

Report on the

**Golden State Financial Marketplace
(GS \$Mart) Loans for Fiscal Year 2017-18**

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

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OVERVIEW

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

- Each agency that entered into a Golden State Financial Marketplace (GS \$Mart) Loan.
- The amount financed by each loan.
- The term of the loan.
- A description of the item, good or service financed by each loan.
- The total amount of outstanding GS \$Mart Loans.

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

PROCUREMENT DIVISION

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

GS \$MART

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

The award-winning GS \$Mart Program is an efficient, open, organized marketplace on the internet for state of California installment purchase agreements. It enables financing arrangements to be made quickly and conveniently by eliminating much of the workload, lengthy process, and complexity that existed before GS \$Mart was established. The result is lower interest rates and greater administrative efficiency. Current available plans are tailored specifically for state contracts for IT and non-IT goods, many IT services, and energy retrofits.

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

The combination of GS \$Mart Program features—prequalifying lenders, prenegotiated terms and conditions, and current market rates—provide state agencies with easier, quicker installment purchase agreements.

THE REPORT

The total outstanding loan balance in the GS \$Mart Program is currently at approximately \$114.8 million as of September 1, 2018. This includes a total of \$56.6 million of new loans for this fiscal year. Please see Attachment 1 for the report on departments that have entered into loans, the amounts financed by each loan, the term of each loan, and the purpose for which the money was borrowed.

Attachment to the Report on the Golden State Financial Marketplace (GS \$Mart) Loans for Fiscal Year 2017-18

Department	Supplier	Lender	Amount of the Loan	Term*	Interest Rate	Equipment Description
Department of Justice (DOJ)	NetApp, Inc.	US Bancorp Government Leasing and Finance, Inc. (USBGLF)	\$819,381.21	5 annual payments	0.00%	NetApp storage, hardware and support services
Department of Technology (CDT)	Electric Lightwave, LLC.	International Business Machines Global Financing (IBMGF)	\$2,950,000.00	36 monthly payments	2.45%	One (1) pair of optical fibers connecting two (2) campuses for CDT
CDT	Electric Lightwave, LLC.	IBMGF	\$1,491,261.02	36 monthly payments	1.48%	Ciena equipment for optical refresh and upgrade
CDT	AdvanTel, Inc.	IBMGF	\$1,937,020.20	36 monthly payments	\$1.54%	Juniper hardware, software, and services for the Data Center IP Fabric Refresh
DOJ	CDW Government, LLC.	USBGLF	\$856,599.99	3 annual payments	0.00%	CommVault Software Renewal

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Department	Supplier	Lender	Amount of the Loan	Term*	Interest Rate	Equipment Description
California Public Utilities Commission (CPUC) (Lease)	Xerox Corporation	CSI Leasing, Inc.	\$44,290.00	5 annual payments	0.228 (lease factor)	Xerox copier machine
CDT	Direct Systems Support	IBMGF	\$4,642,582.74	60 monthly payments	1.21%	AIX hardware and software
Department of Transportation (Caltrans)	Downtwon Ford Sales Leehan of Davis	Banc of America Public Capital Corp (BAPCC)	\$8,652,245.00	5 annual payments	1.75%	Pickup trucks and cargo vans
Department of Water Resources (DWR)	Enterprise Networking Solutions, Inc. (ENS)	IBMGF	\$1,506,000.00	3 annual payments	1.61%	AppDynamics software and software maintenance
Caltrans	Winner Chevrolet, Inc Toyota Sunnyvale Wonderies Toyota of Hanford Freeway Toyota of Hanford	BAPCC	\$4,856,413.02	5 annual payments	1.77%	Sedans

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Department	Supplier	Lender	Amount of the Loan	Term*	Interest Rate	Equipment Description
Department of Corrections and Rehabilitation	HME, Inc.	BAPCC	\$2,827,787.04	7 annual payments	1.953%	Fire engines
CDT	IBM Corporation	IBMGF	\$7,369,261.00	60 monthly payments	1.55%	IBM mainframe upgrade
Office of State Publishing (OSP)	Pitney Bowes	BAPCC	\$4,888,846.00	5 annual payments	1.79%	Mailing inserters
Department of Alcoholic Beverage Control (ABC)	Elk Grove Auto Group	USBGLF	\$212,985.00	5 annual payments	2.890%	Dodge Charger police pursuit vehicles
ABC	Granite Data Solutions Small Business Products, Inc.	IBMGF	\$149,858.29	3 annual payments	2.58%	Desktops, monitors, and multi-function devices

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Department	Supplier	Lender	Amount of the Loan	Term*	Interest Rate	Equipment Description
ABC	Allied Network Solutions, Inc. EPOCH Universal, Inc. Rubicon Datawerks Technology Integration Group	IBMGF	\$687,415.54	5 annual payments	2.90%	Servers, server software, storage, and switches
Caltrans	Selma Auto Mall III, Inc.	BAPCC	\$4,709,299.15	5 annual payments	2.7645%	Mini pickup trucks
OSP	Ray A. Morgan Company	BAPCC	\$2,096,710.00	5 annual payments	2.7726%	High speed digital presses
CPUC	ENS	IBMGF	\$1,748,175.00	3 annual payments	2.48%	VMware
CHP	Enovity, Inc.	BAPCC	\$1,799,672.00	15 annual payments	3.24%	Energy savings project
CDT	Direct Systems Support	IBMGF	\$2,417,124.53	36 monthly payments	1.35%	Mainframe storage

Total Financed

\$56,662,926.73

1.90%