

CHAPTER 23
DELEGATION OF X NUMBER CONTRACT AUTHORITY
REVISED JANUARY 2020
TABLE OF CONTENTS

<u>PURPOSE</u>	23-3
<u>AUTHORITY</u>	23-3
<u>POLICY</u>	23-3
<u>DEFINITIONS AND RESPONSIBILITIES</u>	23-3
X Number Program.....	23-3
X Number	23-3
X Number Coordinators.....	23-3
Requestor.....	23-4
Business Services Section	23-4
<u>PROHIBITED USE OF X NUMBER</u>	23-4
<u>SPECIAL REQUIREMENTS</u>	23-5
Obtaining an X Number After Services are Rendered.....	23-5
Exception.....	23-5
Issuing an X Number for Services Which Require a Contract	23-5
Commercial Vehicle Enforcement and Scale Facilities.....	23-5
Facility-Related Services	23-5
Telecommunications-Related Services	23-5
Air Operations Program.....	23-5
Commercial Meeting/Conference Room Rental	23-5
Rental of Storage Facility	23-6
Hazardous Materials Pick-up or Pest Control.....	23-6
Transcription Services	23-6
Information Technology-Related Services.....	23-6
Point-of-Use Water Filtration System	23-6
<u>REQUESTOR RESPONSIBILITIES AND PROCEDURES</u>	23-6
Obtaining Quotes.....	23-6
X Numbers Exempt from Competitive Quotes.....	23-7
Obtaining an X Number	23-7
Receipt of Vendor File Documentation	23-7
Vendor Invoicing Requirements	23-8
Financial Information System for California Purchase Order Number	23-8
Financial Information System for California Receipt ID for Payment	23-9
Accounting Codes.....	23-9
Payment Inquiries.....	23-9
<u>X NUMBER COORDINATOR RESPONSIBILITIES AND PROCEDURES</u>	23-9

General Responsibilities.....	23-9
File Documentation.....	23-10
CHP 78B, X Number Log.....	23-11
Recording of Information.....	23-12
Receipt of CHP 78B.....	23-12
Review of Outstanding X Numbers.....	23-12
Quarterly Review.....	23-13
Fiscal Year End Cut-Off Date.....	23-13

CHAPTER 23

DELEGATION OF X NUMBER CONTRACT AUTHORITY

1. PURPOSE. The purpose of this chapter is to provide guidelines for one-time, short-term, and occasional and/or annual (single state fiscal year [FY]) service agreements.
2. AUTHORITY. The Department's authority to enter into services under \$5,000 is provided by the Department of General Services, Office of Legal Services (refer to State Contracting Manual, Volume 1, Section 5.90).
3. POLICY. The Department's responsibility in preparing X Number services is to ensure the interests of the Department and the state are preserved through compliance with laws, rules, and regulations set forth by the state. Oversight for this program is assigned to the Business Services Section (BSS).
4. DEFINITIONS AND RESPONSIBILITIES.
 - a. X Number Program. An informal means of obtaining services under \$5,000 from any source within a single state FY. No service provider may be issued multiple X Numbers in a single FY that exceeds \$4,999.99 for the performance of the same service type.
 - b. X Number. An X Number is a streamlined mechanism to quickly obtain simple services that have a total cost under \$5,000 per state FY. An X Number is provided in advance to contract service or repairs.
 - c. X Number Coordinators. Those who have delegated authority to administer and monitor the X Number Program.
 - (1) At headquarters, the Departmental X Number coordinator is in the BSS.
 - (2) At headquarters, Telecommunications Section (TS) has an X Number coordinator responsible for headquarters Division telephone systems and departmental radio communications system repair. (Refer to paragraph 6.f. of this chapter for additional telecommunications-related service responsibilities and procedures).
 - (3) At headquarters, the Facilities Section (FS) has an X Number coordinator responsible for all facility-related services or repairs to headquarters and field commands. This includes all commercial vehicle enforcement and scale

facilities for facility-related services. (Refer to paragraph 6.e. of this chapter for additional facility-related service responsibilities and procedures).

(4) Field Divisions are responsible for designating a coordinator and an alternate within the Division to administer and monitor the X Number Program, which includes the issuance of X Numbers to Area commands and maintaining a list of Area X Number requestors.

