

To: All CARB Managers and Supervisors

From: Administrative Services Division (ASD)

Date: October 29, 2020

Subject: Non-Contract Purchase Payment Process

REF AP #: CPGB-20-002

CONTACT: Contracts, Procurement and Grants Branch (CPGB)

BACKGROUND

A Non-Contract Purchase (NCP) is a purchase made for a valid business purpose on behalf of the State of California (State) and without a formal purchase order, service agreement, or contract when the vendor does not accept a standard purchasing authority document. The NCP payment process shall not be utilized to circumvent normal procurement and contracting processes. It is only intended for exceptional circumstances in which a necessary purchase could not otherwise be completed.

AUTHORITY

Article 4 of the California Public Contract Code (PCC) sets forth requirements for the solicitation, award, and approval of contracts as *for services to be rendered to the state, whether or not the services involve the furnishing or use of equipment, materials, or supplies or are performed by an independent contractor*. It authorizes the Department of General Services (DGS) to waive these requirements for contracts of less than twenty thousand dollars (\$20,000) (PCC § 10348).

The State Contracting Manual (SCM Vol 1, 5.80 (B)(2)(p)) exempts service contracts of less than \$10,000 from the PCC requirements. The California Air Resources Board (CARB) may follow an alternate NCP process for purchases that meet the criteria listed in the following section.

The State Administrative Manual (SAM) § 8114 states, "a revolving fund check will be used to purchase federal publications whenever remittance must accompany the order."

SAM § 8115 allows United Parcel Service metered accounts to be prepaid by revolving fund check.

SAM § 8120 states, "registration fees for attendance at training courses under approved out-service training programs may be paid directly by the agencies by revolving fund check. Claims for reimbursement must be supported by a receipt of certification listing names of employees attending and the amount for each."

CRITERIA

A purchase must meet the following criteria in order to qualify for the NCP payment process:

- Price is under \$10,000.
- Purchase is for a valid State purpose.
- Purchase belongs to one of these categories:
 - Out-Service Training¹ (*payment requests for training will not be accepted unless they are received from ASD's Training Unit*).
 - Permits
 - Memberships
 - Fees (CEQA fees, P.O. Box rental fees, library rental fees, fleet vehicle registration fees, etc.)
 - Subscriptions
 - Conferences/Exhibition Booths
 - Insurance policies negotiated by the Office of Risk and Insurance Management under DGS. Note that payments under this category may exceed \$10,000 upon approval of the Chief of ASD.
 - Settlements (payments under this category may exceed \$10,000 upon approval of the Chief of ASD.

¹ Out-Service Training is defined as training provided outside of State government.

PROCESS

STEP 1:

1. CARB Division identifies a need that falls into the criteria listed above, and submits a completed [ASD/CPGB-387 Non Contractual Procurement Payment Request](#).
2. The division completes a [ASD/CPGB-387](#) and submits the form to the Contracts, Procurement and Grants Branch (CPGB). Signature provided on the ASD/CPGB-387 from the requesting division's Chief or Designee authorizes the expenditure.
3. For NCPs, the following forms are required in addition to the [ASD/CPGB-387](#):
 - a. [STD 204 Payee Data Record](#)
 - b. Invoice
 - c. [ASD/AB-319 Employee Certification of Receipt](#)
 - d. [ASD/FISCAL-255 Revolving Fund Check Request](#) (ORF) to pay thru ORF the request must meet the following criteria:
 - Payment is for a Federal publication where payment must accompany the order (SAM § 8114).
 - Payment is for postage (SAM § 8115).
 - Payment is for training provided outside of State government (Out-Service Training) (SAM § 8120).
 - Payment must be processed in less than 14 days.

STEP 2: Contracts Unit:

1. Reviews NCP Form and determines whether an NCP is appropriate.
 - a. During the review, staff will first determine whether the vendor accepts the standard purchasing authority document.
 - b. If so, staff will follow the standard procurement or contracting processes.
 - c. If not, staff will use the NCP criteria to determine whether the NCP process can be followed for the purchase.
2. Determines whether the payment shall be processed thru Fi\$cal or the ORF.
 - a. The ORF process shall be followed for payments authorized by SAM or payments needed within 14 days of request.
 - b. Fi\$cal shall be used for all other payments with a maximum processing time of 45 days.

3. Ensures that all required documents are secured.
4. If required documents are missing, staff will follow up with the requesting division; processing will resume when all documents are obtained.
5. Prepares documents needed for approval.
 - a. Ensure that all forms are completed.
 - b. Stamp the invoice with the "Non-Contract Invoice" stamp.
 - c. Assign an NCP number to the purchase from the Non-Contract Log and write the number on the Payment Request Form.
 - d. Record the NCP in the Non-Contract Log (X:\NC Purchase-5000\Non-Contract Log).
 - e. Scan all the documents and save them in the NCP folder on the X: drive.
 - f. Place the NCP Route Slip on top of the packet to ensure it is clear from front page of the documentation.
 - g. Notify the requesting division staff and division liaison via email that their purchase is being processed as an NCP with the assigned NCP number.
 - h. Route the completed packet to the Contracts, Procurement Grants Branch (CPGB) Chief for review and further processing of NCP documents.
6. Provide all documents to the Budgets Section for approval of funding.

STEP 3: Budgets Section:

1. Budgets Section shall confirm funding is available and note the applicable funding information on the [ASD/CPGB-387](#) and send all documentation to the Accounts Payable Unit for processing.

STEP 4: Accounts Payable Unit:

1. Process payment following the standard protocols, except:
 - a. All documentation will come to staff pre-assembled (for Accounts Payable staff, some of the steps in the standard invoice review process will not apply).
 - b. The NCP Form replaces the standard required formal purchasing authority document.
 - c. There will not be encumbrances.
 - d. For Fi\$cal payments, ASD-319 will be provided with the invoice without a separate approval request.

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2. Update the Non-Contract Log.
 - a. For ORF payments, add the check number and payment date.
 - b. For Fi\$cal payments, add voucher and receipt number and date sent to State Controller's Office (SCO).

Questions

All other information pertaining to the NCP process shall be sent through the CPGB inbox at purchasing@arb.ca.gov.



Edna Murphy, Chief

Administrative Services Division