "operating expense" items.

(1) Articles classified as equipment items require special coordination between the fund manager, Purchasing and Contracting Branch, and Budget Branch.

(2) Requesting activities anticipating a need to acquire property classified as equipment must begin the coordination process with the concerned fund manager as the need for the item is first identified.

(a) The cost of equipment includes the purchase price plus all costs to acquire, install and prepare equipment for its intended use (SAM 8614).

(b) Development of a Procurement Plan is required for articles defined as equipment. Activities intending to purchase items classified as equipment, must coordinate with the appropriate Budget Branch during the prior fiscal year budget cycle to insure their intended acquisition appears on the approved Military Department Equipment List. (Sch. 9)

(c) When the activity wishes to purchase an item that has been identified on the current fiscal year Equipment List, an OTAG 37-3-4 Requisition Form is prepared and forwarded to the appropriate Accounting Branch for verification of funding. The request is then forwarded through CAFE-AM (for Control Documentation) to CAST-PC.

1 October 1992

b. Equipment items are those articles specifically identified as such on the Equipment List (Sch 9); and such other moveable articles of nonexpendable property which have all of the following characteristics:

- (1) A normal useful life (including extended life due to repairs) of four years or more.
- (2) An identity which does not change with use (i.e., not consumed by use or converted by fabrication into some other form of property.)
- (3) A nature that makes formal property accountability practical.
- (4) An approximate unit cost of \$500.00 or more.
- (5) Be used to conduct State business.

c. All fund managers and most approving supervisors have copies of the Equipment List available for reference.

d. Certain items that seem to fit the definition of equipment (i.e industrial hot water heaters, kitchen sink assemblies, central heating units, etc) may, in fact, be considered improvements/betterments if they meet the following criteria:

- (1) Is a non-consumable end item.
- (2) Loses its separate identity and becomes part of the building/land and its operating function.
- (3) Makes the asset (building/land) better than its previous condition.
- (4) Provides longer life, increased capacity and lower operating costs for the asset.
- (5) Is permanently attached/installed (i.e. electrically hard wired, plumbed, welded, etc) and will not function independently.

e. If the commodity you wish to purchase seems to fit the category of improvements/betterments, the following must be included with your RFPA:

- (1) A written justification detailing how the item meets all the above conditions.
- (2) An explanation specifically addressing how the item is installed and operates within the building or system.

NOTE: Items purchased under these conditions are capitalized to the asset benefited (SAM 8613).

f. When the Military Department determines that a certain article is appropriately classified as either equipment or operating expense, that article will continue to be classified in that manner regardless of any single item being slightly above or below the dollar value threshold.

g. In addition to items classified as equipment, requests for procurement of typewriters will also be forwarded through CAFE-AM, regardless of cost.

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

h. When an equipment item is being purchased, the corresponding item number identified on the Sch. 9 must be referenced on the Purchase Request. If an equipment item being purchased is a substitute for an item on the Sch. 9, the corresponding item number being substituted must be referenced on the Purchase Request.

2-3. **LEASE VERSUS PURCHASE.** a. In those cases where a request to lease or rent certain specified equipment items (e.g., copy machines) for more than 90 days is submitted to the Purchasing and Contracting Branch, a formal analysis must be conducted to determine the relative benefits to the State if the item was leased rather than purchased outright.

(1) In all cases where an equipment item is proposed for purchase and it is intended to be employed on one project without a future need for the item, leasing should be considered.

(2) Fund managers are responsible for completion of the Lease-Purchase Analysis Form to be submitted with OTAG Form 37-3-4 Purchase Request to Purchasing and Contracting Branch.

(3) Early coordination with the Purchasing and Contracting Branch on transactions where the question of a lease will be a factor may reduce potential delays in completing the action.

b. Short term rental of equipment for facility maintenance and repair projects (e.g., ditch digging machines, paint sprayers, etc.) are processed as service orders and are discussed in Chapter 12. Repeated need to rent the same type of equipment would raise a question concerning the appropriateness of equipment lease or purchase of the item.

c. Lease-Purchase Analysis Forms are available from the Purchasing and Contracting Branch.

CHAPTER 3

LOCAL PURCHASE AUTHORITY

3-1. **GENERAL.** a. Local purchasing is a method by which minor purchases of commodities may be made by the using activity without resorting to more formal, time consuming, and expensive procurement procedures.

b. Local Purchase Authority (LPA) is extended to individuals who, due to the nature of their assignment and the mission of their organization, are required to procure materials. Service and repair orders and/or rentals are not authorized.

c. Although most goods are obtained by submission of a requisition through channels to the Purchasing and Contracting Branch, it has been found that utilization of the local purchase authorization program is a quick, convenient and cost effective part of the Military Department's procurement system.

(1) This program is quick and immediately responsive because as rapidly as a justifiable need is recognized, action can be taken within the overall limitations of the LPA document.

(2) The program is convenient in that goods valued at \$100 or less may be obtained locally without the time lapse experienced when a requisition is forwarded through channels to the Purchasing and Contracting Branch.

(3) The program is cost effective in that it eliminates the expense associated with preparation of requisitions at the local level, submission through channels, and issuance of a purchase order.

d. A fund manager who identifies a requirement for frequent small purchases of items required locally on short notice may seek to establish a LPA, by making a written request to the Purchasing and Contracting Branch.

3-2. **PROGRAM ELEMENTS AND RESPONSIBILITIES.** The Local Purchase Authority procurement program consists of two elements: responsibilities and actions by the fund manager involved; and, procedures and authority of the Purchasing and Contracting Branch.

a. Fund Manager's Responsibilities.

(1) The fund manager must designate, from the options provided by Purchasing and Contracting Branch, the specific types (categories) of items to be purchased.

(2) Fund manager must formally designate the specific individual(s) authorized to purchase under authority of the LPA.

(3) Fund manager must allot a specific amount of money from account(s) under his control which will then only be available for encumbrance via the LPA.

b. Purchasing and Contracting Branch Responsibilities.

(1) The Chief, Purchasing and Contracting Branch will determine, based upon consultation with the fund managers involved, what categories of commodities will be permitted to be procured within the LPA Program. The respective fund managers may further restrict the scope of LPA authorizations issued to individuals and activities under their control. However, the scope of authority may not be expanded.

1 October 1992

(2) The maximum allowable dollar value of documents issued by respective LPA holders will be determined by the Chief, Purchasing and Contracting Branch up to the legal limit of \$100. The maximum order amount is specified on the Local Purchase Authority authorization document issued by Purchasing and Contracting Branch.

(3) The Supervisor, Accounts Payable Section, will audit LPA documents forwarded from issuing activities and claims for payment presented by commercial enterprises with emphasis on the following factors:

(a) Articles procured are within the scope authorized by the specific LPA issued to the respective activity.

(b) Appropriate small/minority/woman/disabled veteran business enterprise designation codes are annotated on record copy of LPA document. Minority and woman owned business enterprises who are self certifying will have completed the Minority/Women Business Enterprise (M/WBE) Certification (STD 842) which the fund manager will insure is attached to the LPA.

(c) LPA document is mathematically correct (including trade discounts, if applicable).

(d) LPA document has been issued in compliance with other provisions of this regulation.

(e) A Drug-Free Workplace Certificate, completed and signed by the vendor, is on file in CAST-PC or attached.

c. **Purchasing and Contracting Branch Authority.** The Purchasing and Contracting Branch Chief has the authority to restrict the utilization of the LPA Program to whatever extent is required to insure complete compliance with the State Administrative Manual, procedural rules of the Office of Procurement, and policies of the Military Department.

3-3. **PROGRAM CONSIDERATIONS.** a. Personnel delegated Local Purchase Authorization are responsible for insuring that the State is getting the best buy for its money. This is done by competitive buying. Normally, competitive buying is accomplished by obtaining at least two price quotations for each purchase. While there are times and circumstances in which it is not practical to obtain two quotations, this practice should be followed whenever possible.

(1) In those cases where competitive bids are received, the name(s) of the vendor(s) submitting bids and the amount of the bid will be noted on or attached to the purchaser copy (copy 4) of the Sub-Purchase Order.

(2) In those cases where it was determined to be impractical to secure competitive bids a brief explanation will be entered on or attached to the purchaser copy of the Sub-Purchase Order.

(3) Multiple purchases are authorized only when the following two conditions exist:

(a) Materials being purchased are separate commodities (e.g. paint, grass seed, etc.) and are being purchased for separate projects. Projects should be identified on STD 40A when issuing more than one order to a vendor on the same day, and,

(b) The vendor was selected as low bidder as a result of two competitive bids. (Competitive bids are required for all purchases for which there are multiple sources).

b. In instances when a vendor was selected because materials are not available from other sources, a justification must be annotated in the description block of the Sub-Purchase Order. The justification must explain why it is not available from other vendors.

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

c. Success of the Local Purchase Authorization program rests with vendor acceptance of the purchase document in the field, which is based upon prompt payment. This is achieved by insuring that a legible, accurate, and mathematically correct Sub-Purchase Order (STD Form 40A) is prepared and forwarded to the Military Department Accounts Payable Section within 24 hours of purchase. Following this procedure allows for sufficient processing time at both the Military Department and the Office of the State Controller.

d. An LPA may extend for any length of time designated by the fund manager except that LPAs will not normally be established for less than 30 days (except for State Emergency operations) and no LPA may extend beyond 30 June of any year. LPAs normally are effective for a full State fiscal year.

e. Fund managers must forward a request to Purchasing and Contracting Branch no later than 15 May of each year if it is desired that an expiring LPA be replaced with a new LPA on 1 July. That is also the appropriate time to review the conditions and limitations of the respective LPA and to request any changes the fund manager might wish for the upcoming fiscal year. Request for renewal or amendments to LPA conditions shall be submitted in the format identified in Figure 3-1, page C-1. This format provides easy identification and processing for LPA renewals and amendments. Requests submitted in other formats shall be rejected.

3-4. PROGRAM RESTRICTIONS. a. Only those materials specified on the LPA document may be purchased.

b. Local Purchase Authorization is delegated to the individual whose name appears on the authorization document and cannot be redelegated.

c. The following items are not authorized for local purchase:

- (1) Services and/or repairs.
- (2) Rentals.
- (3) Items classified as equipment.
- (4) Items from vendors outside the geographical boundaries of the State of California.

d. The small business status of the vendor and the minority/women/disabled veteran status of the business owner(s) must be shown on the LPA document.

e. A Drug-Free Workplace Certification (STD 21) must be attached to each LPA unless the vendor currently has a certification on file with the Purchasing and Contracting Branch.

3-5. PROCEDURAL STEPS. a. Standard Form 40A will be used for all purchases procured under the LPA Program. Particular attention is invited to the fact that the Form 40A serves as Sub-Purchase Order, Vendor's Invoice and Stock Received Report. See Figure 3-2, page C-2.

b. Form 40A is normally filled out at the vendor's business establishment at time of purchase. Vendor must sign and show title in appropriate space provided in the upper right hand corner of form certifying that payment has not been received. Show vendor invoice number or the shipping tag number or attach the invoice.

c. Writing or printing must be legible on all copies. Ball point pen or typewriter must be used. Care should be taken in completion of this form as alterations cannot be made on price or price extensions.

1 October 1992

d. The "Ship to" portion in upper center of form will include the issuing activity, street, address and city of the installation at which materials are to be received.

e. The block marked "Trade Discount" will be filled out. If no discount, indicate by writing in the word "none".

f. If the vendor will give the State a discount if the bill is paid within a specified period of time, enter the discount and time period in the space marked "Cash Discount". Discounts for payment in nineteen days or less are not allowed and will not be entered on the LPA document.

g. Insure that the quantity, units, and description are correct and that unit prices are properly extended before signing. If this information is correct, sign on the lower right portion of the form in the block marked "Authorizing Signature" and "Signature of Receiver". Just below the signature in the block marked "Title", enter Area Coordinator, Custodian, Base Engineer, etc., as appropriate.

h. The Local Purchase Authorization number, issued annually, will be entered in the Sub-Purchase Order number block, followed by consecutive numbering for each Sub-Purchase Order issued. By consecutively numbering each purchase order, every form can be accounted for.

i. In the "Charge to" portion of the form, print "Military Department, State of California ATTN: CAST-AP, P.O. Box 214405, Sacramento, CA 95821-0405".

j. If a number of items are purchased requiring more than one page, additional pages may be used by writing the words "page 1 of 2 pages", "page 2 of 2 pages", etc., in the upper right portion of this form above the "Charge to" address.

k. The small business status (see Para 1-8) of the vendor is entered followed by the ethnic code of the business owner(s). This notation is usually placed in the description column in the body of the LPA Form 40A. In the event that all the space in the body of the form is used the note may be entered at the top of the form just below the vendor's address.

l. LPA's issued without the above required information are unacceptable. See Figure 3-2, page C-2 for a properly completed LPA.

3-6. **DISTRIBUTION.** The instructions contained on the Standard Form 40A, relating to the distribution schedule for Standard Form 40A, are superseded. The following distribution schedule will apply:

a. Copy 1 is the Vendor's invoice and will be signed by the vendor in the block provided in the upper right portion of the form. This copy, along with copy 3 and 5 and the Drug-Free Workplace Certification, will be forwarded to Military Department ATTN: CAST-AP.

b. Copy 2 will be given to the vendor for his files.

c. Copy 4 will be retained by the purchaser (Area Coordinator, Base Engineer, etc.).

d. Remaining copies will be retained at the local level or disposed of.

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

3-7. **RECORD MAINTENANCE.** a. One copy of each Sub-Purchase Order will be maintained by the Purchaser for the fiscal year in which the document is prepared and one additional year. These documents must be filed and stored in such a way as to facilitate a review or audit by Purchasing and Contracting Branch.

b. A record of LPA purchases (OTAG Form 37-3-2) to include a declining balance must be maintained along with one copy of each Sub-Purchase Order. See Figure 3-3, page C-3 for a sample format.

