



welcome everyone



CALIFORNIA DEPARTMENT OF GENERAL SERVICES
50 YEARS DGS Office of Small Business
and Disabled Veteran
Business Enterprise Services

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Introduce yourself

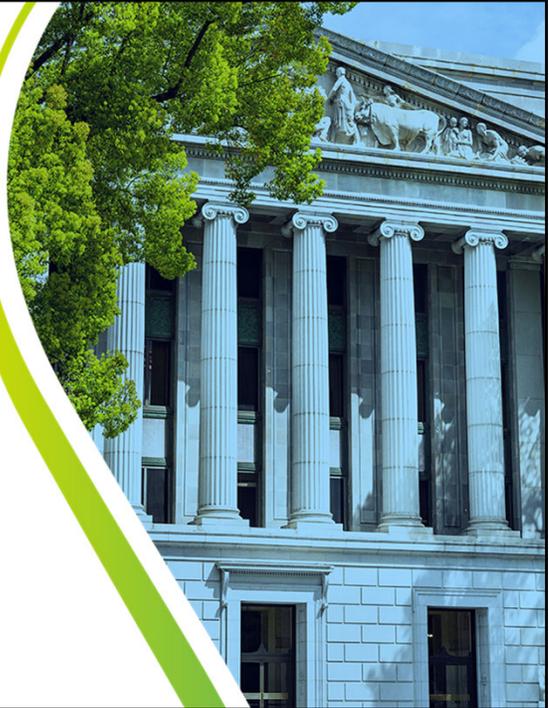
Overview

- ◆ How the state buys
- ◆ Acquisition Methods
- ◆ Leveraged Procurement Agreements
- ◆ Solicitation Formats
- ◆ Commercially Useful Function
- ◆ Resources

Preview the topics that you will cover

How the state buys

- ◆ Expends public funds
- ◆ Follows rules, regulations, and laws
- ◆ Results in specific processes for purchasing: “Procurement Process”
- ◆ “It depends...”



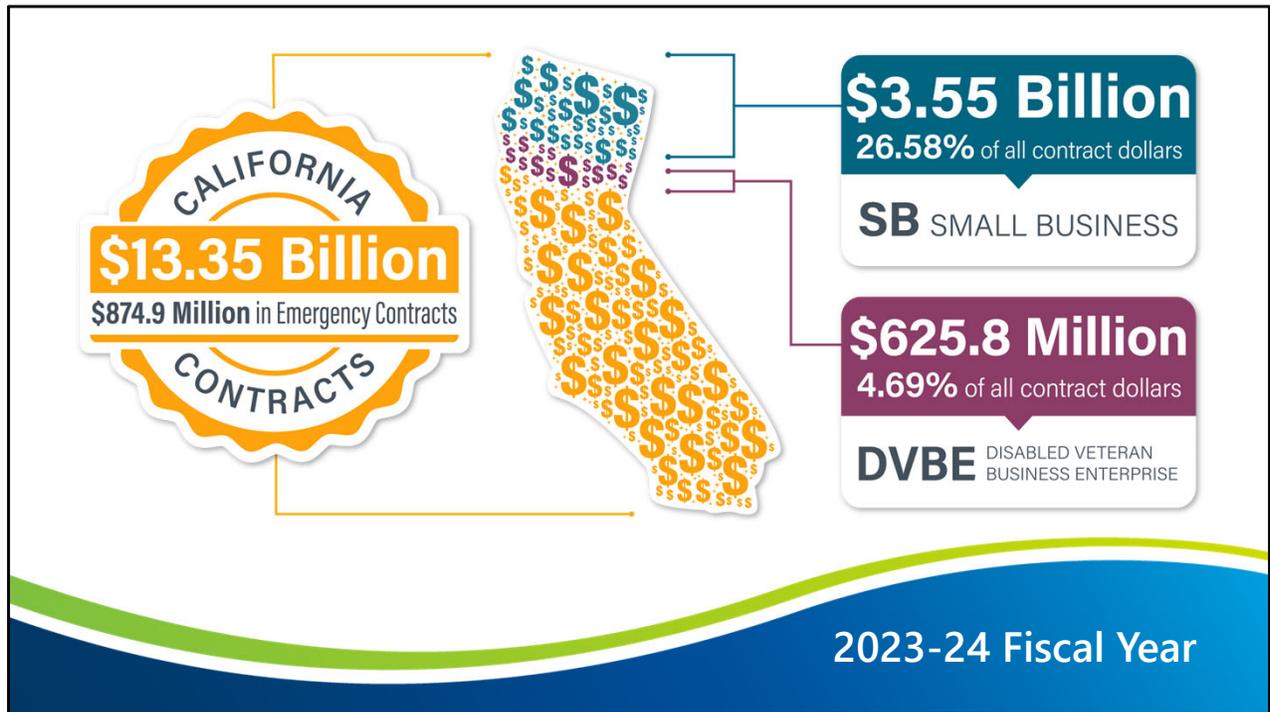
When the state purchases a good or service the process is different than how we as individual people do so in our everyday lives and probably different than how small businesses do it. As individual people we think about the options and make a decision that involves going to a store or purchasing something online or calling a company to buy a service. The process for the state is quite different because the state is expending public funds and the taxpayers (rightfully so) want to make sure their dollars are being well spent and the process is fair for businesses that pursue contracts. And so various rules, laws, regulations have been created to achieve all that and what has resulted are distinct, specific processes for purchasing goods and services that we call the procurement process.

There are many different processes for purchasing various goods and services. There are many norms and common procurement processes, and there are many exceptions to those norms. You will hear a lot of “it depends...” when talking about how procurement works. We will go through the major parts and why they are important.

Knowing how the state procurement process works will help you more successfully find contract opportunities and be better equipped to respond to those contract

opportunities.

This is a new concept for business owners that are new to working with the state.

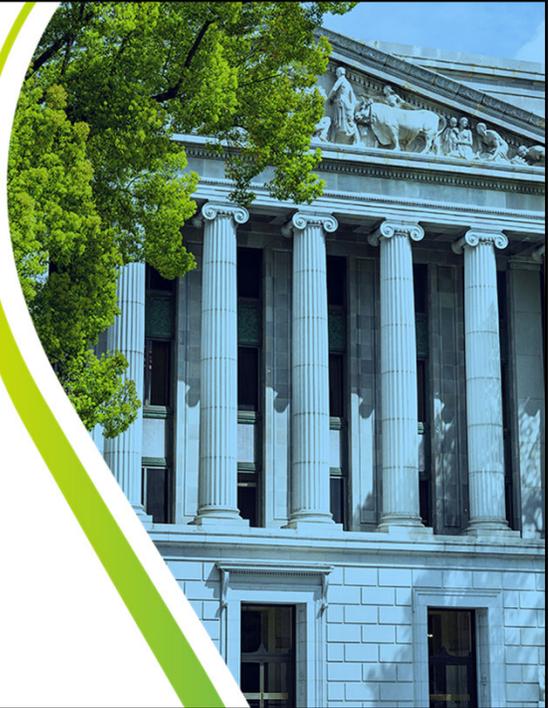


And despite a challenging economy, state procurement with small businesses continues to grow. Over the last three fiscal years, contract dollars awarded to small business have increased nearly 34% and just over 68% to disabled veteran business enterprise firms. In the most recent fiscal year 2022-2023, of the 16.32 billion spent on contracts small businesses were awarded \$4.15 billion in contract dollars and disabled veteran business owners received awards equaling \$878 million.

