

LPA GENERAL USAGE

2651

(May 2005)

The LPA program, established by DGS/PD as set forth in PCC sections 10290 et. seq. and 12101.5, enables DGS/PD to streamline State purchases by removing repetitive, resource intensive, costly and time consuming bid processes by purchasers.

LPA contracts commonly include “user guides” or “ordering instructions” that are unique to a particular LPA program and/or contract. These instructions, for the purposes of this section and throughout the handbook will be commonly referred to as “user instructions”.

Purchasers, in addition to reading this section, should always refer to the user instructions within each LPA contract being utilized.

Purchasers must also be aware of the importance of reading this section in its entirety as the section was created to consolidate like processes throughout the various LPA contracts into the beginning paragraphs of the section.

PURCHASING AUTHORITY AND THE LPA PROCESS

2651.1

(May 2005)

CATEGORIES AND DOLLAR THRESHOLDS

2651.1.1

(No. 4 October 2006)

The table below illustrates the LPA categories and the dollar thresholds available to purchasers in CAL FIRE when considering LPA purchasing authority. Dollar thresholds identified in this table exclude sales and use taxes, finance charges, postage, handling and shipping charges unless otherwise identified within the individual LPA user instructions.

Leveraged Procurement Agreement - Goods	Non-IT Dollar Thresholds
California Multiple Award Schedule (CMAS)	\$100,000.00
Statewide Contract (SC)	Unlimited
State Price Schedule (SPS)	\$25,000.00
Master Agreements:	
Non-IT Goods	\$500,000.00
Non-IT Services	\$250,000.00

EXEMPTIONS FROM DOLLAR THRESHOLDS

2651.1.2

(May 2005)

Exemptions to the CMAS, SLP and SPS dollar threshold limits are not allowed, regardless of the type of purchasing authority.

Exemptions to the MA dollar threshold limits may be considered as described within the individual MA user instructions and by obtaining the approval of DGS/PD. **Purchasers in CAL FIRE should contact Business Services Sacramento through their Unit Purchasing Coordinator/Region Office if there is a need to request an exemption.**

ESTABLISHING LPAs

2651.1.3

(No. 3 February 2006)

LPAs are established by DGS/PD as follows

If the LPA is	Established by
<p><u>SC</u> Contract number leads with a “1” or “8”</p> <p>Note: SC numbers leading with a “8” are restricted to PIA use only.</p> <p>See MA below for MA and WSCA.</p>	<p>Statewide competitive bid for</p> <ul style="list-style-type: none">• Specified goods• Specified period of time• Price analyzed• Awarded to single supplier or multiple suppliers• Some require mandatory use.• Exempt from requirement to obtain 3 offers.
<p><u>SPS</u> Contract number leads with a “2”</p>	<p>Non-competitively bid Agreement for</p> <ul style="list-style-type: none">• Orders for goods at a fixed price• Specified period of time• Tend to be proprietary supplies and parts
<p><u>CMAS</u> Contract number leads with a: “3” for IT goods/services “4” for non-IT goods The contract number for non-IT services will start with a “4” and include a “03” in the third field: Example: 4-XX-03-XXXX</p>	<p>Competitively assessed, negotiated or bid</p> <ul style="list-style-type: none">• Contractor offers products and/or services and prices from an existing competitively assessed, cost compared, multiple award contract.• Primarily federal General Services Administration multiple award schedule-based• California terms and conditions are incorporated into the contract

If the LPA is	Established by
<u>MA</u> Contract number leads with a: “5” for services “6” for rentals	Statewide competitively bid (generally) with award to all responsive bidders <ul style="list-style-type: none"> • Products • Services • Rental of equipment
<p>Note: The State’s WSCA contracts use the original WSCA contract number.</p>	

WHERE TO FIND LPA INFORMATION?

2651.1.4

(May 2005)

The Statewide Checklist contains information on all LPAs, except CMAS, WSCA, CIIN (CalNet), and CAL-Card, including:

- Identification of the SC, SPS, and MA by number, commodity, supplier, and effective date.
- Whether the contract is mandatory or for single department use.
- The name and phone number of the DGS/PD contract buyer.
- Which LPA contracts are exempt from seeking competition although competition is always the preferred method.

[Click](#) here to access the Statewide Checklist.

[CMAS](#) web page provides search capabilities to identify CMAS contracts and suppliers, products/services and certified SB and certified DVBE CMAS contractors.

WHAT DO LPAs OFFER?