CHAPTER 4

DEPARTMENT DELEGATION PURCHASING

4-1. **OFFICE OF PROCUREMENT DELEGATION.** The Office of Procurement has delegated to the Military Department authority to make specific categories of open-market commodity purchases within certain dollar value limitations. This delegated authority is based upon the Military Department processing delegation purchase orders under the same criteria and with the degree of diligence as Office of Procurement would exercise if processing the request for procurement action.

4-2. **CRITERIA FOR DELEGATED PURCHASE ELIGIBILITY.** Criteria for Delegated Purchase Program eligibility is as follows:

a. Total value of individual SLAMM group/class (first four digits of the SLAMM number) cannot exceed \$5,000.00, exclusive of freight and tax, on any one order.

b. SLAMM group/classes can be combined on one order up to a maximum total expenditure of \$9,999.99 exclusive of freight and tax.

c. Item(s) are not available from State Stores (Materials Services).

d. Item(s) are not available from Prison Industry Authority.

e. Item(s) are not listed on a current State Contract and/or State Price Schedule (SPS). Requests for items on a SPS may be submitted if the SPS price exceeds the price quoted by the reference open-market vendor and the product is of equal or better quality. A justification detailing cost savings and quality of non-SPS item is required.

f. Order does not qualify for Local Purchase Authority acquisition, either due to specific category of item not authorized for purchase on the LPA, or due to the total value of the request exceeding the limit of the LPA.

4-3. **PROCEDURE FOR PURCHASE REQUEST.** Request procedure for purchase under the Delegated Purchase Program is as follows:

a. Preparation of request for procurement action (OTAG Form 37-3-4 Purchase Request). Utilization of a OTAG Form 37-3-4 is mandatory for all procurement actions including equipment purchases. RFPA will include the following information:

(1) Title of organization making request (office symbol is sufficient for OTAG staff elements) and proper and complete (number, street, city, zip code) delivery address.

(2) Full Description of the required item(s), including end item application, citing the proper "noun" and the 12 digit SLAMM stock item number. Complete SLAMM numbers are required to insure that delegated procurement actions are not issued for commodities available from mandatory sources (i.e. State Contracts, Price Schedules, Prison Industry Authority or Material Services/ State Stores).

(3) A minimum of three price quotes are required for purchases exceeding \$1,000.00. A minimum of two quotes are required for purchases valued at \$1,000.00 to \$500.00. Purchases less than \$500.00 require only one quote. If the required number of price quotes are not obtained, a statement of justification must be submitted. Written price quotes from vendors are desirable

1 October 1992

but not required. If verbal price quotes are obtained, they must be recorded on OTAG Form 37-3-5 (1 Apr 87) Record of Price Quotation and forwarded with the request for procurement action. The OTAG Form 37-3-5 is required for all competitive RFPAs regardless of dollar value (see Figure 4-1, page D-1).

(4) When soliciting quotations, insure the vendor provides a price quotation that will be honored for at least 30 days. If the quotation will be honored for less than 30 days, so state in the RFA.

(5) Vendor's name, address, phone number, vendor identification number and small business/ethnic and gender code are required on both the Purchase Request and the Record of Price Quotation. Those firms which have not been registered with the Office of Procurement or the Office of Small and Minority Business (OSMB) will not have a vendor I.D. number. Codes have not yet been assigned for disabled veteran business enterprises.

b. RFA should be forwarded through approving supervisor to the responsible fund manager for approval.

c. Fund managers will sign the RFA indicating approval and will specify the CALSTARS index code (4 digits), object code (3-5 digits) and Project Cost Account (PCA) (5 digits) from which this purchase is to be taken. Fund managers will forward five copies of the approved RFA and the Drug Free Workplace Certification, if not currently on file, through the appropriate accounting branch (federal or state) to Purchasing and Contracting Branch for action. This procedure applies to all RFA's.

d. RFA for equipment purchases for all Military Department activities will be routed through the State Budget Branch (CAST-SB), Director of Facilities Engineering (CAFE-AM) and the appropriate Accounting Branch (State/Federal) for approval prior to any procurement action by the Purchasing Office (CAST-PC-PR).

4-4. **PROCESSING TIME REQUIREMENTS.** For planning purposes, requesting activities may assume that Department Delegated Purchase Program actions normally require 14 working days for completion after receipt by Purchasing and Contracting Branch. During peak periods (i.e. State/Federal fiscal year end), processing may require additional working days.

4-5. **STANDARD STATE ABBREVIATIONS.** Standard State abbreviations for units of quantity and dimension are listed in the introductory section of the Purchasing Information Network (PIN) Commodity Catalog, Volume 1 (see Figure 4-2, page D-2). State standard abbreviations must be used on RFAs.

4-6. **PURCHASE OF REPLACEMENT PARTS.** Requests for the purchase of replacement parts for motors, refrigerator equipment, heaters, pumps, lawn mowers, etc., must show the make and model of the major item for which the replacement part is required.

4-7. **EQUIPMENT CONTROL NUMBER REQUIREMENT.** Requests for purchase of replacement parts for Military Department equipment items must show the California Adjutant General (CAG) Equipment Control number of the item for which the replacement parts are required.

4-8. **REQUEST FOR BUILDING MATERIALS.** Requests for building materials will include the following:

a. Complete and accurate technical descriptions of all hardware.

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

- b. Dimensions of all items, such as lumber, pipe fittings, glass, sheet metal, etc.
 - c. Quantity requested in correct units, e.g., square feet, lineal feet, board feet, pounds, gallons, etc.
 - d. Grade, if applicable.
- 4-9. An example of an RFPA for a Department Delegated Purchase transaction is found at Figure 4-3, page D-3.

CHAPTER 5

FORMAL PURCHASE ORDERS

5-1. **GENERAL.** Office of Procurement has retained authority to purchase all commodities required by the Military Department where the dollar value of the order will exceed the limitation of delegated authority, except State Contract, SPS or Prison Industry Authority (PIA) purchases. Splitting of orders to avoid monetary limitations is prohibited; such action could result in the revocation of the Military Department's delegated authority and require each and every procurement transaction to be processed as a formal purchase order by Office of Procurement.

5-2. **CRITERIA FOR FORMAL PURCHASE ORDER.** Criteria for a Formal Purchase Order submission is as follows:

- a. Value of SLAMM group/class. is greater than \$5,000.00, exclusive of tax and freight, or the total value of the order exceeds \$9,999.99.
- b. Item(s) are not available from Materials Services (State Stores).
- c. Item(s) are not listed on a current State Contract and/or State Price Schedule. If item(s) are listed on a SPS, the SPS price must significantly exceed the price quoted by reference open-market vendor listed on the RFPA.
- d. Item(s) are not available from Prison Industry Authority (PIA).

5-3. **REQUEST PROCEDURES.** Request procedure for purchase under the Formal Purchase Order criteria is as follows:

a. Preparation of a Request for Procurement Action (RFPA), OTAG 37-3-4 format as required by the respective fund manager. RFPA will contain the following information:

(1) Title of organization making request (office symbol is sufficient for OTAG staff elements) and complete delivery address.

(2) Full description of the required item(s) citing the full 12-digit SLAMM stock item number. Description must be detailed and provide sufficient information that the buyer at Office of Procurement can determine the characteristic of the item(s) required. Each item will reference manufacture and model/stock number followed by the statement "or equal". Manufacturer's specifications must be provided and referenced as an attachment after the statement "or equal" (i.e. "MFG Specs - See Attachment A").

(3) Multiple items on the RFPA must be listed in an ascending order (lowest to highest) by SLAMM stock item number.

(4) A single reference quotation from a vendor to establish a price range is required. More than one quotation may be solicited but only the lowest should be forwarded with RFPA. Written price quotation is encouraged, but not required.

(5) Reference vendor's name, address, phone number, name of point of contact, date of quotation and Federal Tax Identification Number assigned by the United States Internal Revenue Service. Federal Tax Identification numbers are assigned to business firms subject to employee taxes. Firms conducting business as a Sole Proprietor (doing business as an individual without employees) need only to provide their Social Security Number.

1 October 1992

b. RFPA must be forwarded through approving supervisor to the responsible fund manager for approval.

c. Fund managers will sign the RFPA indicating approval and will specify the CALSTARS index code (4 digits), object code (3-5 digits) and Project Cost Account (PCA) (5 digits) from which this purchase is to be taken. Fund managers will forward 5 copies of the approved RFPA for all purchases through the appropriate Accounting Branch (Federal/State) to Purchasing and Contracting Branch for action. Request for equipment purchases for all Military Department activities will be routed through the State Budget Branch (CAST-SB), Director of Facilities Engineering (CAFE-AM) and the appropriate Accounting Branch (State/Federal) for approval prior to any procurement action by the Purchasing Office (CAST-PC-PR).

d. RFPA arriving at Purchasing and Contracting Branch without sufficient detail in description of the article required and its characteristics will be returned without action to the originator, through the fund manager.

e. Request for procurement of equipment items to replace like items which have become lost, stolen, or unserviceable through fair wear and tear must be accompanied by a Property Survey Report (STD 152).

f. Requests for purchase of equipment should include the manufacturer's specifications of the item requested.

5-4. PREPARATION OF PURCHASE ESTIMATE. a. Based upon information contained in the RFPA, Purchasing and Contracting Branch will prepare a Purchase Estimate (PE) (STD 66) which is the Military Department's request to Office of Procurement to conduct this procurement action.

b. Upon receipt of the PE, Office of Procurement will solicit bids from qualified vendors including the referenced vendor provided by the originator.

5-5. DISTRIBUTION OF PURCHASE ESTIMATE. a. When Purchasing and Contracting Branch requests procurement action from the Office of Procurement a copy of the PE will be forwarded to the requesting fund manager.

b. Requesting activities are cautioned that receipt of a PE does not indicate that a purchase order has been issued. Receipt of a PE does not authorize the activity to order or accept merchandise from a vendor.

c. Fund manager must insure that the PE is reviewed to be sure it lists the required item(s). Discrepancies should be reported to the Purchasing and Contracting Branch immediately.

5-6. PROCESSING TIME REQUIREMENTS. For planning purposes, requesting activities may assume that following receipt by Purchasing and Contracting Branch, the minimum time required before issuance of a formal purchase order by Office of Procurement will be approximately ninety (90) days.

5-7. An example of RFPA for a formal purchase order transaction is found at Figure 5-1, page E-1.

CHAPTER 6

STATE CONTRACTS AND STATE PRICE SCHEDULES

6-1. **GENERAL.** a. Office of Procurement has negotiated a number of contracts for commodities which are required by various State agencies on a repetitive basis.

b. Advantages of the State Contract program include lower prices due to volume buying, price stability over the contract period, predetermined quality and specification guidelines, and established merchandise delivery provisions.

c. Purchasing from State contracts is mandatory where the minimum quantity and/or dollar value per order criteria can be met. Splitting of orders to avoid ordering an item from a contract vendor is prohibited.

6-2. **CRITERIA FOR STATE CONTRACT PROGRAM.** Criteria for State Contract program order submission are as follows:

a. Item is listed on a current State contract without geographic limitation which would prohibit delivery to the requesting activity.

b. Value of order is greater than the minimum shown on the contract and does not exceed the maximum value listed.

c. In cases where the contract minimum is expressed in unit quantities, rather than dollar value, the quantity of proposed order must meet the listed minimum.

6-3. **REQUEST PROCEDURE FOR STATE CONTRACTS.** Request procedure for a purchase under a State Contract is as follows:

a. Preparation of a Request for Procurement Action (RFP), on OTAG Form 37-3-4 as required by the respective fund manager. RFP will contain the following information:

(1) Title of organization making request (office symbol is sufficient for OTAG staff elements) and proper and complete delivery address (do not use P.O. Box).

(2) Short description of article as it appears on the contract and the full 12-digit SLAMM stock item number which will be shown on the contract. Multiple items on the RFP must be listed in ascending order (lowest to highest) by SLAMM stock item number.

(3) Price shown on the contract and the proper price extension based upon the number of units of each line item being ordered.

(4) Contract vendor name, address, and vendor identification number as shown on the contract.

(5) Contract number and expiration date.

b. RFP must be forwarded to the responsible fund manager for approval.

c. Fund managers will sign the RFP indicating approval and will specify the account from which this purchase is to be taken. Fund managers will forward approved RFP in accordance with procedures established in Chapter 4 paragraph 3.c of this regulation.

1 October 1992

d. An example of a RFPA for a State contract program purchase will be found at Figure 6-1, page F-1.

6-4. PROCESSING TIME REQUIREMENTS. For planning purposes, requesting activities may assume that State contract purchase orders will be processed by Purchasing and Contracting Branch within fourteen working days after receipt. During peak periods (i.e. State/Federal fiscal year end), processing may require additional working days. Length of time required for delivery by vendor after receipt of order is clearly stated in each contract.

6-5. STATE PRICE SCHEDULES. a. Office of Procurement has established various State Price Schedules (SPS) to permit direct ordering of primarily noncompetitive commodities by State agencies. SPS are not contracts and agencies are not required to purchase items from the schedules if similar quality goods may be purchased at a lower cost elsewhere. This action requires prior approval from the Department of General Services Office of Procurement which will be obtained by the Purchasing Section prior to issuance of a Purchase Order. A detailed justification must be provided with your RFPA in this instance.

b. State Price Schedules are convenient and efficient in those cases where goods covered on the schedule are adequate for the requesting activity's needs and prices are in a reasonable range because no comparison quotations are required and there is an assurance that the vendor will accept the order and deliver the merchandise within the timeframe specified on the SPS.

c. Material available on SPS will be ordered from SPS unless the requesting activity can identify an item of equal or better quality at a lower cost.

d. If extremely large quantities are requested from a SPS, Purchasing and Contracting Branch may convert the order to a Purchase Estimate in order to gain quantity discounts not available on the SPS.

e. Items available from Prison Industry Authority (PIA) must be purchased from the Prison Industries SPS. Purchases from PIA have no dollar limitations.

6-6. REQUEST PROCEDURES FOR STATE PRICE SCHEDULES. Request procedure for a purchase under the SPS program is as follows:

a. Preparation of a RFPA, on OTAG Form 37-3-4 by the respective fund manager. RFPA will contain the following information:

(1) Title of organization making the request (office symbol is sufficient for OTAG staff elements) and proper and complete delivery address.