Procurement Process

Buyers must determine

- ◆ Authority and Need
- ◆ Acquisition Method
- ◆ Solicitation Format



There are several parts to the procurement process a buyer must follow. The authority to conduct the procurement, the need of their department or office, the acquisition method, and the solicitation format are all parts of that process that are important for a certified business to know about. We will go through each one and talk about what they are and why they are relevant to certified businesses. Overall, this information helps you, the business owner, more easily understand the procurement information you see when conducting market research and finding or responding to procurement opportunities. It can help you know where to look for opportunities and know where you will not find opportunities.

A department is given purchasing authority by DGS or from another source and the department need is rather simple. A department needs a good or service they do not have or cannot perform, and they turn to the private sector to meet that need through a contract.

The acquisition method and solicitation format are a bit more complicated so we will go through each of those. Let's start with the acquisition method.



Acquisition Methods

- ◆ Formal/Informal Competitive
- ◆ SB/DVBE Option
- ◆ Fair and Reasonable
- ◆ Emergency Contracting
- ◆ Leveraged Procurement Agreements

The Acquisition Method identifies how the purchase is to be made and what key activities within the procurement process should be followed. When a buyer goes to purchase something, a good or service, they must decide which acquisition method they will use. This is determined by many factors, including what they are purchasing, how much money they are spending, what their purchasing authority is, what contracts already exist (if any), and more. These are some of the common acquisition methods certified businesses will encounter. We will talk about each one. Knowing the acquisition methods used to procure the goods and services a business sells helps that business find and pursue the right opportunities, and it helps with market research.

First, let's start with the formal/informal competitive method.

Formal/Informal Competitive

- ◆ Competitive bidding
- ◆ *Typically*, a written solicitation
- ◆ *May* allow phone quotes
- ◆ *Usually* advertised
- ◆ Low cost or best value evaluation



The Formal/Informal Competitive acquisition method is a common competitive acquisition methods used to purchase IT Goods, IT Services, Non-IT Goods, and Non-IT Services. It is competitively bid, as the name suggests. It follows the procurement process we talked about, which involves identifying the department need and developing the solicitation, which is typically written.

It is typically advertised in the California State Contracts Register for at least 10 days, which is on Cal eProcure. If it is advertised, businesses with a UNSPSC on their registration profile that matches the UNSPSC on the solicitation will get notified. Buyers can also reach out to businesses directly. Having that same UNSPSC and relevant keywords on the business's certification profile will allow the buyer to find that businesses and solicit them for bids. It may allow for phone quotes, based on dollar thresholds, and will say so in the solicitation.

It includes an evaluation and award process, where the buyer evaluates bid responses and makes an award based on the evaluation criteria. That evaluation criteria can be low-cost or best value, depending on how the solicitation is written.

Non-IT Goods - In excess of \$50,000.00

Non-IT Services - \$10,000 or more

IT Goods - In excess of \$50,000.00

IT Services - In excess of \$4,999.99



SB/DVBE Option

- ◆ Procurements \$5,000.01 – 249,999.99 (up to \$461,000.00 for public works)
- ◆ Only certified SBs and DVBEs are eligible
- ◆ Requires two quotes from two SBs or two DVBEs (can't mix and match)
- ◆ *May* be awarded to lowest bidder
- ◆ *May* be advertised

The SB/DVBE Option acquisition method is another acquisition method. It is exclusive to certified SBs, which include MBs, and DVBEs. If a business is not certified, they are automatically excluded from the procurement process. This method is used for relatively small procurements, between \$5000 and \$250,000, or up to \$461,000 for public works. It requires two quotes from either two SBs or two DVBEs, they cannot mix and match. They can be evaluated as low cost or best value. It may be advertised, though it is not required. We strongly encourage departments to advertise to increase the opportunity for more certified businesses to respond.

And buyers typically solicit bid responses from certified businesses by email. Again, this emphasizes the importance of having a robust profile on Cal eProcure with UNSPSCs and keywords so the buyer can find the business.

Fair and Reasonable

- ◆ Less than \$10,000
- ◆ Commonly used for minor procurements with a short timeline
- ◆ Buyers need only one quote
- ◆ Various methods determine fair and reasonable pricing
- ◆ Awarded to lowest bidder
- ◆ Not advertised



The Fair and Reasonable acquisition method is the simplest and most straightforward acquisition method for very small contracts, under \$10,000. The buyer need only get one bid that they determine to be fair and reasonable, and they can award the contract. While it is possible buyers may solicit bids from multiple businesses and receive and review multiple bids, only one is required so long as it is fair and reasonable. The buyer can use a variety of methods to make this fair and reasonable determination, which includes price comparison, catalogue or market pricing, controlled pricing, historical pricing, or a cost-benefit analysis.

What is most important for the business to know for this acquisition method is that they need to be responsive when the buyer reaches out. If a business is slow to responding to the buyer, another business may have already submitted their bid and the buyer may award the contract to the other business. And this again emphasizes the importance of having a robust profile on Cal eProcure with UNSPSCs and keywords so the buyer can find the business.

Emergency Contracting

- ◆ Response to natural disasters and other emergencies
- ◆ State acts quickly
- ◆ Not advertised
- ◆ Purchase many different goods and services
- ◆ SB/DVBE Emergency Registry



Emergency Contracting is another acquisition method certified businesses should know about. We are all familiar with emergencies: fires, floods, earthquakes, and public health emergencies like the pandemic. Emergencies can also include something less wide-spread but still urgent and concerning, like a water pipe breaking in a state hospital. That situation is an emergency for the hospital and requires an immediate response. Because the state must respond immediately, the solicitation is not competitive. It is not realistic, in the example of a forest fire or a water pipe breaking in a hospital, for the state to spend weeks writing up and releasing a competitive solicitation, receiving bids, evaluating those bids, and making an award. The state must act immediately.

And the state purchases lots of different goods and services when dealing with emergencies, things that businesses don't always think of.

To support the inclusion of certified businesses in these contract opportunities, we created the SB/DVBE Emergency Registry. It is separate from Cal eProcure and used by state buyers to find certified businesses that are ready, willing, and able to support the state in an emergency. Buyers look for businesses when an emergency strikes and before-hand. Only certified businesses can register in the Emergency Registry. When

businesses register, instead of using Keywords and UNSPSCs to describe what they sell, they instead select from a predetermined list of goods and services. This simplifies things for businesses and for buyers and builds confidence that the businesses that do sign up are a good fit for emergency contracting.

If your business is ready, willing, and able to support the state in an emergency, then sign up in the registry. If not, please wait until you are. It is important that buyers can, in an emergency, quick and confidently find businesses that can respond to an emergency.

Emergency Registry Categories

- ◆ Base camp operations
- ◆ Debris removal
- ◆ Facilities maintenance/repair
- ◆ Fire protection
- ◆ Information technology
- ◆ Logistics/Transportation
- ◆ Medical
- ◆ Roadway maintenance
- ◆ Traffic control
- ◆ And more!



These are some of the Emergency Registry categories. Businesses must select at least one category when registering.

SB/DVBE Emergency Registry

To register you will need:

- ◆ Certification number
- ◆ Emergency categories
- ◆ Description of products/services
- ◆ Business address
- ◆ Contact information – both primary and emergency (after hours)



To sign up in the SB/DVBE Emergency Registry, you will need the following information.