(5) Areas are responsible for designating a coordinator and an alternate within the Area to administer and monitor the X Number Program.

d. Requestor. The person requesting the X Number in order to obtain a service or repair.

e. Business Services Section. As the Office of Primary Interest (OPI), BSS oversees the X Number Program. The X Number Program is administered departmentally through X Number coordinators, who manage the service activity of their respective commands. The BSS will conduct periodic training for X Number coordinators and headquarter commands to ensure the appropriate laws, rules, regulations, policies, and procedures are followed.

5. PROHIBITED USE OF X NUMBER.

a. Purchasing commodities only.

b. Obtaining an X Number for a service that is covered by the terms and conditions of an existing maintenance contract or rental contract.

c. Issuing more than one X Number or splitting an invoice when the total amount of the service or repair exceeds \$4,999.99.

d. Services costing \$5,000 or more.

e. Rental of any type of equipment for longer than one month.

f. Consultant service (e.g., instructor, speaker).

g. Advance payment for services. (Government Code, Sections 11019 and 11256 through 11263.)

6. SPECIAL REQUIREMENTS.

a. Obtaining an X Number After Services are Rendered. Approval is required from the appropriate Commissioner or designee to obtain an after-the-fact (ATF) X

Number. Once approval is received from the appropriate Commissioner or designee, the BSS will notify the appropriate Division X Number coordinator to issue an ATF X Number to the requesting command.

b. Exception. The Division commander or designee may authorize ATF X Numbers to pay for evidence processing to facilitate investigations. This processing may include sexual assault tests, gunshot residue tests, Deoxyribonucleic Acid analysis, blood evidence (other than tests related to drug or alcohol impairment), and search warrant processing fees.

c. Issuing an X Number for Services Which Require a Contract. Approval is required from the appropriate Commissioner or designee for an X Number when there is a lapse in service contract (e.g., range use, tow service, janitorial, landscaping).

d. Commercial Vehicle Enforcement and Scale Facilities. All services or repairs to commercial vehicle enforcement and scale facilities are issued by FS.

e. Facility-Related Services. All facility-related service approvals shall be granted from the FS analyst assigned to the command. Any questions regarding the request of an X Number and/or documentation should be directed to the appropriate FS analyst or the FS X Number coordinator.

f. Telecommunications-Related Services. All services or repairs for telecommunications equipment/components shall be obtained from TS. Telecommunications Section will provide approval and accounting code information. This includes services and repairs to telephone systems, cellular telephones, and generators, but excludes generators at commercial vehicle enforcement and scale facilities.

g. Air Operations Program. All services related to the Air Operations Program must be approved in advance by the Office of Air Operations.

h. Commercial Meeting/Conference Room Rental. An X Number requested for commercial meeting/conference room rental shall be handled as follows:

- (1) An expenditure cap of \$500 (excluding applicable taxes) per day has been established for the rental of commercial meeting conference rooms. Requests to exceed this daily cap shall be forwarded through channels to the appropriate Assistant Commissioner for preapproval. Any commercial meeting/conference room rental which is expected to exceed \$4,999.99 in total cost shall follow contract request procedures outlined in Chapter 22, Service Agreements/Letters of Agreement, of this manual.

(2) An X Number request for conference/meeting rooms shall be limited to Top Management, Division Area Commanders' Conferences, Administration of Examinations, and OPI-sponsored training. All other conference/meeting room requests shall be preapproved by the appropriate Commissioner. Commands shall ensure site selection for such requests do not detract from the professional image of the Department.

i. Rental of Storage Facility. An X Number may be used for rental of a storage facility for less than one month. A request for additional storage exceeding one month or in excess of \$4,999.99 must be submitted on a CHP 107, Facility Alteration/Reconfiguration Justification, in accordance with Chapter 14, Facilities Development, Repairs, and Maintenance, of this manual. The FS will prepare an analysis based on the need and submit to the appropriate Commissioner for approval.

j. Hazardous Materials Pick-up or Pest Control. For hazardous material pick-up or pest control, contact FS.

k. Transcription Services. An X Number request for transcription services shall be forwarded through channels to the appropriate Commissioner for approval.

l. Information Technology-Related Services. An X Number request for information technology-related repairs shall be sent via e-mail to: ProcureIT@chp.ca.gov for approval. The California Highway Patrol (CHP) tag number, make and model of the equipment requiring service, two quotes, mission critical justification, and Area and Division commander approval shall be provided.

m. Point-of-Use Water Filtration System. All services, repairs, or annual maintenance to command water filtration systems shall be accomplished with the issuance of an X Number by the appropriate X Number coordinator.