(2) Complete description (to include vendor's stock numbers) and the full 12-digit SLAMM stock item number, listed in ascending order.

(3) Price shown on the SPS and the proper price extension based upon the number of units of each line item being ordered.

(4) SPS vendor's name, address, and vendor identification number as shown on the Price Schedule.

(5) SPS number and expiration date.

b. RFPA must be forwarded to the responsible fund manager for approval.

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

c. Fund managers will sign the RFPA indicating approval and will specify the account from which this purchase is to be taken. Fund managers will forward approved RFPA in accordance with procedures established in Chapter 4, paragraph 3.C of this regulation.

d. An example of a RFPA for a SPS program purchase will be found at Figure 6-2, page F-2.

6-7. **PROCESSING TIME REQUIREMENTS.** For planning purposes, requesting activities may assume that SPS purchase orders will be processed by Purchasing and Contracting Branch within ten to fourteen working days after receipt. During peak periods (i.e. State/Federal fiscal year end), processing may require additional working days. Length of time required for delivery by vendor after receipt of order is clearly stated in each SPS.

CHAPTER 7

MATERIALS SERVICES (STATE STORES)

7-1. **GENERAL.** Materials Services Section is under the administrative direction of the Office of Procurement. Warehouses are located in Sacramento and Los Angeles. Each warehouse maintains a complete stock of basic stationery, office supply items, paints, janitorial supplies, textiles, maintenance supplies, and other general use commodities. Materials Services Section operates by means of a small markup that is added to all purchases to defray costs of handling.

7-2. **MATERIALS SERVICES CATALOG.** a. Materials Services Section issues a catalog, special supplements, and interim revisions listing and describing all available stock items and providing information necessary for ordering commodities from Stores stock. Periodically, Materials Services issues a supplemental price list and a bulletin containing information about new products, product uses, changes in procedure, etc.

b. The catalog and supplements are distributed to fund managers and approving supervisors at the air base/station, area officer, and training installation level. Only one copy will be provided unless otherwise specified by fund manager or approving supervisor.

7-3. **DELIVERIES FROM MATERIALS SERVICES.** a. Materials Services prices are FOB Destination (freight included in listed price) therefore no cost advantage accrues to the requesting activity for ordering in unnecessarily large quantities.

b. Except for deliveries within the Sacramento and Los Angeles urban areas, Materials Services Section's shipments are made by common carriers. Regardless of carrier, delivery service is limited to readily accessible street level receiving facilities.

7-4. **REQUEST PROCEDURES FOR MATERIAL SERVICES.** Request procedure for a purchase from Materials Services is as follows:

a. Preparation of a Request for Procurement Action (RFPA), on a OTAG Form 37-3-4 as required by the respective fund manager. RFPA will contain the following information:

(1) Title of organization making request (office symbol is sufficient for OTAG staff elements) and proper and complete delivery address. Standard delivery addresses are assigned for Materials Services orders. Once a standard shipping address is established, requests to change delivery points must be forwarded through the fund manager to Purchasing and Contracting Branch.

(2) Noun description of required article and complete 12-digit SLAMM stock item (catalog) number. A maximum of 12 line items may be ordered on each OTAG Form 37-3-4. The 12 items for each OTAG Form 37-3-4 must be listed in ascending order by stock number. Following the twelfth item the price extension column will be totaled. As many sheets of 12 items each may be submitted at one time as required.

(3) Forms, publications, general supply items, janitorial items, etc can be requested on the same form. However, publication orders normally require more research and may delay an order. Depending upon your urgency of need, you may want to consider ordering publications separately.

b. RFPA will be forwarded to the responsible fund manager for approval.

1 October 1992

c. Fund managers will sign the RFPA indicating approval and will specify the account from which this purchase is to be taken and forward approved RFPA in accordance with procedures established in Chapter 4, paragraph 3.C of this regulation.

d. Example of RFPA for Stores orders will be found at Figures 7-1 and 7-2, pages G-1 and G-2. Example of Form GSMS-3 will be found at Figure 7-3, page G-3.

7-5. **PROCESSING TIME REQUIREMENTS.** For planning purposes, requesting activities may assume that Materials Services orders will be processed by Purchasing and Contracting Branch within 14 working days after receipt. During peak periods (i.e. State/Federal fiscal year end), processing may require additional working days. Orders will be filled by Stores within 30 to 45 working days after receipt of order.

7-6. **RETURN OF STOCK FOR CREDIT.** Return of stock for credit requires prior arrangement with Materials Services. If stock is defective, ordered in error, or surplus to the needs of the organization, a memorandum describing the problem will be sent to Purchasing and Contracting Branch through the concerned fund manager. Stock will be returned to State Stores only after specific instructions have been issued by the Purchasing and Contracting Branch.

7-7. **OVER, SHORT, OR DAMAGED ITEMS (OSD).** If an over, short, or damaged (OSD) delivery is received from Materials Services, Purchasing and Contracting Branch should be notified immediately. Purchasing and Contracting Branch will provide guidance on completion of the Notice of Exception Form (GSMS-3) which must be submitted to State Stores within 10 days after the delivery/receipt date. State Stores will not research any discrepancies if Form GSMS-3 is not received by the designated deadline.

7-8. **REPORT OF SUPPLIES NOT RECEIVED.** Supplies ordered and not received must be reported within 30 days from the date the order was issued to State Stores. No adjustments will be made on Material Services invoices issued by Department of General Services 60 days after the invoice date.

CHAPTER 8

SPECIAL PURCHASES

8-1. PRINTING. a. The Administrative Office, OTAG, maintains limited capability for printing and other reproduction.

(1) OTAG Administrative Office publishes guidelines for requesting activities to determine Military Department printing capability.

(2) Requesting activities should request printing support utilizing Administrative Office work order forms and submit requests through channels of approval designated by that office.

(3) Telephonic inquiries to the Chief, Reproduction Section may be utilized to determine department capabilities for specific projects.

b. In cases where the Administrative Office cannot support the printing requirement, a purchase request (OTAG Form 37-3-4) should be prepared describing the work required and forwarded to the fund manager.

(1) The fund manager should consult directly with Purchasing and Contracting Branch to determine what further information will be required to obtain a cost estimate from Office of State Printing (OSP).

(2) When the cost estimate is prepared, the concerned fund manager will be asked to provide funding approval or to cancel the project.

c. Purchasing and Contracting Branch is the only Military Department contact point with OSP for the purpose of estimating a printing job.

(1) If OSP cannot accomplish a printing job in time to meet a requirement deadline or if OSP cannot provide the required style, design, or format, Purchasing and Contracting Branch will attempt to secure permission of OSP to contract with a private printer. The justification for obtaining this permission will be submitted to the Purchasing and Contracting Branch by the fund manager requesting the printing.

(2) If outside printing authorization is obtained from OSP, Purchasing and Contracting Branch will contract for the printing.

d. Orders for printing and related services will be placed only by the Purchasing and Contracting Branch after receipt of authorization to do so by OSP.

e. Example of RFPA for printing order will be found at Figure 8-1, page H-1.

8-2. BUSINESS CARDS. a. Official State business cards may be authorized for those State employees determined by the respective fund manager to engage in sufficient public contact work that personalized business cards are an advantage to the Military Department.

(1) **State Employees.** All State Active Duty employees in the grade of 04 or higher will be provided business cards upon submission of a written request to OTAG Office of Administration (CAAS). Exceptions to this policy must have the approval of the appropriate Deputy Adjutant General (DAG), Assistant Adjutant General (AAG) or their designated representative. Upon DAG/AAG approval, the request will be forwarded to CAAS for processing.

1 October 1992

(2) **Federal Employees.** Federal personnel in the grade of 06 or higher employed at OTAG have been deemed to be representatives of the Military Department and will be provided a state business card upon submission of a written request to CAAS. Other federal employees performing duties of a direct benefit to the State of California, as determined by the appropriate DAG or AAG, will be provided with state business cards.

b. Fund managers determine the format of the business cards from those authorized in SAM 2832.

c. Business cards are procured only from OSP.

d. Requests for official State business cards will be submitted on a purchase request (OTAG Form 37-3-4) with a completed Business Card Instruction Sheet attached and transmitted by the fund manager through CAAS. Upon approval, requests will be forwarded in accordance with procedures established in Chapter 4, paragraph 3.c of this regulation. An example of a purchase request and a Business Card Instruction Sheet will be found at Figures 8-2 and 8-3, pages H-2 and H-3, respectively.

8-3. **RUBBER STAMPS.** a. Rubber stamps are produced by OSP and are generally limited to letters, numerals and symbols found on a standard typewriter keyboard.

b. Requests for rubber stamps will be made on OTAG Form 37-3-4 through the fund manager and forwarded in accordance with procedures established in Chapter 4, paragraph 3.c of this regulation. Requests must include the following information:

(1) Identification of requesting activity and delivery address.

(2) Actual wording, spacing, style of type and punctuation desired on the stamp. OSP does not place borders (edging) around a stamp unless this is specifically requested. A cost estimate sheet and samples of available typefaces are available upon request from the Purchasing Section to assist you in establishing the cost of any stamps that may be ordered.

(3) Account from which the fund manager desires the cost to be taken.

c. Example of RFPA for rubber stamp order will be found at Figure 8-4, page H-4.

8-4. **NEWSPAPER AND PERIODICAL SUBSCRIPTIONS.** a. Newspaper and periodical subscriptions will be ordered only when commercial press clipping services will not provide the information required.

b. Subscriptions are requested on a purchase request (OTAG Form 37-3-4) through the fund manager and forwarded in accordance with procedures established in Chapter 4, paragraph 3.c of this regulation. When the request arrives it must include the account to which the purchase should be charged. Order and renewal forms will be attached to the requesting RFPA (never mailed directly to the newspaper or periodical).

c. Requesting activities are not authorized to subscribe to any publication or renew subscriptions prior to issuance of a purchase order.

d. At the time the subscription expires, a new purchase order must be issued if the activity desires to continue receiving the publication. The procedure to "renew" a subscription is identical to the procedure to obtain the initial subscription.

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

(1) Purchasing and Contracting Branch does not monitor expiring periodical subscriptions and does not "renew" any publications without a new request.

(2) Activities desiring to continue to receive a publication under subscription must insure that a RFPA reaches Purchasing and Contracting Branch with sufficient lead time (normally 60 days) to enable action to be taken prior to the subscription expiration.

8-5. OFFICE FURNITURE. a. Items of office furniture required for Military Department facilities are requested without reference price quotation to the fund manager level. The concerned fund manager will determine the availability of the required item(s) of furniture from the Facilities Branch.

b. If an item of required furniture is not available from the Military Department Depot stock, the Department State Property Officer will determine availability from Department of General Service Property Reutilization Section.

c. If the item of furniture is neither available from Depot stock nor from DGS reutilization, a RFPA will be forwarded by the responsible fund manager for procurement action in accordance with procedures established in Chapter 4, paragraph 3.C of this regulation.

d. Usual method of acquisition will be to purchase from Prison Industry Authority (PIA) based upon the SPS for furniture. Furniture is also available on State Contract. If the item of furniture is not available from PIA or State Contract, (both of which are mandatory sources) then the item must be purchased on a competitive basis.

8-6. SURPLUS PROPERTY. The Military Department procedures for screening, acceptance and purchase of surplus property are as follows:

a. **Category 1 Representative.** The Comptroller (CAST) is the designated Category 1 representative for the department. Category 1 allows individuals to accept and obligate the Military Department for funding encumbrance purposes. All procurement actions for surplus property must have prior approval of the Category 1 representative.

b. **Category 2 Representative.** Category 2 representatives must be designated, in writing, by an authorized Category 1 representative to select and take delivery of property and to sign the Office of Surplus Property Agency's distribution document acknowledging receipt of property. Confirming signature of an authorized Category 1 representative must also be obtained before the transaction can be completed.

To establish Category 2 representatives, fund managers must initially identify individuals and the reason for obtaining surplus property. This must be accomplished in writing to the Category 1 representative. The request must include a statement of the qualifications/experience for each individual nominated as a Category 2 representative. Examples of qualifications are:

- (1) Program Director and funding approval authority.
- (2) Previous surplus property screener.

The Category 1 representative will then submit, in writing, to the Department of General Services, Office of State Surplus, a letter identifying the individuals and their qualifications to be approved for Category 2 representatives.

1 October 1992

Upon approval, the Office of State Surplus will issue an official identification card that will allow access and screening authorization to State and/or Federal surplus property locations.

c. Designated surplus property and screening locations are as follows:

- (1) State-owned property located at 1421 North Market Blvd., Sacramento, CA 95834.
- (2) Federal property, located at 1421 North Market Blvd., Sacramento, CA 95834, previously donated to the State Surplus Office.
- (3) Federal property available at Department of Defense Reutilization Management Offices (DRMO), primarily located on Military Bases.

d. Prior to submission of a request for surplus property, the Purchasing and Contracting Branch, OTAG, will be contacted for guidance and additional information.

CHAPTER 9

RECEIPT OF GOODS AND CLEARANCE OF PROCUREMENT DOCUMENT

9-1. **GENERAL.** a. Commodities ordered by State purchase order will be shipped to the location specified on the the order.

b. The delivery location will be provided (through the respective fund manager) with a copy of each purchase order issued so that receiving point personnel may accurately compare goods received with the description of good ordered.

c. The delivery location must establish local procedures to monitor expected order delivery dates and identify over-due (non-delivered) merchandise in order that timely vendor inquiries can be made. Contact with vendors concerning non-delivered orders should follow procedures established in paragraph 9-6.