Let's open it up to some Q&A about this subject. Please write in any questions you have, and we will do our best to answer them. We still have a few more areas to cover so please save questions about those until we reach those sections

field questions that come in

Alright, great questions. Now let's move on to the next section

Leveraged Procurement Agreements (LPA)

- ◆ Agreement between the state and businesses
- ◆ Specific goods or services
- ◆ Used by state departments
- ◆ *May* be available to counties, cities, schools, etc.
- ◆ Awarded for \$0
- ◆ Last multiple years



A leveraged procurement agreement, or LPA, is an agreement between the state and one or more businesses to sell specific goods or services to the state for agreed upon pricing, requirements, and other terms and conditions, and for the state to purchase those goods or services as needed.

DGS establishes these agreements, and other state departments use these agreements when purchasing, all while adhering to applicable policies, procedures and user instructions. LPAs may also be available to local entities like counties, cities, special districts, education systems and other government entities. It varies from one LPA to another. The user Instructions of an LPA determines who is allowed to use the LPA.

These agreements are awarded for \$0 because they only setup the framework to allow the business to sell their products or services to the state and for the state to purchase those goods or services as

needed. When the LPA is setup, the state can project a dollar amount they expected to be spent through the LAP over the length of the agreement, giving the business an idea of how much money they can expect to make.

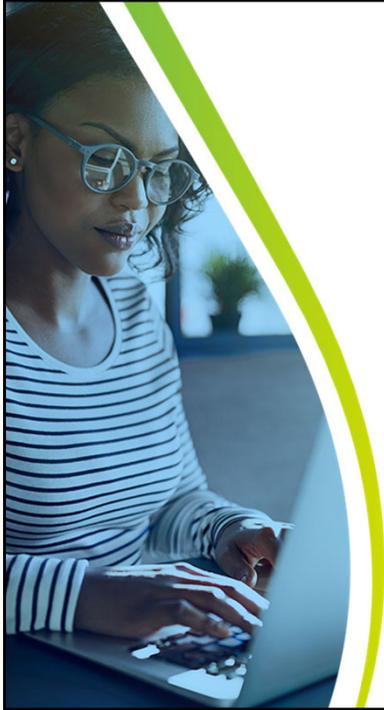
LPAs enable streamlined purchases by removing repetitive, resource intensive, costly and time-consuming solicitation processes by departments. And they last multiple years.

Leveraged Procurement Agreement Types

- ◆ Master Agreements (MA)
- ◆ Statewide Contracts (SC)
- ◆ Software Licensing Program (SLP)
- ◆ Cooperative Agreements
- ◆ California Multiple Awards Schedules (CMAS)
- ◆ www.caleprocure.ca.gov – Public Procurement Information



These are some of the types of LPAs that DGS creates, ones we think are important for certified businesses to know about. We will go through each one and talk about what they are, how they work, and what a business needs to do to get one of these agreements.



Master Agreements

- ◆ Competitively bid when established
- ◆ Advertised
- ◆ *May* have multiple awards
- ◆ Establishes a pre-qualified list of vendors
- ◆ *May* require offers

Master Agreements are contracts that are competitively bid when established. They are advertised in the CSCR, and businesses will learn about the opportunity in the same way as other public competitive solicitations: notifications from Cal eProcure and appearing in supplier searches conducted by buyers through Keywords and UNSPSCs.

Master Agreements may be awarded to multiple businesses. It depends on the contract and whether multiple awards is appropriate. If there are multiple awards, that will be made clear in the solicitation. When one or more businesses are awarded the agreement, state departments and potentially other entities can use that agreement to purchase from any of those businesses as needed. The process of purchasing may require offers. In the case of a contract awarded to multiple businesses, the buyer would get offers from those businesses, as opposed to just selecting one of the businesses and making a purchase. This process of soliciting offers adds a measure of competition among the businesses that were awarded the LPA.

These LPAs are available to any agency that expends public funds.

If making an offer is required, departments must solicit offers from a minimum of three (3) suppliers, including one SB and/or DVBE when available.

Requires Offer

Individual User Instructions direct users on how to obtain best value offers in accordance with state policy requirements. State agencies may only contract with suppliers that have a valid MA agreement with the State of CA and must use the terms and conditions offered under those agreements.

No Further Offer Required

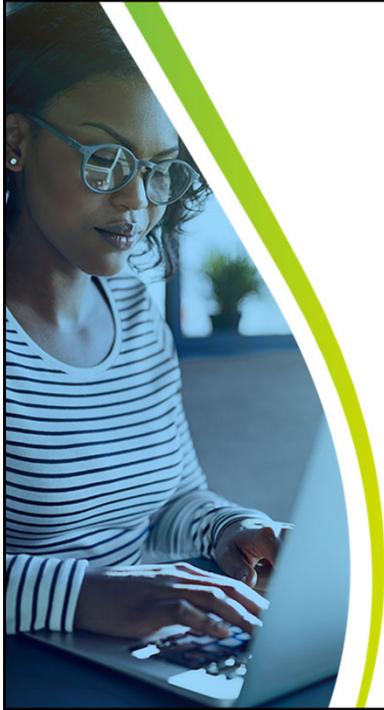
State agencies may issue "orders" against these Master Agreements (MA) in accordance with User Instructions. Purchasing authority dollar threshold is UNLIMITED for this acquisition method. These MAs are based on an award to a single supplier, where further competition could not be achieved, or where the MA is mandatory. Therefore, no further competition is necessary when state agencies use these contracts. Example(s): Credit Card Acceptance; Electronic Library Services does not require further competition since these MAs were created via the NCB process.

Other Notes

Contracts that are competitively bid by DGS and are available for use by any agency or department expending public funds – up to \$1.5 million/order

Establishes a pre-qualified list of vendors simplifying the purchasing process for the end user. Users request offers from vendors Applicants must meet administrative and technical requirements. Applicants must commit to hourly rates equal to or lower than lowest hourly rate.

Applicants must accept the state's IT terms and conditions without changes. State may enter into negotiation process with vendors successful in solicitation requirements



Master Agreements

Examples include

- ◆ On-Site confidential destruction services
- ◆ PPE waste removal services
- ◆ Technology, digital and data consulting services
- ◆ Temporary medical staffing services
- ◆ Transit processor services
- ◆ Unarmed security guard services

These are a few examples of what can be purchased through current Master Agreements held by certified businesses.

Statewide Contracts

- ◆ Commonly purchased goods
- ◆ Competitively bid
- ◆ Single awards (some multiple awards)
- ◆ Usually mandatory, SB/DVBE off-ramp may be offered



Statewide Contracts are another type of LPA. They are competitively bid and are for commonly purchased goods. They are often done as single awards, although there are some multiple awards. They are usually established as mandatory for state departments to use. That means if departments want to purchase a good that is on a mandatory statewide contract, they are required to purchase through the statewide contract.

SB/DVBE Off-Ramp

Generally, an SB/DVBE Off-Ramp is where departments will be permitted to purchase equivalent products at the same or lower price from certified SBs or DVBEs even if that certified business does not have the statewide contract, so long as the business meets the requirements of the Statewide Contract. To determine whether a particular Statewide Contract has an SB/DVBE Off-ramp, consult the Statewide Contract details and user instructions.

Statewide Contracts may also include ancillary services such as installation,

maintenance, imaging or closely related professional services.

Statewide Contracts

Examples include

- ◆ Asphalt
- ◆ Food items (rice, flour, grains, sugar, etc.)
- ◆ Herbicides and insecticides
- ◆ Rainwear
- ◆ Roadway signs
- ◆ Tablets
- ◆ Tires
- ◆ Traffic cones



These are a few examples of goods purchased through statewide contracts currently held by certified businesses. There are currently (as of 2/14/23) 83 certified businesses that hold a statewide contract.