7. REQUESTOR RESPONSIBILITIES AND PROCEDURES.

a. Obtaining Quotes. The requestor is responsible for obtaining the necessary price quote(s) for the required service(s). When the required service(s) are less than \$5,000, the requestor shall seek California certified small business (SB), microbusiness (MB), or disabled veteran business enterprise (DVBE) vendors first. If the requestor is unable to obtain two price quotes from California certified SBs, MBs, or DVBEs, the requestor is required to obtain a minimum of three price quotes from either SB, DVBE, or noncertified businesses. This process may be done by telephone, fax, or e-mail.

(1) In cases where vendors are limited and only one vendor is available to provide the service, commands shall include a justification on the CHP 78X, X Number Service Order.

(2) In cases of telephone quotes and only one vendor responds, commands are still required to obtain an additional price quote (e.g., price comparison, catalog or market pricing, controlled pricing, historical pricing, or cost/benefit analysis.) (Refer to State Contracting Manual Vol. 2, 5.7.1).

b. X Numbers Exempt from Competitive Quotes. The following X Number agreements are exempt from obtaining competitive quotes:

(1) In the event of an emergency, only one price quote is required. An “Emergency” service is a sudden, unexpected occurrence that creates a clear and imminent danger requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services. The circumstances surrounding the emergency and the need for an emergency X Number shall be documented on a CHP 78X, or on an attached memorandum.

(a) Commands shall notify the appropriate X Number coordinator for an emergency X Number providing preliminary information. For incidents occurring after normal work hours or on weekends, commands shall contact the appropriate X Number coordinator on the next business day. Commands shall complete and submit to the appropriate X Number coordinator a completed CHP 78X as outlined in this chapter, including an explanation of the incident meeting the definition of an emergency.

(2) One-time equipment maintenance or repair from a proprietary source or when only an authorized dealer can service the product. Commands shall include written documentation from the vendor and retain in the file for inspection and audit purposes.

c. Obtaining an X Number. The requestor shall complete a CHP 78X and obtain prior e-mail approval from the Area commander. The requestor shall submit the CHP 78X, appropriate supporting documentation, and the approvals from command and/or Division via e-mail to: CHP-BSS_XNumber@chp.ca.gov.

d. Receipt of Vendor File Documentation. The requestor shall contact the vendor to begin service **upon completion of the following forms:**

(1) Completed CHP 78X.

(2) STD. 204, Payee Data Record. Business with a ‘doing business as’ designation shall include a copy of the fictitious business license.

- (3) Copy of current business license with expiration date.
- (4) Copy of the SB, MB, and DVBE certification printout. The original certification shall be maintained at the originating office with a copy attached to the CHP 78X and sent to the appropriate X Number coordinator located in headquarters.
- (5) Contract Certification Clause.
- (6) CHP 116, Darfur Contracting Act Certification.
- (7) CHP 78S, Conflict of Interest and Confidentiality Statement - Employee.
- (8) CHP 78V, Conflict of Interest and Confidentiality Statement - Vendor.
- (9) Copy of general liability insurance certificate (\$1,000,000 general liability insurance per occurrence for bodily injury and property damage liability combined).
- (10) Copy of general and automotive liability insurance certificate (\$1,000,000 general liability insurance and automobile liability per occurrence for bodily injury and property damage combined).
- (11) Copy of Workers' Compensation certificate.
- (12) CHP 28, Voluntary Statistical Data.

NOTE: A vendor's refusal to provide any of the forms *is cause* to select the next compliant vendor.

e. Vendor Invoicing Requirements. The vendor shall submit an original, itemized invoice on the vendor's letterhead to the command address for approval. An itemized invoice consists of the vendor's identifying information, the materials/parts/supplies cost, sales tax, labor costs, and the final invoice total. Estimates, statements, or price quotation worksheets are not considered an invoice and do not authorize payment.