9-2. **RECEIPT OF COMPLETE OR PARTIAL DELIVERIES.** a. When the goods on any order (or a portion of those goods) are received by any Military Department activity, it is the responsibility of the authorized receiving employee to complete a STD Form 106, Stock Received Report (SRR), reflecting the merchandise actually delivered and forward the original copy of the report to the Accounts Payable Section (CAST-AP) within 24 hours of receipt. See Figure 9-1, page I-1, for an example of a properly prepared SRR.

b. A SRR will be prepared for each delivery received. Partial deliveries (same Purchase Order, more than one delivery) require a corresponding number of SRR's. Partial deliveries also require that the receiving activity (delivery location) monitor the expected delivery date(s) of the back-ordered merchandise to insure subsequent deliveries are actually made or that vendor contact is initiated as identified in paragraph 9-6.

c. Fund managers will insure that each requesting activity designates specific employee(s) with receiving responsibility and provide for the designation of alternates.

d. SRR's will be prepared showing the same unit of measure as the purchase order, i.e., each, pair, dozen, etc.

e. Completion of the SRR certifies receipt of proper articles in good condition and authorizes payment to the vendor; therefore, care must be taken that the SRR is complete and accurate.

f. A copy of the purchase order or other ordering document form may be submitted in lieu of a SRR when the complete order is received in one delivery. For partial deliveries, a vendor packing slip may be used. Whenever possible the document will be certified by the person responsible for checking and custody of the goods. The quantity received and any defect in condition must be written on the document.

9-3. **RECEIPT OF DAMAGED MATERIAL.** a. Activities receiving deliveries where there is obvious damage to the exterior of the shipping cartons should insure that such damage is annotated on the freight carrier's delivery slip.

b. If examination of a delivery reveals damaged goods, the receiving activity should immediately contact the vendor. Contact with the vendor, or with the freight carrier through the vendor, should insure replacement of damaged goods. It is important to maintain detailed notes (memo for record) of conversations with vendors and carriers regarding damaged material.

1 October 1992

c. The Purchasing and Contracting Branch (CAST-PC) must be notified of the results of contacts concerning damaged shipments.

d. Receiving activities must complete and forward a SRR (marked as partial delivery) for those items received in good condition.

e. See Chapter 7-7 for procedures to follow regarding over, short or damaged items from Material Services. There are minor differences between procedures established for the commercial vendor shipments described in this chapter and those for Material Services.

9-4. RECEIPT OF INCORRECT MATERIAL. a. An activity receiving incorrect merchandise (material not appearing on the purchase order) should immediately contact the vendor to attempt to resolve the problem. Memos of conversations must be made and retained.

b. Personnel of the requesting activity must not make any commitment to the vendor suggesting the State will purchase the excess or incorrect merchandise. The solution will be for the vendor to arrange transportation to receive back the incorrect items.

9-5. RECEIPT OF SUBSTANDARD MATERIAL. a. A requesting activity receiving articles which have been ordered but when examined upon receipt appear to be of inferior or substandard quality, should immediately contact the vendor to arrange for replacement articles. Prepare and maintain a record of the conversation.

b. The Purchasing and Contracting Branch will provide specific guidance concerning completion of SRR for shipments containing substandard material based upon individual circumstances.

9-6. RELATIONSHIPS WITH VENDORS. a. In case of difficulty or dispute concerning receipt of material it is best if the receiving activity resolves the situation directly with the vendor. Direct contact between requesting/receiving activity and the vendor should always be the first step in the resolution process. This action must be taken within five (5) working days after the maximum delivery date on the Purchase Order, which is shown as a specific number of days after vendor's receipt of order (ARO), i.e., 15 days ARO, 25 days ARO, etc.

b. If initial contact with the vendor fails to resolve the situation, the Purchasing and Contracting Branch shall be contacted within ten (10) working days after the final delivery date of the order to resolve the matter.

c. Unresolved problems with vendors only compounds the situation and needlessly complicates future purchasing activities. Scheduled periodic reviews of purchase order delivery dates, which is the responsibility of the requesting activity, are necessary to minimize vendor disputes.

9-7. VENDOR CLAIMS. a. All purchase orders issued by the Purchasing and Contracting Branch or by Office of Procurement specify that vendor invoices (vendor claims) are to be mailed directly to the Accounts Payable Section (CAST-AP) at the Military Department.

b. No requesting activity shall take any action to cause a vendor to send the original invoice anywhere except the Accounts Payable Section. However, the requesting activity may request a duplicate from the vendor.

c. In the event that an invoice arrives accompanying a shipment, the invoice must be mailed to the Accounts Payable Section, (with a SRR), within 24 hours.

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

9-8. **ACKNOWLEDGEMENT OF DELIVERY.** When a Purchase Order (Form GSOP 1-PIN) is issued by Office of Procurement, an Acknowledgment of Delivery (GSOP-S56) form with delivery/status questions is forwarded to the delivery location. This questionnaire must be completed by the Military Department representative who completes the SRR and mailed to Office of Procurement in accordance with the instruction on the form. An example of a delivery/status questionnaire is at Figure 9-2, page I-2.

9-9. **RECEIPT OF SUBSCRIPTIONS/PUBLICATIONS.** The receiving installation should forward the SRR to the Accounts Payable Section within 24 hours of receipt of the first issue.

9-10. **RECEIPT OF EQUIPMENT.** The following additional procedures will be followed regarding receipt of equipment:

a. Upon issuance of a purchase order for equipment, CAST-PC will forward the purchase order to the Facilities Branch (CAFE-AM).

b. The Facilities Management Branch will log the purchase order, attach two copies of CAL NG Form 210-20 (Requisition and/or Receipt for State Supplies and Equipment), assign a CAG number to each piece of equipment and forward these documents to the receiving installation along with equipment tags and instructions for preparation of a Stock Received Report (SRR).

c. Receiving installation receives the equipment, affixes equipment tags, completes SRR, signs the CAL NG Form 210-20, and forwards it with the SRR to CAST-AP.

CHAPTER 10

EMERGENCY AND URGENT PURCHASES

10-1. EMERGENCY PROCUREMENT ACTIONS. a. When an emergency involving public health, welfare or safety occurs where the immediate procurement of goods is required to prevent the imminent loss of life or personal injury, severe property damage and/or substantial monetary loss, emergency purchasing methods may be utilized.

b. The requesting activity should attempt to contact the responsible fund manager; however, if the fund manager is not immediately available direct telephonic contact with Purchasing and Contracting Branch is authorized. After duty hours a Purchasing and Contracting Branch representative may be contacted through the OTAG Administrative Duty Officer.

c. The organization telephonically contacting Purchasing and Contracting Branch must be prepared to fully justify the emergency nature of the request and provide all information which would be required for a formal purchase order request. Before contacting Purchasing and Contracting Branch, requesting activities must locate a vendor willing to accept a faxed or telephonic order.

d. The requesting activity will be notified telephonically by Purchasing and Contracting Branch of the disposition of their request.

e. In many cases Office of Procurement requires a written justification of exceptional procedures followed. Fund managers or the requesting activity must provide an OTAG Form 37-3-4 with a written justification of the emergency circumstances and the potential adverse impact had the emergency purchase not occurred, to the Purchasing and Contracting Branch within three duty days following the emergency request.

10-2. URGENT PROCUREMENT ACTIONS. a. When circumstances arise requiring the acquisition of merchandise in an expedited manner to prevent or eliminate a potentially hazardous condition, prevent possible property damage, or when expedited action would clearly be called for, urgent purchasing methods may be utilized.

b. Urgent purchasing methods for commodity acquisitions apply only to orders under \$5,000.00 (Group/Class) or \$9,999.00 (aggregate) total.

c. Requesting activities should note that the possibility of purchasing articles at a discount or sale is not sufficient justification for urgent procurement action.

d. Normally urgent procurement actions are initiated by sending a fax copy of the properly completed OTAG Form 37-3-4 through the fund manager and in accordance with procedures established in Chapter 4, paragraph 3.c of this regulation. If the requesting activity does not have access to a fax, the information can be given to CAST-PC telephonically. The original copies of the Purchase Request must be forwarded by mail to the Purchasing and Contracting Branch within 24 hours.

(1) Upon determination that the action should be processed on an urgent basis, the Chief, Purchasing and Contracting Branch will direct that the required purchase order be prepared on a priority basis.

(2) Purchase orders will normally be available for mailing or faxing to the vendor within two (2) working days of the date the request is received at Purchasing and Contracting Branch.

1 October 1992

(3) If the requesting activity intends to initiate a confirming order for an expedited delivery, the action must have prior approval from the Purchasing and Contracting Branch at the time the order is requested.

(4) The request for an urgent purchase must specify the date and time by which the requesting activity requires receipt of the completed purchase document and the factors that make it necessary.

e. Telephonic requests will only be considered in those cases where substantial efforts to contact the concerned fund manager have been unsuccessful and there is a demonstrable reason for not holding the action until the fund manager is available.

f. Requesting activities contacting Purchasing and Contracting Branch directly must be prepared to describe exactly what efforts have been made to contact the fund manager, state the substantial reasons the action cannot be delayed and provide all information (including comparison quotes) required on the RFP.

CHAPTER 11

MILITARY DEPARTMENT CONTRACTING OPERATIONS

11-1. **GENERAL.** a. Chapters 11 through 16 apply to contracts, interagency agreements, hiring of services, consultant services, interservice support agreements, and the rental and maintenance of equipment.

b. Authority to sign contracts, interagency agreements and other documents which obligate the Military Department as a party to a contract is limited to those who have either statutory authority or have been duly authorized in writing by the Adjutant General and whose names and position titles are on file with the Legal Office, Department of General Services and the State Controller. The Chief, Purchasing and Contracting Branch, signs most contracts pertaining to the Military Department. Those contracts that must be signed personally by the Adjutant General will be forwarded to Office of the Comptroller, ATTN: CAST. After review by Comptroller staff, the document will be forwarded to the Adjutant General for signature.

11-2. **ADVANCE PAYMENTS.** Payments by the State in advance to contractors are permitted only when specifically authorized in law. Interagency Agreements may provide for advancing of funds.

11-3. **PROGRESS PAYMENTS.** Progress payments to contractors for work performed or costs incurred in the performance of the contract are allowed, however 10% of contract amount shall be withheld pending final completion of the contract. Progress payments will not be allowed on contracts less than three months in duration.

11-4. **CIVIL SERVICE CONSIDERATIONS.** a. Contracting for services is permissible when any of the following conditions can be met.

(1) The contract is for a new State function and the Legislature has specifically mandated or authorized the performance of the work by independent contractors.

(2) The services contracted are not available within civil service, cannot be performed satisfactorily by civil service employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience or ability is not available through the civil service system.

(3) The services are incidental to a contract for the purchase or lease of real or personal property. Contracts under this criterion, known as "service agreements", shall include, but not be limited to, agreements to service or maintain office equipment or computers that are leased or rented.

(4) The legislative, administrative, or legal goals and purposes cannot be accomplished through the utilization of persons selected pursuant to the regular civil service system.

(5) State agencies need private counsel because a conflict of interest on the part of the Attorney General's office prevents it from representing the agency without compromising its position. Such contracts require the written consent of the Attorney General.

(6) The contractor will provide equipment, materials, facilities, or support services that could not feasibly be provided by the State in the location where the services are to be performed.

1 October 1992

(7) The contractor will conduct training courses for which appropriately qualified civil service instructors are not available (provided that permanent instructor positions in academies or similar setting shall be filled through civil service appointment).

(8) The services are of such an urgent, temporary, or occasional nature that the delay in implementation under civil service would frustrate their very purpose.

b. Contracting for services is also permissible to achieve cost savings under certain conditions. Prior to executing a contract solely on the basis of cost savings to the state, the Purchasing and Contracting Branch must secure the approval of the State Personnel Officer (CASS) and provide notification and reasonable response time to the State Personnel Board.

11-5. **COMMENCEMENT OF WORK.** Contractors will not be allowed to commence work on a project until they have received an approved copy of a contract and "Proceed Letter" or service order signed by a duly authorized employee of the Military Department.

11-6. **CALIFORNIA STATE CONTRACTS REGISTER.** a. Contracts (including service orders) with a dollar value of \$1,000.00 or more must be advertised in the California State Contracts Register (CSCR) before the contracting process begins. The California State Contracts Register, published twice each month, lists contract requirements for a fee when submitted according to a production schedule which is distributed by the Purchasing and Contracting Branch. Late contract advertisements are assessed a special handling fee. Contract advertisements are prepared by the Purchasing and Contracting Branch and are based on project information provided by the fund manager. Advertising fees are charged against the budget of the activity requesting the contract.

b. In those cases when a fund manager considers advertising in the California State Contracts Register to be not in the best interest of the Military Department, a request for exemption must be forwarded to the Purchasing and Contracting Branch with complete justification. In such cases, an exemption request will be prepared by the Purchasing and Contracting Branch and forwarded to the DGS, Office of Procurement.

c. The following contracts do not require CSCR advertising:

(1) Emergency contracts which are necessary for the immediate preservation of life or state property.

(2) Contracts for the work or services of a state, local or federal agency.

(3) Maintenance agreements for equipment that is under documented warranty, or where there is only one authorized or qualified representative, or where there is only one distributor in the area for parts and services.

(4) Refuse and/or sewage disposal contracts where there is no competition because a contractor is the authorized franchise dealer providing services to a specific geographical area.

(5) Proprietary software contracts.

(6) Contracts which are temporary or time-limited appointments to a nontesting civil service classification for the purpose of meeting a time-limited employment need.

(7) Contracts for which only per diem and travel expenses are paid and there is no payment for service rendered.

(8) Contracts with business entities operating handicapped workshops and certified by the State of California Department of Rehabilitation.

d. Advertisements in the California State Contracts Register will not be submitted for publication for contracts estimated to cost \$1,000 or more until "camera ready" specifications have been submitted to the Purchasing and Contracting Branch.

11-7. **DEPARTMENT OF GENERAL SERVICES APPROVAL.** a. Certain contracts, either by their very nature or their dollar value, require approval of Department of General Services. Those contracts are listed below.