2651.1.5

(May 2005)

LPAs offer goods that have been competitively assessed, negotiated or bid and are structured to comply with California procurement codes, policies, and guidelines, providing for maximum contractual protection.

HOW DO PURCHASERS USE LPAs? (May 2005)

2651.1.6

Purchasers using LPA contracts must:

- Obtain a complete copy of the LPA contract to be used.
- Read through the specific LPA contract and corresponding user instructions to understand the parameters for using a particular LPA including limitations and/or restrictions (if any), contracting process, requirements, how to secure pricing, and how to ultimately execute the proper purchase document to complete a transaction.

APPLICABLE CODES, POLICIES AND PROCEDURES (May 2005)

2651.1.7

The use of LPA contracts does not preclude purchasers from adhering to all applicable laws, regulations, codes, and policies relative to State procurement requirements. This includes purchasers conducting and executing all applicable planning activities, pre-procurement approvals, prompt payment requirements and receiving activities.

ADMINISTRATIVE FEES (May 2005)

2651.1.8

LPA administrative fees, if applicable, are identified within the DGS State Price book and/or described within the LPA user instructions. For additional information on administrative fees refer to [Section 2671 – Payment Fundamentals](#).

[Click](#) here to access the DGS State Price book.

LPA BASICS (May 2005)

2651.2

BE SMART, SHOP SMART (May 2005)

2651.2.1

LPA contract prices for products vary from category to category. Some LPA prices are maximums and negotiating for lower prices is recommended. Others are fixed price and negotiation is not allowed. Some LPAs require the purchaser to conduct a RFO from amongst an authorized supplier pool identified within the individual contract.

Because of these variables, purchasers are required to confirm that the products and prices are included in the contract and that the prices in the purchaser's order are at or below contract rates. This is accomplished by obtaining a complete copy of the LPA contract before executing any purchase documents.

WHY DO PURCHASERS NEED A COPY OF THE LPA CONTRACT?

2651.2.2

(May 2005)

Purchasers must obtain a copy of the LPA contract to be used for the following reasons:

- Validate the contractor is authorized to sell.
- Determine warranties, guarantees, maintenance provisions, product return policies, bond requirements, travel costs, etc.
- Determine if products are available on the contract.
- Determine which products are specifically excluded.
- Determine if prices quoted are at or below contract rates.
- Determine if additional approvals, forms, filings, etc. are required.
- Substantiate the contractor is CA certified as a SB or a DVBE (if applicable).
- Substantiate the contractor has a valid contractor's license (if applicable).
- Obtain contractor's signed Payee Data Record (STD.204).

STANDARD PURCHASE DOCUMENT

2651.2.3

(May 2005)

Non-IT goods LPA orders are executed using a **STD. 65**.

LPA CONTRACT PROVISIONS

2651.2.4

(May 2005)

Departments may not modify any LPA terms and conditions without prior approval from DGS/PD. **Purchasers must contact Business Services Sacramento through their Unit Coordinators/Region Office with requests for modifications. Business Services Sacramento will contact DGS/PD to request approval.**

SB AND DVBE CONSIDERATION

2651.2.5

(May 2005)

When placing orders against LPA contracts **purchasers** must consider offers from certified SB and/or certified DVBE, when available. Most LPA processes provide **purchasers** with a means to claim contracting dollars toward their department's SB or DVBE goals.

SB AND DVBE SUBCONTRACTING PARTICIPATION TRACKING

2651.2.6

(May 2005)

Purchasers are able to claim subcontracting dollars towards departmental SB or DVBE goals whenever an LPA contractor subcontracts a commercially useful function to a certified SB or DVBE. The LPA contractor will provide the **purchaser** with the name of the certified SB or certified DVBE used and the dollar amount the **purchaser** can apply towards its SB or DVBE goal. **This information must be maintained within the procurement file. Business Services Sacramento is responsible for reporting this information. In order for these dollars to be captured, purchasers must notify Business Services Sacramento when using sub-contracting vendors that would not be listed as SB/DBVE vendors in the DGS/PD database.**

SB AND DVBE VERIFICATION

2651.2.7

(May 2005)

Purchasers will perform inquiries through Office of SB and DVBE Certification (OSDC) database to verify SB and DVBE certification status of all LPA contractors. The certification data (SB and DVBE reference number, status, term, business type, etc.) provided from an inquiry, when applicable, must be maintained within the procurement file.

[Click here](#) to access the SB and DVBE services web page.