f. Financial Information System for California Purchase Order Number. The requestor shall upload the CHP 78X, STD. 204, and an approved, itemized invoice to the Administrative Services Division (ASD) Repository <https://chp2go.sharepoint.com/sites/asddr/SitePages/NewHome.aspx>, into the folder titled, X Numbers Needing Purchase Orders (PO), within three days after the invoice has been provided to the Area or Division coordinator to request a PO number. The BSS headquarters and/or the FS coordinator shall download the required documents, ensure all data is correct, and issue a PO number. The BSS

headquarters and/or the FS coordinator will e-mail the requestor the PO number to receipt in FI\$Cal.

g. Financial Information System for California Receipt ID for Payment. Upon receipt of the PO Number, the requestor will acknowledge receipt of the Goods/Services in FI\$Cal and write the receipt ID on the invoice in the approval stamp area. The requestor shall upload the CHP 78X, STD. 204, and approved, itemized invoice to the ASD Repository folder, titled: Invoices for Payment.

h. Accounting Codes. To properly monitor and report departmental expenditures for budget purposes, each X Number transaction must be properly coded on the CHP 78X, CHP 78B, X Number Log, and approved invoices. The Fiscal Management Section (FMS) is responsible for providing updates as they occur on the CHP Intranet site.

i. Payment Inquiries. Upon receiving an inquiry about an invoice payment, the requestor shall look in FI\$Cal for information before contacting the headquarters or Division X Number coordinator, who will then contact FMS, Accounts Payable Unit (APU), for invoice payment information. The X Number coordinator should allow at least 45 calendar days from the time the invoice was submitted to the FMS, APU, before inquiring about payment. If the inquiry involves a California certified SB, MB, or DVBE business, the requestor, headquarters, or Division X Number coordinator may contact the Department's certified business advocate located in BSS for assistance in resolving the inquiry. The coordinator shall have the following information available at the time of inquiry:

- (1) Vendor's name as stated on invoice.
- (2) Date invoice was forwarded to FMS, APU.
- (3) Date of invoice.
- (4) Invoice number.
- (5) Dollar amount of invoice.
- (6) Assigned X Number.
- (7) FI\$Cal PO Number and Receipt ID.

8. X NUMBER COORDINATOR RESPONSIBILITIES AND PROCEDURES.

a. General Responsibilities. The X Number coordinators are responsible for the provisions set forth in this chapter, ensuring the guidelines are followed.

b. File Documentation. To comply with state rules and regulations, the X Number file must contain the following information. The documentation shall be maintained at the originating command and available for inspection and audit purposes.

(1) CHP 78X, X Number Service Order. A copy of the completed CHP 78X must be kept on file with any supporting documentation (e.g., special approval e-mail, memorandums, and e-mail request for X Number).

(2) STD. 204, Payee Data Record. The properly completed STD. 204 will provide, among other data, the supplier's taxpayer identification number. Any vendor providing service for the state must have a STD. 204 attached to the CHP 78X each time the vendor is utilized. The STD. 204 is good for three years pending no changes were made.

(3) Vendor's Business License. The vendor's business license must show the expiration date.

NOTE: Attach the fictitious business license, if applicable.

(4) Contractor Certification Clause.

(5) CHP 116, Darfur Contracting Act Certification. The X Number coordinators must require vendors to certify whether they are a scrutinized company for all acquisitions of non-information technology goods or services, except for: 1) public works contracts, and 2) contracts awarded using Department of General Services Leveraged Procurement Agreements. This requirement applies regardless of the procurement approach, method, or solicitation format used.

(6) CHP 78S, Conflict of Interest and Confidentiality Statement – Employee, and CHP 78V, Conflict of Interest and Confidentiality Statement - Vendor. Employees of the CHP are prohibited from having a financial interest in entering into any partnership, soliciting business of any kind from, or purchasing any property at a special discount from any person subject to regulation, inspection, licensing, certification, accreditation, supervision, or audit of this Department when official duties of the employee involve such functions. At the direction of the appropriate Commissioner, when entering into an X Number service contract, all employees are required to complete a CHP 78S, in addition to having the supplier complete the CHP 78V. Both properly completed original forms shall be maintained at the originating office with copies attached to the CHP 78X sent to the appropriate X Number coordinator located in headquarters.

(7) Copy of General Liability Insurance Certificate. One million dollars of general liability insurance per occurrence for bodily injury and property damage liability combined.

(8) Copy of Automotive Liability Insurance Certificate. One million dollars of automobile liability per occurrence for bodily injury and property damage combined.