- (1) Contracts with a dollar value of \$15,000 or more.
- (2) Interagency agreements with a dollar value of \$35,000 or more.
- (3) Contracts of a hazardous nature such as, but not limited to, elevator maintenance, pest control, fumigation, excavation, demolition, regardless of the dollar amount.
- (4) Contracts for microfilm hardware, services, or storage.
- (5) Contracts containing any of the following provisions:
 - (a) Any provision whereby the State agrees to indemnify or save harmless any party to the contract or any third person against or on account of, any claim, liability, or matter arising out of, or connected with, the contract.
 - (b) Any provision whereby the State agrees to assume responsibility for matters beyond its control (e.g., in rental contracts, a promise to assume full responsibility for damage to rented equipment, regardless of the cause of the damage).
 - (c) Any provision calling for payment in advance.
 - (d) Any provision creating a contingent liability against the State (e.g., vendors printed rental contracts frequently contain clauses obligating the user of rented equipment to serious contingent liabilities).
 - (e) Any provision in a contract for rental of equipment, creating any financial obligation or liability whatsoever against the State other than the payment of rent, transportation costs, and costs of maintenance and repairs.
 - (f) Any provision of any contract dealing with video surveillance, security alarm and access control systems.

b. Contracts or interagency agreements which were subject to the approval of the Department of General Services must also have such approval for any amendment unless the sole purpose of the amendment is to extend the original time for completion of performance for a period of one year or less.

c. The Purchasing and Contracting Branch is responsible for obtaining Department of General Services approval of contracts. Contracts subject to Department of General Services review and approval do not become legally binding documents until such approval is secured.

1 October 1992

11-8. **REQUESTS FOR PROPOSALS.** The requirement for contracts which require the issuance of Requests for Proposals must be identified at least three months in advance of the date of commencement of contract performance. Requests for Proposals are issued for services which deal with "products of the mind" such as those provided by instructors and consultants. The Purchasing and Contracting Branch should be notified as soon as the possible need for this type of contract becomes apparent. Upon such notification, the Purchasing and Contracting Branch Chief will schedule a conference with the requestor in order to identify the specific requirements and actions which must be taken to develop a Request for Proposal.

CHAPTER 12

SERVICE ORDERS

12-1. **SERVICE ORDER (TYPE A).** a. Services, repairs, or rentals amounting to less than \$1,000.00, not requiring Department of General Services approval and not for a period of time (i.e. monthly service on an item), may be procured using a Service and Repair Orders (OTAG Form 37-3-6).

b. Requestors will prepare an OTAG Form 37-3-4 to include a detailed description of the service to be provided. Also requested is a complete justification of the necessity of having the service provided, the small, minority and disabled veterans business status, telephone number and federal ID number of the recommended vendor. The entire package, to include at least two comparable price quotations on OTAG Form 37-3-5 and the Drug-Free Workplace Certification (STD Form 21) from the recommended vendor, will be forwarded to the appropriate fund manager.

c. The fund manager will review Service Order request packages to determine that the request is valid and complete.

d. Purchasing and Contracting Branch will issue a Service and Repair Order to the selected vendor and will distribute copies of the order through the same channels as purchase orders.

e. For planning purposes, request originators should be advised that a minimum processing time of five days will be required after arrival at Purchasing and Contracting Branch. Therefore, vendors should provide quotes which will be honored for a minimum of 30 to 45 days after being provided to the requestor.

f. Service Order requests must provide a statement of need for the service and include a full narrative description of the work to be performed.

12-2. **CONTRACTOR IDENTIFICATION NUMBERS.** The Contractor Identification Number (Federal Employer Identification Number (Fein) or the Taxpayer Identification Number (SSAN) will be noted in the vendor number block of OTAG Form 37-3-4.

12-3. **DRUG-FREE WORKPLACE CERTIFICATION.** Contractors are required to certify that they will provide a drug-free workplace. The Drug-Free Workplace Certification, STD Form 21, for the recommended vendor will accompany each request.

12-4. **SERVICE ORDER DOCUMENTS.** The Purchasing and Contracting Branch issues a Service and Repair Order (OTAG Form 37-3-6) for one time (continual services will be formally contracted) services, repairs or rentals when the dollar value is less than \$1,000 unless the service is of a hazardous nature. Hazardous services include, but are not limited to, pest control, fumigation, excavation, demolition, and elevator maintenance. These types of services are treated as formal service contacts regardless of dollar amounts (see Chapter 13). See Figure 12-1, page J-1, for an example of a Service and Repair Order.

CHAPTER 13

FORMAL CONTRACTS

13-1. FORMAL CONTRACTS (TYPE B). a. Services, repairs, construction, or rentals which exceed \$1,000.00 constitute Formal Contracts. Request packets will be prepared and forwarded with OTAG Form 37-3-4 and will include:

(1) Formal technical specification ("camera ready") suitable for inclusion in an Invitation for Bids (IFB) packet and;

(2) Engineer review and technical estimate.

b. Fund managers will forward request packets to CAST-SA or CAST-FA for processing and Fiscal Control Number assignment subsequent to forwarding to Purchasing and Contracting (CAST-PC).

c. Advertising in the State Contracts Register or other appropriate advertising will be dictated by the dollar value of the contract.

d. Requesting activities should be advised that the minimum turn-around time for this type of request is six to twelve weeks after arrival at Purchasing and Contracting Branch.

e. The Purchasing and Contracting Branch conducts public bid openings for all formal projects.

13-2. PREPARATION OF BID PACKETS. a. Purchasing and Contracting Branch prepares formal bid packets from the request package provided by the fund manager.

b. Purchasing and Contracting Branch also develops a bidders list based upon the type and geographic location of the project. Fund managers wishing specific contractors to be added to the bidders list for any project should notify Purchasing and Contracting Branch.

c. Projects requiring plan approval by control agencies such as the State Fire Marshal before solicitation of bids must have such approval secured by Facilities Engineering prior to transmittal to Purchasing and Contracting Branch.

d. Projects requiring approval to proceed by Office of the State Architect before solicitation of bids will be transmitted to Purchasing and Contracting Branch with evidence of that approval.

13-3. REVIEW OF BIDS RECEIVED. Subsequent to the public bid opening, Purchasing and Contracting Branch conducts an evaluation of bids received to review the following factors:

a. Compliance with stated participation goals of at least 15 percent for minority businesses, 5 percent for women-owned businesses and 3 percent for disabled veteran owned businesses or fulfillment of the requirements of a good faith effort.

b. Verification of registered small business status in those cases where the five percent small business preference is claimed.

c. After determination of the apparent responsive low bidder, current licensing and other appropriate business status must be verified.

1 October 1992

13-4. **CONTRACT AWARD.** Purchasing and Contracting Branch will secure approval to award from the fund manager, prepare appropriate contract documents, obtain required signatures of parties, secure approval of control agencies (as required), and forward contracts to the Accounting Branch (CAST-AC) for encumbrance of funds. After funds are encumbered, the contract will be forwarded to the contractor for performance.

13-5. **CONTRACTING OFFICER'S REPRESENTATIVE.** a. The Department Contracting Officer (Chief, Purchasing and Contracting Branch) will formally designate a Contracting Officer's Representative (COR) for the project.

b. During performance of the contract, the COR will monitor the progress of the project and insure compliance with the General Conditions and Technical Specifications.

c. Based in great part upon the COR's evaluation of current contract status the Chief, Purchasing and Contracting Branch, will take action as appropriate to protect the interests of the State.

CHAPTER 14

STATE MASTER RENTAL/MASTER SERVICE AGREEMENTS

14-1. **GENERAL.** Department of General Services, Office of Procurement has negotiated specific contracts with vendors for commonly required rental items such as postage meters, walk-a-way mats, other dust control items, copy machines, and automobiles. Office of Procurement has also prepared master contracts for service/repair of office machines and printing plant equipment.

14-2. **MASTER RENTAL AGREEMENTS.** Master Rental Agreements (MRA) guarantee prices during the contract period but are not mandatory and similar items may be secured from a non-MRA vendor if a lower price can be obtained.

14-3. **COPIES OF MASTER RENTAL/SERVICE AGREEMENTS.** Fund managers and many approving supervisors maintain copies of Master Rental and Service agreements and are available to answer inquiries concerning the applicability of any of these Office of Procurement agreements.

14-4. **REQUEST FOR SERVICES.** Requests for Procurement Action for service or rental under the provisions of Master Rental Agreements or Master Service Agreements will be forwarded to the approving fund manager to the Purchasing and Contracting Branch utilizing OTAG Form 37-3-4.

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

CHAPTER 15

REPORTING COMPLETION OF SERVICE

15-1. **GENERAL.** Standard Agreements (Contracts) and Service and Repair Orders (SRO) issued by the Military Department specify that contractors/vendors will forward invoices in duplicate to CAST-AP upon completion of a project. Prior to certification for payment of the vendor claim, it is necessary that the appointed COR for the contract (or the designated POC for a SRO) formally report completion of the project and evaluate performance of the contractor.

15-2. **CONTRACT/CONTRACTOR EVALUATION.** a. Service and Repair Orders (OTAG Form 37-3-6). The designated POC will certify completion in the "Completion Certification" block of the Service and Repair Order and return the Canary and Pink copies to CAST-PC for processing.

b. **Formal Contracts.** The individual designated to monitor the contract will prepare a Contract/Contractor Evaluation (STD 4) immediately upon completion of the project or in the event of a periodic service, at the completion of each service. The evaluation form will be forwarded in triplicate to CAST-PC.

c. **Account Payable Section** is prohibited from scheduling payment to the contractor until the evaluation forms are received. The timeliness of submission of the Contract Evaluation form or Service Order Certification is critical to prompt contractor payment.

15-3. **DISTRIBUTION OF BLANK EVALUATION FORMS.** Blank Contract/Contractor Evaluation forms are distributed in bulk to the respective fund managers. Additional forms are available from Purchasing and Contracting Branch.

CHAPTER 16

CONTRACTING OFFICER'S REPRESENTATIVE DUTIES AND RESPONSIBILITIES

16-1. GENERAL. a. All contracts for facility repair and construction as well as major service contracts require the appointment of a Contracting Officer's Representative (COR).

a. In cases where the Chief, Purchasing and Contracting Branch determines it is advisable to do so, a COR may be appointed for service orders.

b. Regardless of the type of contract involved, the primary duty of the COR is to monitor the execution of the contract for the Chief, Purchasing and Contracting Branch and to insure that the conditions and specifications of the contract are adhered to.

c. CORs will not allow contractors to deviate from the contract plans and specifications without prior written approval from the Purchasing and Contracting Branch.

16-2. SCOPE OF THE COR'S AUTHORITY. Scope of Contracting Officer's Representative authority is as follows:

a. Administrative supervision of contractor progress under the contract, including performance of frequent on-site inspections.

b. The COR is authorized to make decisions with respect to minor adjustments to meet local conditions that do not obligate the payment of money by the State or Federal Government and do not change the scope, plans and specifications of the contract.

c. Review and evaluate contractor cost proposals for Military Department directed changes and furnish comments and recommendations to the Purchasing and Contracting Branch.

d. Review and provide recommendation on contractor's request for progress payments if such payments are specifically authorized in the contract.

e. Perform contractor and/or subcontractor employee labor interviews as directed to do so by the Chief, Purchasing and Contracting Branch.

16-3. COR DUTIES. Selection to perform COR duties is based upon an individual's technical competence in the work to be performed in the contract or experience in contract supervision, recommendation of the fund manager on who's request the contract has been let, and the anticipated availability of the COR for the expected period of contract performance.

a. All CORs perform this function as an additional duty. The nature of COR responsibilities creates a special relationship between the Chief, Purchasing and Contracting Branch and the COR. The COR communicates directly with the Chief, Purchasing and Contracting Branch on matters relating to contract execution without regard to channels prescribed in the COR's primary duty assignment.

b. Contracting Officer's Representatives are designated on a letter of appointment. The letter of appointment clearly delineates the duties and responsibilities of the COR. To prevent any possible misunderstanding of the COR's role, a copy of the appointment letter is provided to the COR and to the contractor.

1 October 1992

c. CORs will deal only with the contractor supervisors and not with contractor's employees, except when performing labor standards interviews.

16-4. CHANGE, ALTER PLANS OR SPECIFICATIONS. The COR has no authority to change or alter plans or specifications, or the terms and conditions of the contract. All questions arising involving interpretations of the contract, plans and specifications and/or deviations from the original plans and specifications, are to be referred to the Purchasing and Contracting Branch for a decision in writing. In no event shall the Contracting Officer's Representative be empowered to award, agree to, or sign any contract modification, or in any way to obligate the payment of money by the State or Federal Government.

16-5. PROGRESS REPORTS. During contract performance the COR may be required to provide progress reports to the Purchasing and Contracting Branch and following completion of work the COR must provide a written evaluation of the contractor's performance (Std 4, Contract/Contractor Evaluation) and forward the evaluation to OTAG, ATTN: CAST-PC.

16-6. CONTRACT/CONTRACTING PROBLEM REPORTS. Any of the following conditions must be reported to the Purchasing and Contracting Branch immediately by the COR:

- a. Substandard performance.
- b. Deviations from contract specifications.
- c. Interference with the COR or other authorized governmental agency inspectors in the performance of their duties.
- d. Actual or potential problems which could threaten the performance of the contract.

16-7. RESOLUTION OF DISPUTES. a. The Contracting Officer's Representative plays a key role in the resolution of disputes involving contractor deviation from contract specification and/or substandard performance by the contractor.

b. The most essential element involved in insuring contractor compliance with contract requirements is the COR's ability to ascertain the deficiency and accurately describe the shortcoming so that all parties are discussing exactly the same issue.

c. Following accurate problem definition, the COR will attempt to resolve the matter with the contractor.

d. If reasonable efforts to resolve the problem fail, the COR will reduce the situation to writing and forward the report to OTAG, ATTN: CAST-PC.

e. If the dispute involves interpretation of technical engineering requirements of the plans and specifications, the Purchasing and Contracting Branch may refer the report Facilities Engineering for technical guidance or if the problem concerns any other technical issues other staff sections may be consulted; however, the Chief, Purchasing and Contracting Branch will be the Military Department point of contact with the contractor in final resolution of the issue.

f. The Chief, Purchasing and Contracting Branch will send a letter to the contractor completely explaining the noted deficiency, discussing the contractor's responsibility under the contract provisions, and designating a deadline for the accomplishment of the required tasks. Copies of this demand letter will be forwarded to the concerned fund manager, the Contracting Officer's Representative, and, if deemed appropriate, to the Contractors' State License Board.