CAL-CARD USE

2651.2.8

(No. 5 May 2008)

CAL-Card can be used if accepted by the merchant. Purchasers are reminded that the CAL-Card is a payment mechanism, not a procurement approach. Consequently, an LPA order must be executed on a purchase document regardless of dollar amount when accepting CAL-Card payments. Refer to [Section 2677.4](#) for additional information.

**R
E
V**

MIXING LPAs

2651.2.9

(May 2005)

Purchasers may not mix offers from different types of LPAs (non-IT and IT) to execute a single order. LPA categories (CMAS, MA, SC) cannot be combined to solicit offers and select a supplier.

Example:

A **purchaser** has a need to acquire a large amount of hand tools. The department has LPA **non-IT** purchasing authority for CMAS and Master Agreements. Offers cannot be solicited from both CMAS **vendors** and **SC vendors** to meet the **purchaser's** need and the requirement to obtain offers.

DISPUTES

2651.2.10

(May 2005)

If a supplier dispute occurs, the **purchaser** shall first attempt to resolve complaints or disputes informally. If the dispute cannot be resolved the **purchaser, should contact Business Services Sacramento through their Unit Coordinator/Region Office. If Business Services Sacramento cannot resolve the dispute, it may need to be elevated** to the DGS/PD contract administrator as identified in the individual LPA contract or to the DGS/PD Dispute Resolution Office.

ACHIEVING BEST VALUE USING LPAs

2651.3

(May 2005)

SEEKING MULTIPLE OFFERS

2651.3.1

(May 2005)

Purchasers shall seek multiple offers whenever multiple suppliers are known to exist unless otherwise directed by individual contract user instructions, policies and/or statutes or identified as an “exempt” contract on the Statewide Checklist. “Multiple offer” is defined to be a minimum of three (3) offers, including one CA certified SB and/or DVBE (if available).

Refer to the individual LPA topics within this **section** for additional instructions.

CHOOSE YOUR WORDS CAREFULLY

2651.3.2

(No. 3 February 2006)

When using LPA categories such as MA and CMAS, **purchasers** shall be sensitive to avoid using words that imply competitive bids. When conducting a supplier comparison or soliciting offers avoid using the words “bid”, “quote”, “solicitation” and/or “evaluation”, but, rather, clarify that there will be a comparison of offers to determine best value.

When obtaining offers using a written document, refer to the document as a Request for Offer (RFO). Purchasers must also not include competitive solicitation language regarding small business preference, protest language, intents to award, evaluation criteria or advertising requirements.

Warning: Since MA and CMAS request for offers are not considered competitive solicitations, purchasers must not use the two-envelope evaluation process or include protest language.

BEST VALUE

2651.3.3

(May 2005)

Most LPAs require purchasers to select a supplier based upon a “value effective” concept, or as commonly referred to within the LPA processes as “best value”, when there are multiple providers of products and services. “Best value” relates to requirements and supplier selection criterion or other factors for a particular transaction that is established by a purchaser to ensure that its business needs and goals are effectively met and that the state obtains the most value. For the purposes of this section, best value will refer to the concept of making value-effective acquisitions.

Purchasers must know what is important to their program, document those needs and requirements, then canvas suppliers, either utilizing a pre-qualified supplier group as in MA or searching CMAS contractors who possess the products or skills. Canvassing may take the form of a written Request for Offer (RFO) outlining the requirements. The best value criteria must be included in the procurement file.

LPAs that have been identified as “exempt” from obtaining multiple offers are, unless otherwise directed by the individual user instructions, not required to document best value.

POSSIBLE CRITERIA

2651.3.4

(May 2005)

Best value can be determined using any one or all of the following criteria as applicable:

- The price of the product.
- The operational cost that the state would incur if the offer is accepted.
- Quality of the product or its technical competency.
- Reliability of delivery and implementation schedules.
- Warranties, guarantees and return policy.
- Supplier financial stability.
- Consistency of the proposed solution with the state’s planning documents and announced strategic program direction.
- Quality and effectiveness of business solution and approach.

- Industry and program experience.
- Prior record of supplier performance.
- Supplier expertise with engagements of similar scope and complexity.
- Extent and quality of the proposed participation and acceptance by all user groups.
- Proven development and methodologies and tools.
- Innovative use of current technologies and quality results.

Note: Regardless of other criteria being used to accept an offer, price must always be a best value criteria.

CONTRACT AWARD USING BEST VALUE

2651.3.5

(May 2005)

To determine supplier selection using best value, the following minimum steps are required. **Purchasers** shall:

- Define business requirements for inclusion in the RFO.
- Obtain a copy of the LPA contract from each contractor solicited.
- Review the contracts in context with the **purchaser's** requirements and contractor offers.
- Compare contracts and offers with those from other contractors.
- Award to the offer with documented "best value" meeting requirements.