(9) Copy of Workers' Compensation certificate.

(10) CHP 28, Voluntary Statistical Data. Public Contract Code, Section 10111, requires state agencies to capture information on ethnicity, race, and gender of business owners on all awarded contracts and procurements to the extent that the information has been voluntarily reported to the Department. The Department is prohibited from using this data to discriminate, provide a preference in the solicitation, or from acceptance of bids, quotes, or estimates for services, construction, and/or information technology. This information shall not be collected until after the contract award is made. The CHP 28 shall be forwarded to the vendor by mail or fax. The requestor is responsible for completion of the bottom portion of the form "To Be Completed By State Agency Only" checking the appropriate boxes, entering the contract amount and date of service, then forwarding to the vendor.

(11) California Certified Small, Micro, and/or Disabled Veteran Business Certification. This certification must be verified and provided at the time of each service to ensure the vendor is currently certified. The certification must show the approved status, start, and end date. The certification may be obtained at: www.caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx.

c. CHP 78B, X Number Log. The CHP 78B is required and shall be completed by the Division X Number coordinator when issuing X Numbers to the Area commands.

(1) The Division X Number coordinators shall complete the entire CHP 78B for the Area commands and submit to the headquarters X Number Coordinator monthly.

(2) The X Numbers entered on the log shall be sequentially numbered and consist of the two-digit FY, the requestor's three-digit location code, and the assigned three-digit X Number (e.g., 10-076-001). At the beginning of each FY, the two-digit code shall be changed and the X Number shall begin at 001. For example, for FY 2010/2011, the numbering sequence would be 10-076-001.

(3) The FS X Number coordinator shall enter X Number requests into the database maintained by BSS. The information maintained in the database includes the information required on the CHP 78B.

d. Recording of Information. Upon issuing the X Number, record the following information on the CHP 78B:

- (1) Date of issuance.
- (2) Next available X Number.
- (3) Requestor information: Requestor's name, command name, location code, and accounting expenditure codes.
- (4) Vendor information: Vendor's name, certification status (SB, MB, DVBE), service type, and service date.
- (5) Invoice information: Estimated dollar amount.

e. Receipt of CHP 78B. Upon receipt of the CHP 78B from the Division, the headquarters X Number coordinator shall follow the procedures as outlined below.

(1) The headquarters X Number coordinator shall record the following information on the CHP 78B under the appropriate X Number:

- a. Actual dollar amount of service, if different.
- b. Invoice number.
- c. Invoice date.
- d. Date processed to headquarters.

(2) The headquarters X Number coordinator shall reconcile and retain, in sequential order, the CHP 78B, CHP 78X, and all supporting documents in the command file.

f. Review of Outstanding X Numbers.

(1) Monthly, the Division X Number coordinator shall review the CHP 78B for outstanding X Numbers. Outstanding X Numbers are those more than 30 days old. If there are outstanding X Numbers, the coordinator shall contact the requestor for a current status of the request and document findings on the CHP 78B.

(2) Monthly, the headquarters X Number coordinator shall run a report out of the database to determine if there are any outstanding Division X Numbers and invoices.

(3) An X Number determined to no longer be needed shall be cancelled as soon as possible. The X Number coordinators shall take the appropriate action to close any outstanding X Numbers within 30 days to avoid late payment penalties.

g. Quarterly Review. Quarterly review is to establish credible and comprehensive processes to identify and solve issues before they become critical. This is to ensure all legal statutes, as well as departmental policies and procedures are adhered to.

(1) Identifies deficiencies and provides accountability for corrective actions.

(2) Identifies training needs and serves as a catalyst to initiate training when required.

(3) Obtains feedback on improving policies and procedures, which will be evaluated for possible modification of current policy and statewide application.

h. Fiscal Year End Cut-Off Date.

(1) All requests for nonemergency services shall cease by 1700 hours, on the first Friday in June, to allow sufficient time for the X Number invoice to be processed.

(2) The X Number coordinators shall ensure that all open invoices are processed by the second Friday in June.

(3) All X Number invoices for the FY must be reconciled and dispatched by the last Friday in June.

(4) All nonemergency X Number requests for services after cut-off and prior to the signing of the FY budget will be denied. The X Number services may resume once the new FY budget has been signed and a notification advisement has been sent by the headquarters X Number coordinator.

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