Software Licensing Program (SLP)

- ◆ Agreements are negotiated, not bid
- ◆ Agreements are with software publishers
- ◆ Publishers identify authorized resellers
- ◆ Must solicit offers from 3 businesses
- ◆ Contact SLP to get involved as a publisher at slp@dgs.ca.gov or (916) 375-4365

The Software Licensing Program, or SLP, here at DGS negotiates agreements with software publishers for the purchase of various software. These agreements are negotiated, not bid. This is different than all the other acquisition methods and LPAs we have discussed so far. Since they are negotiated, there is no solicitation for businesses to respond to, and nothing is advertised on the CSCR. It is a very different process.

Additionally, publishers do not sell directly to the state. Instead, they use resellers, which they and they alone authorize, using and following whatever process and methods they choose. Publishers can authorize between 3 and 6 resellers. The state does not play any role in the selection of resellers. If a certified business wants to become a reseller for a software publisher that as an SLP agreement, that business needs to work with the publisher. Publishers can change resellers throughout the life of the agreement, up to twice a year.

When state entities use the SLP agreement to purchase software from resellers, they must get offers from 3 businesses, making the act of purchasing software competitive among the available resellers. However, if only one business of the 3 responds, the buyer can still move forward with the

purchase, though they have to justify it.

If there are any software publishers that want to get their own SLP agreement, they can contact the Software Licensing Program here at DGS at the email or phone number listed.

Background & Additional Notes

The Software Licensing Program (SLP) was established in January 1994 and is administered by DGS/PD. Extensive software discounts are negotiated with major software publishers and those discounts are passed on to the State through the SLP contracts established with authorized participating resellers.

State policy requires obtaining best value offers. State agencies may only contract with suppliers that have a valid SLP agreement with the State of CA and must use the terms and conditions offered under those agreements.

To use an SLP contract, the department must verify the execution of the order is authorized under the department's purchasing authority. This is a requirement for departments with purchasing authority and does not apply to the DGS/PD when conducting procurements on behalf of customers.



Software Licensing Program (SLP)

Available on SLP agreements

- ◆ Software
- ◆ Maintenance and Support
- ◆ Implementation
- ◆ Training
- ◆ Installation
- ◆ SaaS (Software as a Service)

These are examples of what is purchased through SLP agreements. Businesses have SLP agreements as resellers selling various kinds of software to fill various business needs, such as software from Adobe, IBM, DocuSign, Cisco, and more.



Software Licensing Program (SLP)

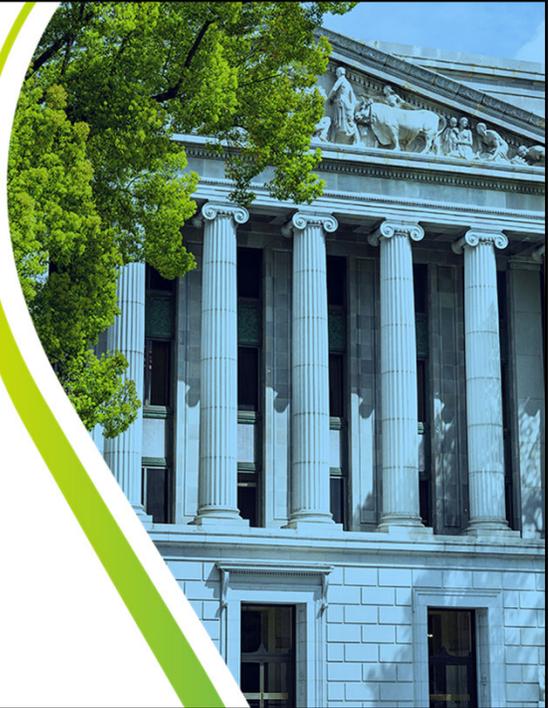
Not available

- ◆ Standalone hardware
- ◆ Consulting
- ◆ Telecommunications

These are not available through SLP.

Cooperative Agreements

- ◆ Multi-state agreements for goods and services
- ◆ Established from competitively bid master agreements
- ◆ Advertised
- ◆ Has resellers
- ◆ *May* require offers
- ◆ Used by states and local entities



Cooperative Agreements establishes cooperative multi-state contracts where participating states may join together to achieve cost-effective and efficient acquisition of quality products and services. Cooperative agreements are established from master agreement(s) competitively bid by another entity (such as another state or a group of states work together).

Cooperative agreements are established from competitively bid master agreements. They are also advertised in the CSCR. So, businesses can see it on Cal

eProcure, get notified about it from Cal eProcure, and respond to it as though it were any other competitive solicitation. When a cooperative agreement is established by a state other than California, it may still be advertised on the CSCR. However, the advertisement is simply to direct the business to the procurement system of the other state, and the business must follow the procurement process of that state.

Another way for businesses to become part of a cooperative agreement is as a reseller. A reseller is a business that does not hold the cooperative agreement themselves but has been identified and authorized as a reseller by a business that holds the cooperative agreement. The business that holds the agreement makes all decisions about becoming a reseller. The state does not play any role in selecting resellers. The only requirement the state does have is that all resellers must meet the requirements of the cooperative agreement. The agreement holder can change resellers based on the terms of the agreement, such as once a quarter.

Cooperative agreements may require offers, which means that a buyer, when using the agreement to

purchase a good or service, must solicit offers from multiple businesses that hold the agreement or authorized resellers. This process then becomes competitive among those being solicited. Some agreements do not require offers, which means the buyer can simply purchase at will.

And as the name suggests, cooperative agreements are used by many states and local entities. After all, that is their purpose.

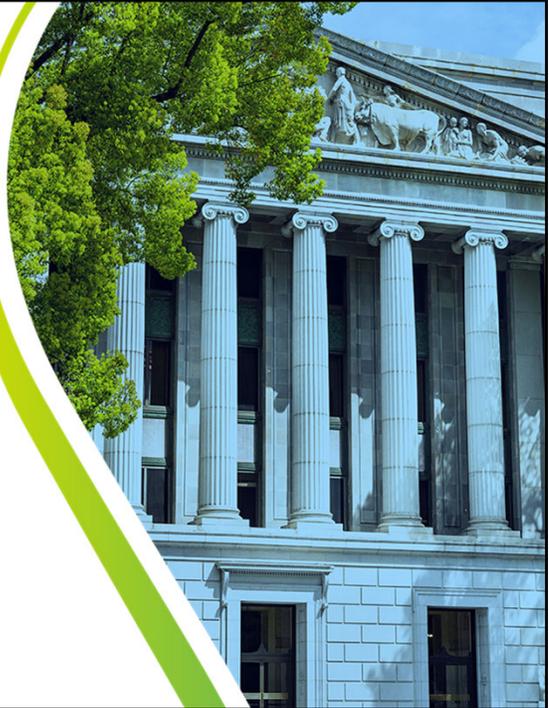
Additional Notes

When executing orders using the Cooperative Agreements program, departments are not required to obtain three offers or document best value, but conducting price comparisons among the Cooperative Agreements suppliers, if available, is encouraged. Refer to the user instructions of each contract.

Cooperative Agreements

Agreements include

- ❖ Laboratory equipment and supplies
- ❖ Cloud solutions
- ❖ Copiers and managed print services
- ❖ Data communications
- ❖ Construction equipment
- ❖ Public safety communications products, services and solutions
- ❖ On-demand remote interpreting and document translation
- ❖ Facilities maintenance and repair and operations



These are a few examples of what can be purchased through current Cooperative Agreements held by certified businesses.