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

16-8. COR'S ARRANGEMENT REQUIREMENTS. The Contracting Officer's Representative shall make all arrangements for the following:

- a. Final data that may be required to definitely establish base lines and grades during construction projects.
- b. Technical inspection of all materials to be used and all work during construction.
- c. Sampling and testing of all materials.
- d. Preliminary review of all shop drawings and processing required.

16-9. CORRESPONDENCE BETWEEN COR AND CONTRACTOR. The COR will insure that copies of all correspondence between contractor and COR are provided to the Purchasing and Contracting Branch.

CHAPTER 17

DEFINITION OF TERMS

17-1. **DEFINITIONS.** a. **Authorized Service Representative.** A term used in relation to those persons who may perform repair and maintenance of equipment and are so designated by the equipment manufacturer. When repair service can't be obtained from the Department of General Services, particularly for electric typewriters, adding machines, and printing calculators, they should be serviced by an authorized service representative.

b. **Bid.** A potential contractor's reply to a formal solicitation for construction or repair projects or other services which represents what the contractor will charge to provide what is needed. Bids are written and delivered sealed to the Purchasing and Contracting Branch.

c. **Bidders Conference.** This is a planned, formally conducted meeting held by the Military Department after the solicitation documents have been distributed to all vendors on the bidders list or vendor responding from the advertisement. The purpose of such conferences is to clarify the bid or proposal request documents and to respond to questions. In the case where an Invitation for Bid has been used, such conferences usually deal with the presentation of physical conditions which must be viewed in person.

d. **Consulting Services Contract.** A contract with a private firm/individual, which provides services of an advisory nature related to the governmental function of the State agency administration and management, and State agency program management or innovation. Such contracts call for a product of the mind as distinguished from the rendition of mechanical skills.

e. **Contract.** A legally binding agreement between the State and another entity, public or private, for the provision of goods or services. It sets forth terms, conditions and the statement of all work to be performed as a function of the contractual agreement.

f. **Contract Manager.** That person in each State agency or department with assigned contract responsibility who possesses demonstrated skill in contract administration, including detailed knowledge of State contract requirements, competence in drafting documents and ability to manage and monitor contract performance. The Chief, Purchasing and Contracting Branch is the Contract Manager for the Military Department.

g. **Delegated Purchase Authority.** Authorization granted by Office of Procurement to the Military Department authorizing issuance of purchase documents within certain dollar value limitations without prior approval or prior review of the proposed purchase by Office of Procurement.

h. **Fund Manager.** Individual charged with the management and prioritization of expenditures of funds dedicated to the support of a specific Military Department program or activity. Authority as the fund manager coincides with line authority or supervision of the program.

i. **Invitation for Bid (IFB).** A type of solicitation document used in the competitive bidding process, which contains the exact statement and specification of what the State wishes to procure. The IFB is clearly and precisely written and is appropriate for use when contracting for a service for which there is a known, referenced or published standard which governs both the

1 October 1992

quality and acceptability of the services to be performed. The IFB is so written that every contractor qualification and action to be taken is stated; therefore, each bidder is bidding on exactly the same thing. It is this characteristic which permits bid comparison and contractor selection solely on the basis of price (lowest responsive bidder).

j. Local Purchase Authority (LPA). Authorization granted by Purchasing and Contracting Branch to qualified Military Department activities to issue purchase orders within specific dollar value limitations without prior approval or prior review of the purchase order by Purchasing and Contracting Branch.

k. Master Service Agreements (MSA) and Master Rental Agreements (MRA). Guaranteed price agreements negotiated by Office of Procurement for maintenance of various office machines and the rental of certain office devices and industrial products. MSA and MRA may have geographic and/or dollar value limitations.

l. Materials Services Section Warehouse (State Stores). Warehouses stocking certain common office and janitorial supplies which experience has shown are ordered by a number of State agencies, operated by Office of Procurement and commonly called State Stores.

m. Military Department Depot. Warehouse located in Sacramento operated by the Military Department stocking selected janitorial, facility maintenance items, Department-owned office furniture and certain State forms for use at Army National Guard facilities.

n. Negotiation. Discussion held between the State agency or department and a selected contractor to insure full agreement on all aspects of the work to be performed, applicable regulations, and elements of cost, including the basis for payment and final price before the contract is finally executed.

o. Office Of Procurement. An organization within the State Department of General Services (DGS) charged with performing all tasks relating to procurement defined in State law and/or in the State Administrative Manual (SAM) as being the responsibility of the Director of General Services or the Department of General Services; the central organization in State government concerned with procurement policy and purchasing activities; and, the primary auditor of procurement records maintained by the Military Department.

p. Prison Industry Authority (PIA). Agency of State government responsible for operation of manufacturing and service enterprises within California's Correctional Institutions. PIA manufactures standard commodities including furniture, clothing and cleaning products which are offered for sale to State agencies via State Price Schedules. When required commodities are available from PIA, purchase is mandatory for State agencies.

q. Progress Payment. Any partial payment of the contract price during the progress of the work.

r. Proposal. A potential contractor's presentation of approach/method to be used to perform a particular service. It may be written or oral. Most frequently the term is applied to the written response to an a Request for Proposal (RFP).

s. Purchase. A procurement action for commodities wherein 10% or less of the total price is labor charges.

t. **Quotation.** A potential contractor's/vendor's reply to an informal solicitation for purchase of goods, equipment or facilities repair or other services which represents what the vendor will charge to provide what is needed. Quotations may be written or verbal depending upon the circumstances.

u. **Purchasing and Contracting Branch.** An organization within the Military Department Comptroller's Office responsible for performing all tasks relating to contracting and procurement.

v. **Request for Proposal (RFP).** A solicitation procedure/document which makes the statement, "Here is what we wish to accomplish; how will you accomplish and for how much?" The RFP is not used when there is a "standard" associated with the requirement. In using an RFP, the Military Department may elect to award the contract by using the **Primary Method** (public bid opening with award to the lowest qualified bidder) or the **Secondary Method** which requires the contract to be awarded to the bidder receiving the highest score as a result of an evaluation/scoring procedure performed by an authorized committee according to the process and criteria stated in the RFP. The determination as to which method will be utilized must be made prior to preparation of the RFP.

w. **Request for Quotation (RFQ).** A type of solicitation document used in the competitive procurement process where the type of goods or service and the anticipated dollar value of the transaction authorize the utilization of a designated informal procurement process.

x. **Responsible Bidder.** One who has been determined to have the qualifications, competency, experience, technical resources or access to both technical and financial resources, as well as the business integrity to carry out the work as stated and expected.

y. **Responsive Bidder.** One who has responded substantively in accordance with instructions and requirements stated in the solicitation documents, including the use of any required formats.

z. **Service and Repair Order (SRO).** Agreement between the Military Department and a contractor in which the contractor provides one time services or repairs, the dollar value of which is less than \$1,000.

aa. **SLAMM (Statewide Logistics and Materials Management) Catalog.** A comprehensive listing of commodities purchased by the State on a regular basis, as well as generic descriptors for certain categories of supply items. Commodities are listed by description and by 12-digit stock item number.

Department of General Services, Office of Procurement, has partially implemented the PIN System (Purchasing Information Network) which will eventually replace the SLAMM numbering system. Current budget constraints have delayed full implementation.

bb. **Sole Source Procurement.** Purchase of commodities or contracts for service where compelling justification can be established for deviating from competitive procurement procedures and only a single brand, trade name or vendor is considered. Justification for sole source acquisition must be substantial and (except for bonafide emergencies) must establish that the brand, trade name or vendor is the only source that will properly meet the needs of the State.

1 October 1992

cc. **State Administrative Manual (SAM).** Reference source for statewide policies, procedures, regulations, and information issued by the Department of Finance and the Department of General Services. These two departments exercise control and supervision over the operating departments of State government (including the Military Department) regarding uniform management practices and business/fiscal operations.

dd. **State Contract.** Contract issued to a specific vendor by Office of Procurement which grants the vendor exclusive rights to sell specified products to State agencies. State contracts may apply to a particular geographic area or may be applicable Statewide. State contracts may have minimum and/or maximum dollar value limitations per order. When required commodities are available from State Contract, the use of the State Contract is mandatory for State agencies.

ee. **State Price Schedule (SPS).** Price schedules are price lists for specific commodities negotiated with vendors by Office of Procurement. Price schedules are established to facilitate ordering of primarily noncompetitive commodities by State agencies. SPS may have geographic and/or dollar value limitations.

ff. **Statement of Work.** That portion of the Request for Proposal or Invitation for Bid which describes the work to be performed by means of specifications or other minimum requirements, quantities, performance dates and a statement of the quality expected.

gg. **Vendor.** An individual, a group of individuals, or a firm doing business in the open marketplace and offering goods or services to the State in exchange for monetary compensation. In certain cases Office of Procurement may prescribe additional qualifications before a potential vendor may be considered a qualified vendor.

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

APPENDIX A

SAMPLE DRUG-FREE WORKPLACE CERTIFICATION

DRUG-FREE WORKPLACE CERTIFICATION STD 21

COMPANY/ORGANIZATION NAME	ADDRESS
Watt Electrical	220 volts way, Bell, CA 91234-5678

The contractor or grant recipient named above hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace. The above named contractor or grant recipient will:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).
2. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b), to inform employees about all of the following:
 - (a) The dangers of drug abuse in the workplace,
 - (b) The person's or organization's policy of maintaining a drug-free workplace,
 - (c) Any available counseling, rehabilitation and employee assistance programs, and
 - (d) Penalties that may be imposed upon employees for drug abuse violations.
3. Provide as required by Government Code Section 8355(c), that every employee who works on the proposed contract or grant:
 - (a) Will receive a copy of the company's drug-free policy statement, and
 - (b) Will agree to abide by the terms of the company's statement as a condition of employment on the contract or grant.
(must have date certification expires)
4. From and after the "date Executed" and until August 1995 (NOT TO EXCEED 36 MONTHS), and at the election of the contractor or grantee, the state will regard this certificate as valid for all contracts or grant entered into between the contractor or grantee and this state agency without the necessity of requiring the contractor or grantee to provide a new and individual certificate for each such contract or grant. If the contractor or grantee elects, as provided above, by filling in the blank date, then the terms and conditions of this certificate shall have the same force, meaning, effect and enforceability as if a certificate were separately, specifically, and individually provided for each contract or grant between the contractor or grantee and this state agency.

CERTIFICATION	
I, the official named below, hereby swear that I am duly authorized legally to bind the contractor or grant recipient to the above described certification. I am fully aware that this certification, executed on the date and in county below, is made under penalty of perjury under the laws of the State of California.	
OFFICIAL'S NAME: PRINT OR TYPE NAME OF PERSON SIGNING	
DATE SIGNED: DATE CERT IS SIGNED	
EXECUTED IN THE COUNTY OF: Los Angeles	
CONTRACTOR OR GRANT RECIPIENT SIGNATURE: MUST BE AN ORIGINAL SIGNATURE (NO XEROX COPY)	
TITLE: Title of Personing Signing	PHONE NUMBER: (213) 345-6789
FEDERAL I.D. NUMBER: 98-7654321	

STD FORM 21, DATED 6/92, ALL PREVIOUS EDITIONS ARE OBSOLETE

1 October 1992

CAL ANGR 37-3
CA ANGR 177-1

APPENDIX B
RECORD OF PRICE QUOTATION

C - 2

RECORD OF PRICE QUOTATION

PAGE ____ OF ____

REFERENCE #	DATE QUOTE RECEIVED		DATE QUOTE RECEIVED		DATE QUOTE RECEIVED			
	DATE QUOTE EXPIRES		DATE QUOTE EXPIRES		DATE QUOTE EXPIRES			
VENDOR NAME & ADDRESS								
PERSON QUOTING								
VENDOR #								
PHONE #								
TERMS								
F.O.B.								
FREIGHT CHARGE								
DELIVERY COMMITMENT (No. Days after receipt of order)								
SMALL BUSINESS/MINORITY CODE								
PERSON RECEIVING QUOTE								
ITEM	QUAN	UNIT	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION
SALES TAX								
TOTAL								
ADDITIONAL INFORMATION:								

Figure 2-1

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

APPENDIX C

FILE SYMBOL

DATE

MEMORANDUM THRU

CAST-SB

CAST-AC

FOR CAST-PC

SUBJECT: LPA RENEWAL OR AMENDMENT

1. Please renew or amend LPA (CAST-PC-PR assigned number) by (increasing/decreasing) the encumbrance for DOLLAR AMOUNT to DOLLAR AMOUNT:

LPA NUMBER	TITLE	AUTHORIZED INDIVIDUAL	INDEX	OBJECT	PCA
---------------	-------	--------------------------	-------	--------	-----

2. Funds are being transferred to support this request. (See attached allotment revision.)

SIGNATURE BLOCK
AND TITLE OF THE
FUND MANAGER

NOTE: Amendments for administrative changes only shall be submitted in the same format identifying the changes. (Allotment revisions are not required for administrative changes.)

APPENDIX C (continued)

STATE OF CALIFORNIA
SUB-PURCHASE ORDER
SP-68 REV 8-88

SEE INSTRUCTIONS ON BACK OF LAST COPY

REFER TO THIS ORDER BY
SUB-PURCHASE ORDER NUMBER

NOTICE TO VENDOR

- FURNISH DATA FOR ALL ITEMS OUTLINED IN HEAVY RULE IF NOT ALREADY COMPLETED BY AGENCY
- ALL SHIPMENTS TO BE PREPAID F.O.B. DESTINATION, UNLESS OTHERWISE SPECIFIED
- SEE ADDITIONAL INSTRUCTIONS ON BACK OF LAST COPY

Will you bill separately? (If yes, bill in triplicate; if no, sign certification and return per instructions) (CHECK ONE) YES NO

SHIP TO:
ARMED FORCES RESERVE CENTER
BUILDING #9 SUPPLY
LOS ALAMITOS, CA 90720
ATTN: TONY CONTI (310) 795-2152

SUB-PURCHASE ORDER NUMBER
80002-64

DATE
31 AUGUST 92

VENDOR'S INVOICE NO. (IF ANY)
003062

CERTIFICATION
I hereby certify that this is a true and just bill and payment has not been received.