Include the supplier selection rationale and the related documentation that supports the selection in the procurement file.

CONDUCT A SUPPLIER COMPARISON

2651.3.6

(May 2005)

Purchasers, unless otherwise directed by the individual LPA user instructions or when using a contract exempted from obtaining multiple offers are required to solicit a minimum of three (3) suppliers who can provide the requested non-IT goods or services.

This supplier comparison can be in the form of a verbal or written RFO, identifying the **purchaser's** needs and requesting contractors to offer their best price and/or proposal to meet the **purchaser's** requirements. An RFO may be conducted by phone, fax, be mailed electronically or by other means such as a supplier picking up the RFO in person. **Purchasers** shall refer to applicable user instructions to confirm any special requirements regarding the supplier comparison format.

Purchasers must document all LPA contractors that were contacted, provide a recap of their offers and record how the selection was made, including criteria for determining “best value”.

LESS THAN 3 OFFERS

2651.3.7

(No. 3 February 2006)

Purchasers, unless otherwise directed by either the LPA user instructions or determining that the LPA being used is exempted from obtaining 3-offers, must document the procurement file in sufficient detail to support the supplier selection as follows:

- If a **purchaser** solicits 3 offers and receives 1 offer, the **purchaser** shall document the procurement file with the reasons why the other two suppliers did not respond.
- If a **purchaser** solicits 3 offers and receives 2 offers, the **purchaser** shall document the procurement file with the reasons why the third supplier did not respond.

SOLICITING MORE THAN 3 SUPPLIERS

2651.3.8

(May 2005)

Purchasers that solicit more than 3 suppliers shall document their files with responses or rationale to equal the minimum 3 offers and then proceed with the purchase document execution.

ONLY ONE SOURCE KNOWN

2651.3.9

(No. 3 February 2006)

If a **purchaser** knows of only one source within a LPA type and category (CMAS, MA, SLP, etc.), where multiple offers cannot be obtained, the **purchaser** shall:

- Conduct a competitive solicitation, if suppliers are known to exist outside of the LPA programs or
- Execute the response as an NCB contract if no other sources are known outside of the LPA program being used. Refer to [Section 2640](#) for NCB processing requirements
- Execute the response as a transaction that is exempt from obtaining multiple offers by either statute or policy and document the procurement file in sufficient detail to support the basis of the exemption.

DOCUMENTING THE RESULTS OF A LPA OFFER

2651.4

(May 2005)

Purchasers must document all LPA suppliers that were contacted, provide a recap of their offers and record how the selection was made, including criteria for determining “best value”.

Purchasers have the option to use the [Best Value Determination Worksheet provided by DGS/PD](#), create their own, or if using an MA LPA defer to the requirements of the user instructions.

The worksheet provided facilitates easy compilation of offers received and supplier selection rationale. Regardless of the format used the form must be retained in the procurement file.

LPA FILE DOCUMENTATION

2651.4.1

(May 2005)

[Click](#) here to access the LPA file documentation requirements.

LOCATION OF THE ENTIRE CONTRACT

2651.4.2

(May 2005)

If the complete LPA is not maintained in the procurement file, **purchasers** shall document, within the procurement file, where the complete contract is located.

AMENDING AN LPA PURCHASE DOCUMENT

2651.5

(May 2005)

AMENDMENTS NON-IT GOODS

2651.5.1

(May 2005)

Original orders, which include options for changes (e.g., quantity or time), that were evaluated and considered in the selection for award during the RFO process, may be amended consistent with the terms of the original order, provided that the original order allowed for amendments. If the original order did not evaluate options, then the NCB process must be followed for the amendments.

Amendments may be executed without NCB approval for incidental omissions such as: transposition of numbers from the RFO response to the purchase document or for inadvertent failures to include such things as contact names or for mistyped addresses. This does not apply to changes in quantity or time.

Amendments must also be executed for contractor name changes that have been authorized in the LPA contract.

**ORIGINAL TRANSACTION VALUED LESS
THAN \$5,000.00**

2651.5.2

(May 2005)

Unless otherwise instructed by LPA user instructions, the NCB process must be followed if an amendment will cause the original transaction amount to exceed \$4,999.99 and the original transaction was awarded using fair and reasonable methodology. Refer to [Section 2643.4](#) for further information.

[\(see next section\)](#)

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[\(see Forms or Forms Samples\)](#)