California Multiple Award Schedules (CMAS)

- ◆ Apply for a schedule
- ◆ A "Schedule" is a list of goods and services
- ◆ Schedules are based on the federal GSA
- ◆ Pre-established pricing and terms and conditions
- ◆ Creates a pool of suppliers



The California Multiple Award Schedules (CMAS) are another type of leveraged procurement agreement available to state agencies and local governments to procure various goods and services. As the name suggests, getting a CMAS does not involve competitive bidding or negotiation, but instead requires a business to apply for a schedule.

A schedule is a list of goods and services. There are many schedules, and they are created and maintain by the federal government. California mirrors the federal program to create the California Multiple Award Schedules. A schedule also contains pre-established pricing and terms and conditions. To become a holder of a schedule, a business must apply. A business does not have to sell everything listed on a schedule to get it, it just needs to sell something on the schedule and meet the requirements of the schedule. Because this is an application process, multiple businesses can and do hold the same schedule. The result is a pool of suppliers the state can solicit offers from. This creates competition among the pool of schedule holders when the state or another entity goes to procure a good or service through CMAS. That

means business should still treat this like a competitive environment, where marketing one's business is important. Pricing can also be key. CMAS sets the maximum pricing, but businesses can offer lower rates, which may be advantageous for the business.

Additional Notes

The CMAS Program differs from the competitive bid process, in that CMAS creates a pool of suppliers that an agency can solicit offers from – up to \$500,000 per order.

The use of CMAS is optional and is available to state and local government agencies.

Contact the CMAS Unit for information on exclusions and additional information at cmas@dgs.ca.gov

California Multiple Award Schedules (CMAS)

Schedules include

- ❖ IT consultant services
- ❖ Written translation services
- ❖ Software maintenance and support
- ❖ Computer hardware/technology
- ❖ Office supplies
- ❖ Strategic planning consultation services
- ❖ Actuarial consulting services
- ❖ Automotive repair
- ❖ Business administration services

These are a few examples of what can be purchased through CMAS schedules currently held by certified businesses.

California Multiple Award Schedules (CMAS)

Not included

- ◆ Facility planning
- ◆ Medical services
- ◆ Registered nursing
- ◆ Human resources
- ◆ Security guard services
- ◆ Legal services
- ◆ Public works projects
- ◆ Engineering and architectural services



These are not included in CMAS.

California Multiple Award Schedules (CMAS)

To Apply

- ◆ Go to the CMAS portal at <https://dgs.service-now.com/cmas>
- ◆ Click "Create an Account"
- ◆ Click "New Company Registration Only"
- ◆ Click "Apply for new CMAS"



These are the steps to apply for a CMAS.

California Multiple Award Schedules (CMAS)

Information to have ready

- ❖ The schedule you want
- ❖ Business Name
- ❖ FI\$Cal Vendor ID
- ❖ Contact Information
- ❖ CA Secretary of State Registration (not for Sole Props or Partnerships)
- ❖ Certification Information (SB, DVBE)
- ❖ Contractor's license, if applicable
- ❖ Seller's permit, if applicable
- ❖ Customer references, if applicable

This is a list of the information the business owner should have ready when they apply for the CMAS. Having this information ready ahead of time makes the whole process easier.

Next, go to Cal eProcure and show them how to find existing LPAs.

Notes

GSA Schedule

The GSA Schedule that contains the products, services, and maximum prices you can offer. This base schedule can be held either by your company or by another company. The GSA schedule number is needed. It is the official contract number awarded to the contractor. These typically begin with GS- or 47Q. *Note: A separate CMAS Application must be submitted for each base schedule offered.* **Services such as installation, maintenance, and repair must be priced in the base schedule to be included in a**

CMAS. The base schedule pricing is the maximum pricing allowed using a CMAS. You can offer all the products and/or services available on the base schedule, or only portions of it. All products and/or services must be priced in the base schedule to be offered in your CMAS. (www.gsaeflibrary.gsa.gov).

Business Name

This information can be found at <https://businesssearch.sos.ca.gov>. Companies “doing business as” (dba) a different name than as registered with the California SOS, must include a valid Fictitious Business Number, the California County/City the statement was filed with, and expiration date. This information is filed with a California County/City. When the company has no place of business in California, they shall file with the [Sacramento County Clerk](http://www.finance.saccounty.net/Tax/Pages/FBNResourceLinks.aspx) (www.finance.saccounty.net/Tax/Pages/FBNResourceLinks.aspx). If the business wishes to be shown on the CMAS as a dba instead of the company name as registered with the SOS, check the box for fictitious business name and provide the required details. If the business previously held a CMAS under a different business name, include that information here.

FISCAL Vendor ID

Companies new to State purchasing may not have been registered in the FISCAL system, and will not have a FISCAL Vendor ID. If you do not have an ID, an analyst will contact you for a Payee Data Record (Std. 204) to register your company in FISCAL. The Payee Data Record must include your legal business name as shown at the California SOS, and

your dba name, if applicable. For line one, the name must match the Federal Employer Identification Number or Social Security Number being used. In most cases, this will be your business name and any dba names will go on the line below.

Contact Information

Provide your company's contact person and their contact information. This person is the first point of contact for customers needing information about, or a copy of your company's CMAS. Only one person's name can be provided for this purpose. The name and contact information will be shown in the resulting agreement and at the CMAS website along with your company name and CMAS schedule number.

California Secretary of State Registration

To do business in California, any Corporation, Limited Liability Company (LLC), Limited Liability Partnership (LLP), or Limited Partnership (LP) must be registered, and your corporate status must have an "active" status with the California Secretary of

State. You can review their website at www.sos.ca.gov. For Corporations, LLCs, and LPs, an entity number from the SOS website showing your status as active will meet this requirement. For LLPs, attach a copy of your Certificate of Status from the SOS. If your company is a Sole Proprietor or a Partnership, registration with the SOS is not required, if using a dba name, you must include information for your fictitious business name.

SB/DVBE Certifications

If your company is a California certified small business (SB) or disabled veteran business enterprise (DVBE), include your certification number and the expiration date. NOTE: DGS waives the administrative fee charged to State agencies if they place their CMAS order with a California certified SB. Also, the incentive fee charged to contractors for local agency CMAS orders is waived if the contractor is a California certified SB.