VENDOR'S SIGNATURE
SIGNATURE REQUIRED WHEN NO INVOICE IS PROVIDED

TITLE (OWNER, MGR, CLERK, ETC.)

JOHNSTONE SUPPLY
1335 DAYTON STREET, SUITE A
SALINAS, CA 93901
ATTN: DAVE DOXEY
(800) 335-1171

CHARGE TO:
MILITARY DEPARTMENT
STATE OF CALIFORNIA
P.O. BOX 214405
SACRAMENTO, CA 95821-0405

DATE MAILED

VENDOR NOTE: THIS IS A SELF INVOICING FORM—NO SEPARATE INVOICE NEEDED.

LINE NO	QUANTITY	UNITS (LBS, OZS, GALS, ETC.)	DESCRIPTION (COLOR, SIZE, PART NO., ETC.)	(X)	UNIT PRICE	AMOUNT
1	2	EA	NUT DRIVER SET 7-PIECE #H24-712		\$9.59	\$ 19.18
2	2	EA	BIT SET -SET #H24-711 - 5 PIECE SET		5.62	11.24
3						
4						
5						
6						
7						
8						
9			BLDG. 36 - TO PERFORM VARIOUS MAINTENANCE REPAIRS.			
10			VENDORS #228937 ETHNIC GROUP S-5			
11			FOB DESTINATION NET 30 TERMS			
FISCAL YEAR		CONTRACT OR STATE FISCAL SCHEDULE NUMBER		I hereby certify, on personal knowledge that the order for purchasing the items specified above is issued in accordance with the procedure prescribed by law governing the purchase of such items for the State of California, that all such legal requirements have been fully complied with.		SUB TOTAL
NAME OF FUND AND ALLOTMENT (COMPLETION OPTIONAL)		ALLOTMENT CODES		AUTHORIZING SIGNATURE /s/ Ann Sobiech Ann Sobiech Office Assistant		30.42
ADDITIONAL EXPENDITURE CODING		SIGNATURE OF RECOVER		DATE RECEIVED		SUB TOTAL
CLAIM NO		AMOUNT		PURCHASED UNDER		30.42
				S A M 3671 (82)		SALES TAX
				CASH DISCOUNT		2.36
				DATE		TOTAL
				A B C B E		32.78

DISTRIBUTION COPIES: 1—INVOICE 2—VENDOR'S COPY 3—PACKING SLIP 4, 5, 6—MISCELLANEOUS 7—ORIGINATING UNIT 316251

FIGURE 3-2

Figure 3-2

APPENDIX D (continued)

UNITS OF MEASURE

<u>CODE</u>	<u>UNIT OF MEASURE</u>	<u>CODE</u>	<u>UNIT OF MEASURE</u>	<u>CODE</u>	<u>UNIT OF MEASURE</u>
BA	BALL	EA	EACH	PD	PAD
BD	BAND	EN	ENVELOPE	PG	PACKAGE
BE	BALE	FT	FOOT	PK	PACK
BF	BOARD FOOT	GL	GALLON	PL	PAIL
BG	BAG	GM	GRAM	PN	PAN
BK	BOOK	GR	GROSS	PR	PAIR
BL	BARREL	HD	HUNDRED	PT	PINT
BN	BUNDLE	HF	HUNDRED FEET	QR	QUIRE
BO	BOLT	HG	HALF GALLON	QT	QUART
BR	BAILER	HK	HANK	RE	REEL
BT	BOTTLE	HP	HALF PINT	RL	ROLL
BX	BOX	HQ	HALF QUART	RM	REAM
CB	CUBETAJNER	HW	HUNDRED WEIGHT	SA	SACK
CD	CARD	JR	JAR	SE	SET
CE	CONE	KE	KEG	SF	SQUARE FOOT
CF	CUBIC FOOT	KT	KIT	SH	SHEET
CG	CENTIGRAM	LB	POUND	SK	SKEIN
CI	CYLINDER	LF	LINEAR FOOT	SL	SPOOL
CL	COIL	LG	LENGTH	SQ	SQUARE
CM	CENTIMETER	LI	LITRE	SY	SQUARE YARD
CN	CAN	LT	LOT	TB	TUB
CO	CORD	LV	LOAF	TN	TON
CR	CRATE	LY	LINEAR YARD	TR	TRAY
CS	CASE	MG	MILLIGRAM	TT	TOTE
CT	CARTON	MM	MILLIMETER	TU	TUBE
CY	CUBIC YARD	MR	METER	UN	UNIT
DB	DECIGRAM	MS	THOUSAND SQ IN	VA	VARIOUS
DN	DECIMETER	MT	METRIC TON	VI	VIAL
DR	DRUM	MX	THOUSAND	YD	YARD
DX	FIVE HUNDRED	OZ	OUNCE		
DZ	DOZEN	PC	PIECE		

Figure 4-2

Figure 4-2

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

APPENDIX D (continued)

MILITARY DEPARTMENT PURCHASE REQUEST
(NOT A PURCHASE ORDER)

ARMED FORCES RESERVE CENTER
BUILDING #9, SUPPLY
LOS ALAMITOS, CA 90720

State of California
Military Department
ATTN: CAST-AP
P. O. Box 214488
Sacramento, CA 95821-0408
(916) 673-3274

DATE: 03 August 92
POINT OF CONTACT: ANN SOBIECH
PHONE: (310) 795-2150

TO: AMERICAN PLUMBING PARTSMATER
153 MERCURY CIRCLE
POMONA, CA 91768
ATTN: DAVID

TO: (714) 594-7278

VEHICLE NUMBER: U16181317
DATE ISSUED: 1-2 DAYS ARO
DESTINATION: []
SHIPMENT COST: []

QUANTITY	UNIT	STOCK ITEM/PLANET NUMBER	DESCRIPTION	UNIT PRICE	EXT. AMT.
2	EA	4510-009-2584-4	FAUCET, SERVICE SINK CHICAGO 8305VBR	84.97	169.94
THIS IS A PURCHASE REQUEST					

SPECIAL INSTRUCTIONS:

JUSTIFICATION: BUILDING 18 AND 58 REPLACEMENTS FOR WORN OUT SINKS

OLD TOTAL	169.94
SALES TAX	13.17
TOTAL	183.11

LOS ALAMITOS 46052 1339-2000

DATE ISSUED: 03 Aug 92

ANN SOBIECH, Office Assistant II

PAUL BERNAL, P.B.O. 03 Aug 92

Fund Certification: The supplies and services listed on this request are properly chargeable to the following allotments, the available balances of which are sufficient to cover the cost thereof, and funds have been obligated.

ACCOUNTING CLASSIFICATION: 51589K T2 183.11

OTAG Form 37-3-4 (Jan 90) Replaces OTAG Form 37-3-4 (Jan 88) which is obsolete

Figure 4-3

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

APPENDIX E

**MILITARY DEPARTMENT
PURCHASE REQUEST
NOT A PURCHASE ORDER**

<input type="checkbox"/> EMERGENCY <input type="checkbox"/> URGENT <input type="checkbox"/> ROUTINE	<input type="checkbox"/> FEDERAL CONTROL NO. TO BE ASSIGNED BY ACCOUNTING	PAGE OF PAGE 1 1
---	---	-----------------------

Military Department
 Headquarters, Camp Roberts
 BLDG, 907, TEL: 805 239-8275
 For Supply Officer
 Camp Roberts, CA 92451-5000

State of California
 Military Department
 ATTN: CAST-AP
 P O Box 214488
 Sacramento, CA 95821-0488
 (916) 973-3374

DATE MONTH DAY YEAR
 . DATE
 POINT OF CONTACT
 (POC)
 POINT OF CONTACT PHONE NUMBER
 (PHONE #)

CAL STATE PROMOTION ONLY
 TRANSACTION CODE NUMBER
 FEDERAL YEAR
 92/93
 NEED-GRADE-PA
 1676-146.23/10202
 SERVICE/ASSIGNMENT NUMBER
 VENDOR PHONE NUMBER
 415/638-6545

TO: LUCY'S SALES
 FROM: *** GHORNLEY AVE
 ADDRESS: OAKLAND, CA 94603
 CITY: OAKLAND, CA 94603
 FEDERAL I.D. # 94-3031719

VENDOR NUMBER: 555490
 DATE QUOTED: 30 DAYS ARC
 DESTINATION: []
 SHIPPING COST: []
 30-21 DAYS
 XX#6 0 00

QUANTITY	UNIT	STOCK ITEM/CLASS NUMBER	DESCRIPTION	UNIT PRICE	EXTENSION
50	EA	8115-999-9999-3	DUMPSTER, TRASH, W/PLASTIC LIDS, 5 YDS NO CASTERS, CONSOLIDATED #9117 OR EQUAL	423.50	21,175.00
10	EA	3115-9999-9999-1	HOPPER, SELF DUMPING TILT, 1 1/2 YD NO CASTERS	486.20	4,862.00

SPECIAL INSTRUCTIONS
 1299-0402

AUTHORIZATION
 FOR DUMP - SEE ATTACHED LETTER OF JUSTIFICATION

REQUISITION ORIGINATOR CAMP ROBERTS	AGENCY CODE 46051	REQ NUMBER 095-92/1299-0402	Fund Certification The supplies and services listed on this request are properly chargeable to the following allotments, the available balance of which are sufficient to cover the authorized, and funds have been committed.
---	-----------------------------	---------------------------------------	--

PURCHASE CERTIFICATION
 I hereby certify, on personal knowledge, that preparation of the items and quantities specified herein is necessary and appropriate for the accomplishment of the mission of this installation, and will not violate existing agreements or regulations.

NAME, GRADE/POSITION TITLE, SIGNATURE OF REQUISITION OFFICIAL
 (REQUESTING OFFICIAL)

NAME, GRADE AND SIGNATURE OF APPROVING AUTHORITY
 (FUND MANAGER)

ACCOUNTING CLASSIFICATION
 FUND YEAR: []
 DATE: []
 FUND NAME AND TITLE OF OFFICER: []
 SERVICE: []

OTAG Form 37-3-4 (Jan 80) Replaces OTAG Form 37-3-4 (Jan 80) which is obsolete
 FIGURE 5-1

Figure 5-1

CAL ARNGR 37-3
CA ANGR 177-1

1 October 1992

APPENDIX F (continued)

**MILITARY DEPARTMENT
PURCHASE REQUEST
NOT A PURCHASE ORDER**

EMERGENCY FEDERAL CONTROL NO. _____
 UNSUP TO BE ASSIGNED BY _____
 RESERVE ACCOUNTING _____

PAGE OF PAGE
1 1

MILITARY DEPARTMENT
CALIFORNIA AIR NATIONAL GUARD
ATTN: LINDA JAMES
161RD TRC (ANG)/DE-BLDG 2276
MARCH AFB, CA 92518

State of California
Military Department
ATTN: CAGT-AP
P. O. Box 214408
Sacramento, CA 95821-0408
(916) 973-3374

DATE MONTH DAY YEAR
(DATE)
POINT OF CONTACT
(POC)
POINT OF CONTACT PHONE NUMBER
(415) 631-2515

RECOMMENDED VENDOR
S.C. JOHNSON & SON, INC.
ATTN: ALICIA VEGA M/S 058
1525 HOWE STREET
RACINE, WI 53403

CALIFORNIA INFORMATION ONLY
TRANSACTION CODE NUMBER
92/93
FUND-OBJECT-POB
4112-346.76-20201
CONTRACT/RELEASE NUMBER
2-91-68-01 (EXP 9-30-92)
VENDOR PHONE NUMBER
(414) 631-2515

TO FUND ADDRESS Type of Item Label

VEHICLE NUMBER [111211012] S/S [N] ITH [5]

DATE ISSUED	10 DAYS SRC	POB	DESTINATION	SHIPPING COST	TAXES	NET 30	2 OR 9 98	
QUANTITY	UNIT	STOCK ITEM/CLASS NUMBER	DESCRIPTION	UNIT PRICE	EXTENSION			
4	CS	7930-230-0280-5	CLEANER, CREM BOWL, 12/32 oz.	21.33	85.32			
7	CS	7930-230-0208-5	CLEANER, INSTANT, LIQUID ENVY, 12/20oz.	22.98	91.92			
THIS IS A P								
SPECIAL INSTRUCTIONS							GRAND TOTAL	177.24
JUSTIFICATION							SALES TAX	13.74
TO REPLENISH STOCK							TOTAL	190.98
REQUESTING INSTALLATION	AGENCY CODE	MD NUMBER	Fund Certification					
163 CES	46030		The supplies and services listed on this request are properly chargeable to the following statement, the available balance of which are sufficient to cover the cost thereof, and funds have been obligated.					
PURCHASE CERTIFICATION		DATE ISSUED	ACCOUNTING CLASSIFICATION		AMOUNT			
I hereby certify, on personal knowledge, that acquisition of the items and/or services identified herein is necessary and approved by the commanding officer of this installation, and will not violate existing agreements or regulations.								
NAME, GRADE/POSITION TITLE, SIGNATURE OF REQUESTING OFFICIAL		DATE	FUND YEAR		REMARKS			
(REQUESTING OFFICIAL)								
NAME, GRADE AND SIGNATURE OF APPROVING AUTHORITY		DATE ISSUED	FUND YEAR AND TITLE OF GOVERNING OFFICER		SIGNATURE			
(FUND MANAGER)								

OTAG Form 37-3-4 (Jan 80) Replaces OTAG Form 37-3-4 (Jan 88) which is obsolete
FIGURE 6-2

Figure 6-2

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

APPENDIX G (continued)

1-89

Section 1—Page 11

STATE OF CALIFORNIA

NOTICE OF EXCEPTIONS
OVER, SHORT, DAMAGED, POOR QUALITY

(Allow within 10 days—see
reverse side for instructions)