CA Contractor's License

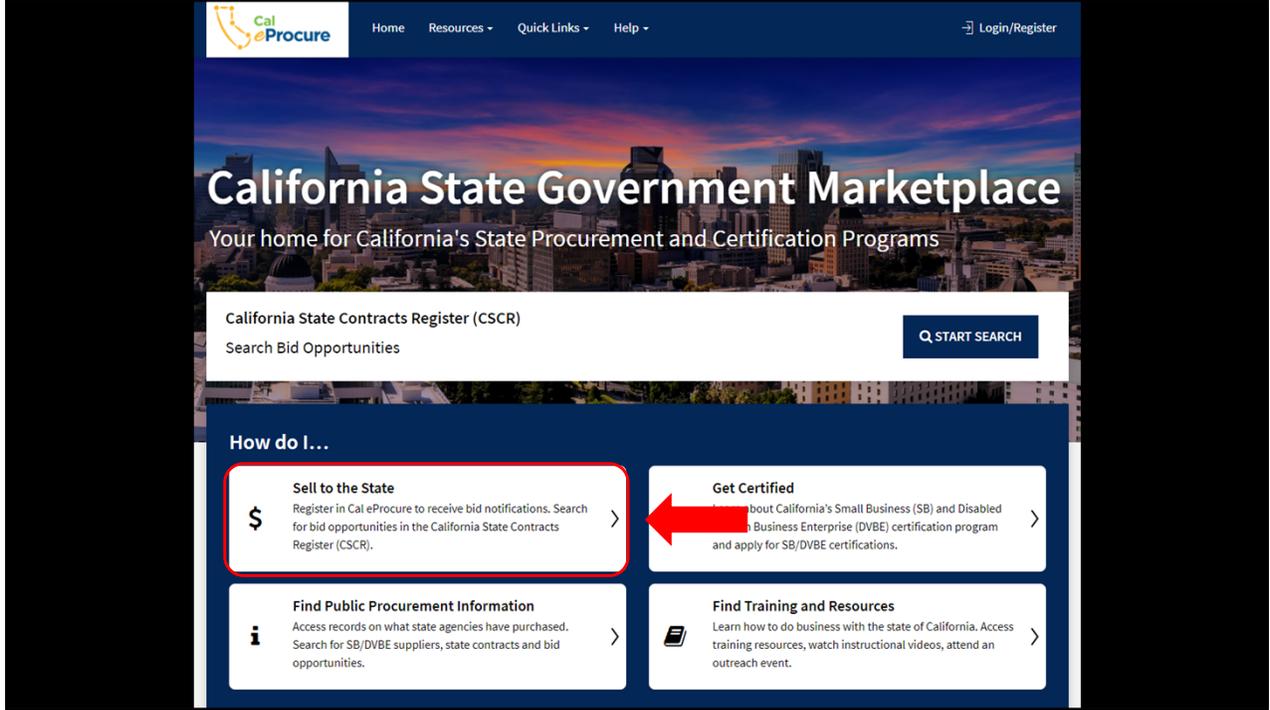
All companies who construct or alter any building, highway, road, parking facility, railroad, excavation, or other public structure in California must be licensed by the Contractors State License Board (CSLB). Licenses can be verified at the CSLB Website (www.cslb.ca.gov/OnlineServices/CheckLicenses/CheckLicense.aspx). This type of work is considered Public Works. The CMAS requirements for including Public Works components are:

- CMAS purchase orders may allow for Public Works installation only when it is incidental to the total purchase order amount.
- When a Contractor's License is required, the prime contractor and any subcontractors must hold a valid license for the type of work being performed.
- The public works installation service must be included and priced in the base schedule for it to be included in a CMAS.
- Examples of Public Works components covered on the CMAS Program are the

pulling of cable and wire and attaching shelving systems to the walls or floor.

California's Reseller Permit

In accordance with Public Contract Code Section 10295.1, before being awarded a State of California contract to provide personal tangible property, your firm must hold a valid California Seller's Permit or Certification of Registration – Use Tax issued by the California Department of Tax and Fee Administration (CDTFA). If applicable, you must provide your California Seller's Permit number with your CMAS Application. The contact information for CDTFA is available on their website www.cdtfa.ca.gov/.



Go to Cal eProcure and click Sell to the State

Sell to the State

Register in Cal eProcure

Registering your business allows your company to:

- Subscribe to receive bid opportunity notices based on United Nations Standard Products and Services Code ([UNSPSC](#))
- Receive and access your bid opportunity invitations
- Post prime and subcontracting advertisements on bid opportunities
- View your Purchase Order information
- View your Progress Payment status
- Apply and manage California Small Business (SB) and Disabled Veteran Business Enterprise (DVBE) certifications ([learn more](#))

Learn how to [register](#) (video instructions)

REGISTER NOW

Find Bid Opportunities

Bid opportunities are posted in the California State Contracts Register (CSCR).

FIND BID OPPORTUNITIES

SB/DVBE Emergency Contracting

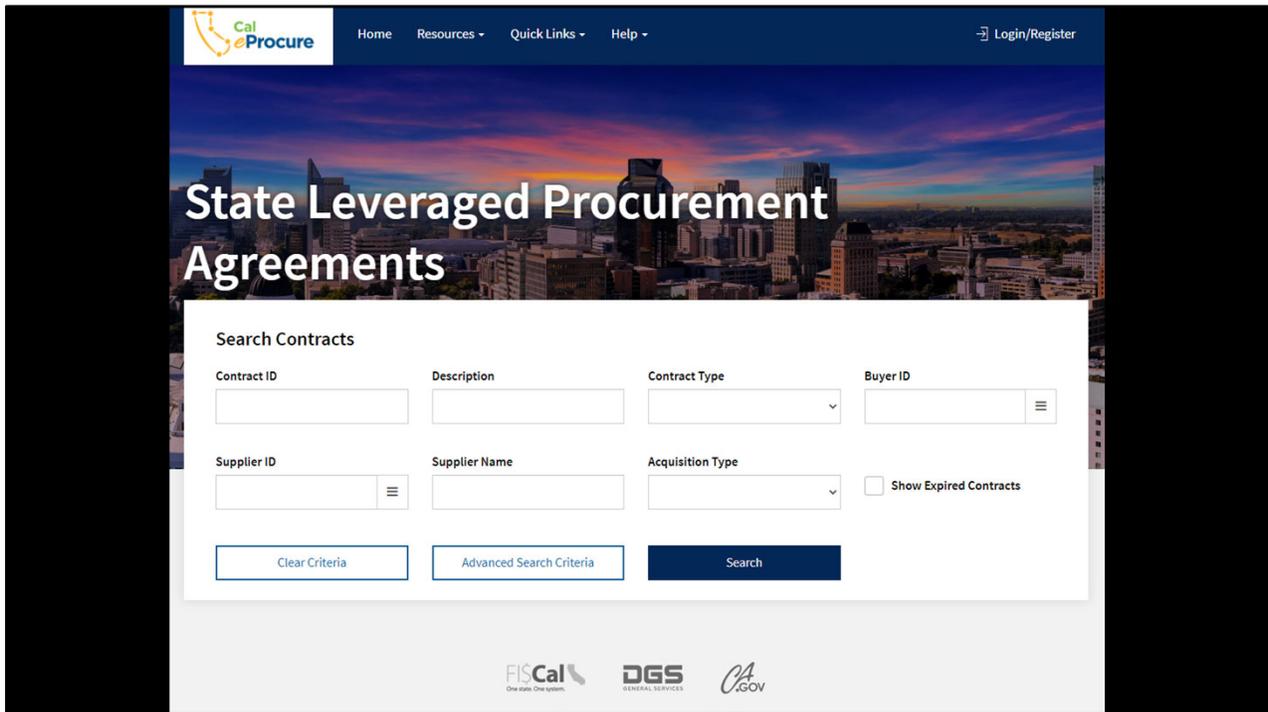
If you are a certified business capable of providing goods and services to the state during an emergency, learn more about the [SB/DVBE Emergency Registry](#).

Additional Resources

- [Search for State Contracts / Leveraged Procurement Agreements \(LPAs\)](#)



Click the link at the bottom to search the currently available and established leveraged procurement agreements.



Similar to the search for solicitations in the California State Contracts Register, this search is of existing Leveraged Procurement Agreements. There are various criteria you can search by.



Let's open it up to some Q&A about this subject. Please write in any questions you have, and we will do our best to answer them. We still have a few more areas to cover so please save questions about those until we reach those sections

field questions that come in

Alright, great questions. Now let's move on to the next section



Solicitation Formats

- ◆ Request for Quotation (RFQ)
- ◆ Invitation for Bid (IFB)
- ◆ Request for Proposal (RFP)
- ◆ Request for Offer (RFO)

Now that we have finished talking about acquisition methods, let's talk about solicitation formats.

These are some of the common solicitation formats certified businesses can expect to encounter. The format of a solicitation is influenced by the acquisition type and acquisition method, which we have talked about, and the dollar amount, complexity of the procurement, and risk factors. The solicitation format also contributes to how the procurement will be conducted and what the buyer expects of the business in submitting a bid. Knowing the solicitation format can help a business understand these parts of the procurement, better assess how fit their company is to fulfill the solicitation and be successful in responding to the solicitation. We will go through each one.

Request for Quotation (RFQ)

- ◆ Generally used for straightforward procurements with low risk
- ◆ Lists what is needed by item, quantity, and price
- ◆ IT goods, IT services, non-IT goods
- ◆ Dollar threshold is *generally* \$0 to \$100,000



RFQ is the most common written solicitation format used to conduct informal competitive acquisitions. The RFQ is a straightforward procurement format that identifies what is needed or requests a proposed solution and tends to be low in risk and complexity.

Informal Solicitation (Goods and IT only) simple to explain, lowest complexity, often accomplished via email. (Low Cost or Value Effective-Best Value is used for LPAs, i.e., CMAS & MSA).



Invitation for Bid (IFB)

- ◆ Used to obtain simple, common, or routine goods and services
- ◆ No discussions or negotiations
- ◆ *Typically* low cost

The Invitation for Bid (IFB) is a written solicitation document used to solicit bid responses for non-IT goods or for IT goods and/or services where suppliers are asked to provide a bid to the State's known and detailed, clear requirements. An IFB is also used to obtain simple, common, or routine non-IT services that may require personal or mechanical skills where little discretion is used in performing the work such as routine pest control, equipment maintenance, uniform rentals. An IFB can also be used for public works projects.

The requesting agency knows exactly what they want; they just need bids.

For an IFB, the state provides a complete Statement of Work (SOW) describing everything the state needs the business to accomplish; including all work, supplies, personnel and time frames.

An IFB is typically awarded by low cost, however there are exceptions.

Request for Proposal (RFP)

- ◆ Used to obtain complex services, professional expertise is needed
- ◆ More rigorous evaluation of bidder qualifications
- ◆ Award based on weighted criteria
- ◆ "Primary RFP" is Low cost
- ◆ "Secondary RFP" is best value



RFPs are used to obtain complex services in which professional expertise is needed and may vary. Where different methods and approaches may be applied during performance. Examples: professional services such as auditing, specialized data collection.

Primary

Performance requires varying methods or approaches but not innovation or creativity. The methods and approaches used may not differ significantly from one proposer to another, which allows costs to be used as the deciding factor for making the award.

The statement of work (SOW) is fairly well defined in terms of services or functions that must be performed, as are the time frames that are required.

Costs proposals are submitted in a separate sealed envelope apart from the narrative proposal.

Narrative proposals are reviewed, evaluated, and scored for compliance with format,

content, and qualification requirements.

Cost proposals are not scored.

Qualified proposals that are responsive to the RFP requirements will have their cost/price proposals publicly opened and read.

Following the opening and reading of cost proposals, cost proposals are then adjusted for applicable small business, TACPA, and DVBE Incentives.

A certified small business receives an amount equal to 5 % of the lowest cost proposal submitted by a non-certified small business reduced from its cost proposal.

Award is to the responsible proposer offering the lowest cost for its services.

Secondary

To obtain very complex and/or unique services in which professional expertise and methods may vary greatly. Creative or innovative approaches are needed. Examples: public relations and advertising, complex research projects.

Award is to the responsible proposer earning the highest overall score.

Performance requires unusual, innovative, or creative techniques, methods and approaches. The quality of expertise and approaches, methods, and innovation used may differ significantly from one proposer to another.

The SOW is less precisely defined and may contain only the agency's business needs, goals or objectives that must be met.

Price may appear as a section within the narrative proposal and must be a significant factor. Price does not mean cost effectiveness.

Narrative proposals are evaluated and scored. Oral interviews are optional. Passing points may be set to determine the finalists.

The cost component is either scored against criteria stated in the RFP or subjected to a formula to convert the quoted cost into score or point values.

Cost proposals are not announced or publicly read.

Notes

RFP are higher risk, solution based

Used in negotiated acquisitions to communicate government requirements to

prospective contractors and to solicit proposals.

An RFP seeks an answer to the following: Here is what we wish to accomplish. Here are the qualifications requirements, performance specifications, time frames, and other requirements that must be met. How would you accomplish the job for us and for how much?

Formal Solicitation (IT Goods and Services and Non-IT services) Large scale or complex project, the state will provide what is needed but leave the details on how the vendor proposes the solution.

Request for Offer (RFO)

- ◆ Used when purchasing against an LPA
- ◆ Specific Transaction
- ◆ Specific response or offer



Done when purchasing against an LPA. An RFO is a document sent to LPA contractors which contains requirements for a specific transaction and requests a specific response or offer. The individual user instructions of the LPA will indicate whether additional offers are required.

Example: A consultant with a CMAS gets an RFO to provide IT consulting services. The business responds, as do other CMAS holders, and the buyer evaluates the responses and awards the contract.

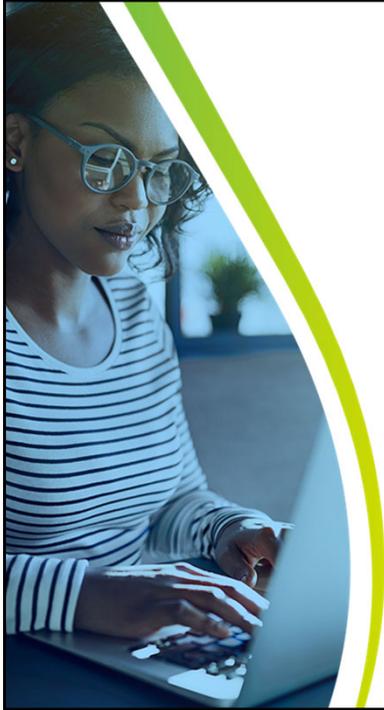
For LPA transactions greater than \$5,000: Department develops the Request for Offer (RFO) with the state's current terms and conditions attached to be agreed upon by the supplier when they submit their bid/quote/offer. The RFO must request the supplier provide Retail Price along with their offer.



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Contract Readiness

- ◆ Do you meet the requirements?
- ◆ Do you have the financial capacity?
- ◆ Can you deliver on the contract?

Let's talk about contract readiness. There are some things you should consider to determine if you are ready for a contract.

Do you meet the requirements? Before you do a lot of work to submit a bid for a solicitation or try to get an LPA, make sure you meet all the requirements. I would hate for you to waste your time on something you ultimately cannot do.

Do you have the financial capacity? The state often pays after you complete the work, not before. And it can take up to 45 days to make payment, so you need to make sure you have the financial capacity to complete the contract.

Can you deliver on the contract? This is really asking about your capacity to completely fulfill the contract. You need to assess if you can do that or if this contract is too large for your business to handle right now.

Contract Readiness

Determine your eligibility – can you meet the evaluation criteria?

- ◆ Past performance
- ◆ Required experience and skill sets
- ◆ Production capability



Also consider eligibility and evaluation criteria. Thinking about your past performance, required experience and skills, and the capability of your business, are you eligible?

Contract Readiness

- ◆ Don't miss out on a business opportunity by letting your SB/DVBE certification lapse.
- ◆ Keep your SB/DVBE profile information up-to-date.
- ◆ Ensure you are certified to perform the category of work
- ◆ Make sure you are properly licensed and insured.



Some quick tips to make you successful. Do not let your certification lapse. You could loose out on an opportunity. Keep it up to day and renew it when needed.

Keep your profile information current.