OFFICE OF PROCUREMENT
MATERIALS SERVICES

FORM 800 (REV. 12/88)

TO OFFICE OF PROCUREMENT Materials Services P.O. Box 1015 North Highlands, CA 95660		DATE	STORAGE ENTRY NUMBER
		EXCESS	
		P/O NUMBER	DATE OF P/O
1. OVERAGE REPORT			
<input type="checkbox"/>	A. OVER AS NOTED ON P/O	PRICE ON P/O	RECEIVED
<input type="checkbox"/>	B. QUANTITY DIFFERS FROM SUPPLY ORDER LIST OVERAGE		
<input type="checkbox"/>	C. COVERAGE ACCEPTED. PLEASE INVOICE ACCORDINGLY		
<input type="checkbox"/>	D. OVERAGE BEING HELD PENDING YOUR INVESTIGATION		
2. SHORTAGE REPORT (Form 801)			
<input type="checkbox"/>	A. SHORT AS NOTED ON P/O LIST SHORTAGE	PRICE ON P/O	RECEIVED
<input type="checkbox"/>	B. QUANTITY DIFFERS FROM SUPPLY LIST SHORTAGE		
3. DAMAGE REPORT (Continued Use of Damage)			
<input type="checkbox"/>	A. DAMAGED AS NOTED ON P/O LIST DAMAGED	PRICE ON P/O	RECEIVED
4. ENCLOSED ARE			
<input type="checkbox"/>	A. COPY OF SUPPLY ORDER P/O WITH NOTATIONS		
<input type="checkbox"/>	B. COPY OF LABORER INSPECTION REPORT		
5. PRODUCT QUALITY (See Particulars on Back)			
STOCK #		CATALOG DESCRIPTION	
AND DESCRIPTION OF MATERIAL AND QUANTITY			
6. REMARKS			
NAME		TITLE	
ADDRESS		CITY	
		STATE	
		ZIP	

Figure 7-3

Figure 7-3

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

APPENDIX H

**MILITARY DEPARTMENT
PURCHASE REQUEST
(NOT A PURCHASE ORDER)**

MILITARY DEPARTMENT
ATTN: CAAD-SMR
2829 KATT AVENUE
SACRAMENTO, CA 95821-6294

State of California
Military Department
ATTN: EAST-AP
P. O. Box 214688
Sacramento, CA 95821-6488
(916) 873-3874

TO BE ASSIGNED BY
ACCOUNTING

STATE OF CALIFORNIA PRINTING OFFICE
ATTN: JOE BLAIR
344 NORTH 7th STREET
SACRAMENTO, CA

550-238.03-55101

QUANTITY	UNIT	SUPPLIER (FURNISHER NAME)	DESCRIPTION	UNIT PRICE	EXTENSION
1	JOB		SMR GOLDEN BEAR DECALS	940.00	940.00
			REFER TELEPHONE BID/EST 9T-4500-AS PER		
			JOE BLAIR		
			(SAMPLE ATTACHED)		
			A PLEASANT		
			ORBIT		

TO BE UTILIZED BY CALIFORNIA STATE MILITARY RESERVE

STATE MILITARY RESERVE

46090

ACCOUNTING CLASSIFICATION

(REQUESTING OFFICIAL)

(FUND MANAGER)

OTAG Form 37-3-4 (Jan 80) Replaces OTAG Form 37-3-4 (Jan 88) which is obsolete
FIGURE 8-1

Figure 8-1

CAL ARNGR 37-3
CA ANGR 177-1

1 October 1992

APPENDIX H (continued)

**MILITARY DEPARTMENT
PURCHASE REQUEST
(NOT A PURCHASE ORDER)**

<input type="checkbox"/> EMERGENCY <input type="checkbox"/> URGENT <input type="checkbox"/> ROUTINE	FISCAL CONTROL NO. TO BE ASSIGNED BY ACCOUNTING	PAGE 1 OF 1
---	---	-------------

* MILITARY DEPARTMENT
 * ATTN: CAAS
 * 2829 WATT AVENUE
 * SACRAMENTO, CA 95821-8294

* State of California
 * Military Department
 * ATTN: CAST-AP
 * P. O. Box 314408
 * Sacramento, CA 95831-0408
 * (916) 879-3374

DATE (MONTH DAY YEAR)
 (DATE)
 POINT OF CONTACT
 (POC)
 POINT OF CONTACT PHONE NUMBER
 (PHONE #)

TO: STATE OF CALIFORNIA PRINTING OFFICE
ATTN: JOE BLAIR
 144 NORTH 7th STREET
 SACRAMENTO, CA

CALIFORNIA INFORMATION ONLY
 TRANSFERRED FROM: 92/93
 PHONE NUMBER: 1115-206-30100
 CONTRACT/FISCAL NUMBER:

QUANTITY	UNIT	SPONSOR/ISSUE/CLASS NUMBER	DESCRIPTION	UNIT PRICE	EXTENSION
			BUSINESS CARDS, 3 BOXES, 200 EACH WITH STATE SEAL FOR:		
1	BX		JAMES D. BELLE	6.00	6.00
1	BX		RALPH H. GRAVES	6.00	6.00
1	BX		VERILL E. HAWKINS	6.00	6.00
				GRAND TOTAL	18.00
				SALES TAX	
				TOTAL	18.00

SPECIAL INSTRUCTIONS:
 INDIVIDUALS WILL BE INTERACTING WITH OTHER STATE AGENCIES

REQUESTING INSTALLATION: CAAS
 AGENCY CODE: 46000
 MS NUMBER:
 DOCUMENT NUMBER (CLIENT DOC. #):

PURCHASE CERTIFICATION
 I hereby certify, on personal knowledge, that acquisition of the items and/or services specified herein is necessary and approved for the accomplishment of the mission, and will not violate existing agreements or regulations.
 NAME, GRADE AND SIGNATURE OF REQUESTING OFFICER:
 (REQUESTING OFFICIAL)
 NAME, GRADE AND SIGNATURE OF APPROVING AUTHORITY:
 (FUND MANAGER)

ACCOUNTING CLASSIFICATION
 FUND YEAR: _____
 FUND: _____
 DATE: _____
 TYPE OF FUNDING: _____
 NAME AND SIGNATURE OF APPROVING OFFICER: _____

Full Certification
 The supplies and services listed on this request are properly chargeable to the following statement, the available balances of which are sufficient to cover the expenditure, and funds have been committed.

OTAG Form 37-3-4 (Jan 80) Replaces OTAG Form 37-3-4 (Jan 80) which is obsolete
 FIGURE 8-2

Figure 8-2

APPENDIX H (continued)

BUSINESS CARD INSTRUCTION SHEET

(A) <u>State of California</u>	(G) <u>(916) 854-3301</u>
(B) <u>California Military Department</u>	<u>DSN 466-3301</u>
(C) <u>2829 Watt Avenue, P.O. Box 214405</u>	<u>800 321-6824</u>
(D) <u>Sacramento, CA 95821-0405</u>	
(E) <u>BG James D. Delk</u>	
(F) <u>Deputy Adjutant General, Army Division</u>	

- (A) Department and/or agency—(Department of Corrections, Resources Agency, etc.) In some cases it is necessary to list both the agency and the department. The use of additional lines of type will be subject to space available. See Example B.
- (B) Subsection, unit, or branch—(Occupational Health Branch, Asian Studies Department, Graphic Design section, etc.)
- (C) Street Address—List completely and include suite or room number and/or post office box number.
- (D) City and ZIP Code—Use the abbreviation "CA" for California. Addresses in Sacramento should not include the state. (Sacramento 95814)
A, B, C and D—The maximum number of characters is 45 excluding punctuation.
- (E) Name—List name as desired with titles or degrees. Please be exact on spacing and capitalization. (F.W. MacDonald Jr.; John Howard Macdonald, Ph.D.; Robert R. Van Horn, D.O.S.; Susan J. Smith, MSW; etc.)
- (F) Occupational title or description—(Group Supervisor, Industrial Hygienist, Director, etc.)
E and F—The maximum number of characters is 45 excluding punctuation.
- (G) Telephone number—Three lines have been provided for phone numbers. (A public line, an ATSS line, and an extension number.) Other numbers may be substituted but additional lines of type will be subject to space limitations.
The maximum number of characters is 15 excluding punctuation.

A

State of California		
Office of State Printing North Seventh and Richards Boulevards Sacramento 95814		
James G. Garlock Photocomposer	(916) 322-5267 ATSS 8-482-5267	

B

State of California		
Department of Health Occupational Health Branch		
Mailing Address: P.O. Box 30327 Terminal Annex, Los Angeles, CA 90039 (213) 888-4886		
6156 Van Nuys Boulevard Panorama City, CA 91402 (213) 988-7610	Kenneth G. Lachman Industrial Hygiene Engineer	

You are encouraged to keep the information on your business cards brief and concise to enhance its readability. Additional information is costly and not always necessary. (Example A is typical of the average business card).

Note: It is the policy of the State Printer to use the Great Seal of the State of California on all business cards. The substitution of an officially recognized seal or logo will be permitted only if it has been approved at the agency secretary level. At no time will more than one seal, logo, or symbol be used.

Please proofread all business cards before submitting them to OSP. Be sure spelling, capitalization, punctuation, and spacing is correct. Note: With the exception of "CA" for California and officially recognized alphabetical designations (HEW, DMV, MSW, etc.) type will not be set in all capital letters.

Questions about your individual needs may be directed to the Office of State Printing, Planning Department, Business Card Representative. Through April 1, 1978 phone: (916) 445-7370 (ATSS) 8-485-7370; after April 1, 1978 phone: (916) 322-1036 (ATSS) 8-492-1036.



Figure 8-3

Figure 8-3

1 October 1992

CAL ARNGR 37-3
CA ANGR 177-1

APPENDIX I

STOCK RECEIVED REPORT

6947

The following articles were received from

FAMILIAN PIPE & SUPPLY

Date Received 18 Dec 91

SUB-PURCHASE ORDER OR PURCHASE ORDER No. 80631P

PARTIAL COMPLETE
WH DEPT. CAST-SU XX

PURCHASE ESTIMATE No.

LINE NO.	DESCRIPTION	QUANTITY	PRICE	AMOUNT
1	Elbow, 90 Galv 3/4"	18 EA	.61	10 98
2	Tee, Galv 3/4"	4 EA	.86	3 44
3	Nipple, Galv 1/2" x 3"	4 EA	.37	1 48
4	Nipple, Galv 3/4" x Close	4 EA	.33	1 32
5	Nipple, Galv 3/4" x 2"	6 EA	.37	2 22
6	Nipple, Galv 3/4" x 4"	6 EA	.59	3 54
7	Nipple, Galv 1" x Close	4 EA	.53	2 12
8	Nipple, Galv 1" x 2"	4 EA	.57	2 28
9	Nipple, Galv 1" x 2 1/2"	4 EA	.61	2 44
10	Nipple, Galv 1" x 3"	4 EA	.67	2 68
11	Nipple, Galv 1" x 5"	4 EA	1.01	4 04
12	Nipple, Galv 2" x Close	2 EA	.66	1 32
13	Nipple, Galv 2" x 3"	4 EA	.96	3 84
14	Nipple, Galv 2" x 5"	4 EA	1.45	5 80
15	Nipple, Galv 2" x 6"	4 EA	1.51	6 04
	Coupling, Black 3/4"	2 EA	.32	64
16	Nipple, Black 3/4" x 4"	2 EA	.28	56
	Elbow, 45 3/4"	4 EA	.78	3 12
17	Nipple, Galv 3/4" x 3"	2 EA	.49	98
Total w/Tax				63 40

Certification of Receiving Officer: I HEREBY CERTIFY That I have carefully weighed or counted the above article received by me today; that they were in good order except as otherwise noted in column "Remarks."

Los Alamos

[Signature]
Receiving Officer

STD 108 REV 3-80
CS 92918

Figure 9-1

Figure 9-1

1 October 1992

APPENDIX I (continued)

STATE OF CALIFORNIA

ACKNOWLEDGEMENT OF DELIVERY
330P-336 (REV. 4-77)

USE WINDOW ENVELOPE AND RETURN TO

State Office of Procurement
P. O. Box 1612
Sacramento, CA 95807

NOTICE TO RECEIVING AGENCY - UPON RECEIPT OF ALL COMMODITIES ORDERED (NOT PARTIAL DELIVERIES), INSERT DATE OF FULL RECEIPT IN THE DATE SLOTTED LOCATED ON TOP OF THE REVERSE SIDE OF THIS DOCUMENT. RETURN THIS DOCUMENT TO:
STATE OFFICE OF PROCUREMENT
DATA MANAGEMENT UNIT
P.O. Box 1612
SACRAMENTO, CALIFORNIA 95807

Area I

PLEASE INDICATE BELOW ANY ADDITIONAL COMMENTS WHICH MAY ASSIST THE OFFICE OF PROCUREMENT TO CAPTURE UNSATISFACTORY VENDOR OR PRODUCT PERFORMANCE DATA IN THE SLAMM SYSTEM. BRIEFLY DESCRIBE THE NATURE OF THE PROBLEM (MAY BE HAND WRITTEN).

1. DID THE ITEM(S) DELIVERED FULLY MEET THE REQUIREMENTS (SPECIFICATIONS) ON THE PURCHASE ORDER?
 NO YES
IF NO, WHAT WERE THE DIFFERENCES

2. DID YOUR AGENCY TAKE ANY DIRECT ACTION WITH THE VENDOR?
 NO YES
IF YES, BRIEFLY DESCRIBE THE ACTION TAKEN AND THE VENDOR'S RESPONSE

3. ADDITIONAL COMMENTS PERTAINING TO UNSATISFACTORY DELIVERY, SERVICE AND/OR PRODUCT

IF FURTHER ASSISTANCE IS REQUIRED FROM THE OFFICE OF PROCUREMENT, PLEASE INDICATE AGENCY PERSON TO BE CONTACTED
(NAME - PHONE NUMBER)

Figure 9-2

Figure 9-2