Make sure you hold any and all certifications and licenses you need to perform the work.

And make sure you have the needed insurance. Depending on the type of work you do, you may need to have insurance. Generally, insurance is required when performing services for the state but not for goods or products.

Common Mistakes

- ◆ Forgetting to sign all documents.
- ◆ Forgetting to return all requested documentation/forms.
- ◆ Not responding by the deadline.
- ◆ Ignoring historical information available for pricing, etc.
- ◆ Incorrect calculations, tax rate, etc. on documents.
- ◆ Leaving out required permits, licenses, and bonding.
- ◆ Substituting items without the consent of the issuing department.
- ◆ Not following all directions on the solicitation.
- ◆ Not filling out recycled content form.
- ◆ Submitting cost proposal in same package as technical requirement

These are some common mistakes we see.

elaborate on any specific mistakes you want to



Tips for Success

- ◆ Ask questions early on, do not wait until the last minute or after the bid due date.
- ◆ Make sure you read and understand the scope of work and requirements set forth in the solicitation.

Here are some tips for success.

If you have questions, ask them early on. Do not wait until the end to ask your questions.

Always read the solicitation documents and make sure you understand them. As much as we want to help you, at the end of the day you need to be able to read the solicitation and understand what it says and what is needed of you.



Tips for Success

If your business secures a state contract:

- ◆ You are legally bound to deliver as promised.
- ◆ Many contracts do not pay until the job is completed.
- ◆ For example: “lump sum” means that invoice will be paid after the project or phase is complete.

If you secure a state contract, congratulations! It also means you are legally bound to deliver. If you do not, that is not good for your business. Failing on a state contract will hurt your reputation and make it more difficult to get other contracts.

We mentioned this before, but many jobs do not pay until the work is done and have up to 45 days after receiving an undisputed invoice to do so. Think about how your business will stay financed during that time.



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Commercially Useful Function

You perform CUF if your business is:

- ◆ Executing a distinct element of the work
- ◆ Performing, managing, or supervising the work
- ◆ Performing work that is normal for the firm's business services and functions
- ◆ Negotiating price, determining quality and quantity, ordering, installing and making payment
- ◆ Not subcontracting a portion of the work greater than expected by industry practices



This and the next slide cover the commercially useful function. Applies to all SB/DVBE bidding and participating in the contract (listed SB/DVBE as well as the to the SB/DVBEs that substitute the listed SB/DVBE during the contract term)

Emphasis on regardless of the procurement approach or payment method used.

Additional Background and Notes

MVC 999.9(a) Violations, including CUF-related

MVC 999.9(b) Penalties and sanctions:

- Misdemeanor: jail and/or \$1,000 fine
- Civil penalties:
1st violation: \$10,000 - \$30,000
2nd violation +: \$30,000 - \$50,000/each
- Costs and attorney's fees

MVC 999.9(c) DGS authority to:

- Suspend from doing business with the state 3-10 years
- Revoke SB and/or DVBE certification for :
1st violation : 5 years
2nd violation: 10 years
- Refer to Attorney General for civil penalties if sufficient grounds



Commercially Useful Function

Not perform CUF if your business is:

- ◆ Being used as a passthrough to obtain the appearance of SB/DVBE participation ZM0
- ◆ Not being used to perform the work as stipulated in the bid.
- ◆ No longer used to provide goods/services listed in the initial bid response.

Your business does not perform CUF if you are:

An extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of SB/DVBE participation.

Not being used to perform the work as stipulated in the bid.

No longer used to provide goods/services listed in initial bid response.

Slide 49

ZM0 Should this say "solicitation" instead of bid?
Zweier, Matthew@DGS, 2023-03-10T17:07:42.599

Resources

Small Business Development Centers (new businesses)

- ◆ Business consulting, planning, marketing and access to capital

Apex Accelerators (established businesses)

- ◆ Government contracting

SCORE (newer businesses)

- ◆ Business mentorship



Go through each of these resources

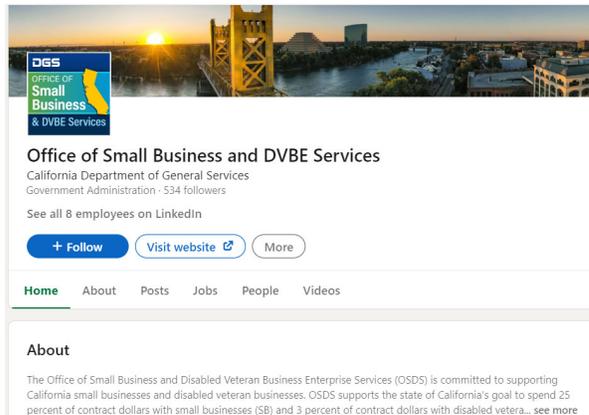
Review

- ◆ How the state buys
- ◆ Acquisition Methods
- ◆ Leveraged Procurement Agreements
- ◆ Solicitation Formats
- ◆ Commercially Useful Function
- ◆ Resources

Review the topics you covered

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Follow us on LinkedIn.

More Educational Opportunities

View a list of upcoming events to attend



Schedule a Consultation

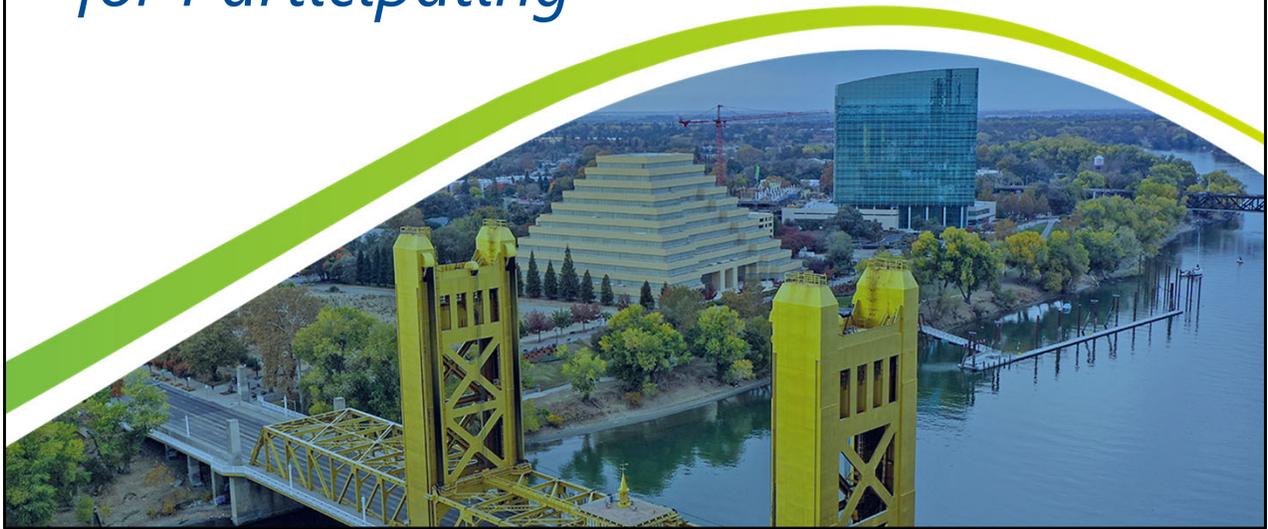
- Introduction to state contracting
- Cal eProcure registration and certification
- Update Cal eProcure profiles
- Find contract opportunities



Schedule a Consultation with us!

This QR code is to our MS Bookings

*Thank You
for Participating*



Thank you!



Instructor

Josh Kress

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California Department of General Services

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