

Report on the

**Golden State Financial Marketplace
(GS \$Mart) Loans for Fiscal Year 2022-23**

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

State of California

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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.
- Physical address of the asset(s) being financed.
- The name of the supplier.
- The name of the selected lender.
- The amount financed by each loan.
- The term of the loan.
- The interest rate of the loan.
- A description of the assets, goods or services financed by each loan.
- The total amount of outstanding GS \$Mart loans.

ABOUT THE PROCUREMENT DIVISION AND THE GOLDEN STATE FINANCIAL MARKETPLACE

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 \$8 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 \$SMART

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 internet-based marketplace 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 prequalified to do business with the state.

The GS \$Mart Program combines prequalified lenders, prenegotiated terms and conditions, and current market rates to provide state agencies with easier and quicker installment purchase agreements.

THE REPORT

As of June 30, 2023, the total outstanding loan balance in the GS \$Mart Program from previous years and the 2022-23 fiscal year is approximately \$153.5 million. This includes a total of \$32,925,610.19 million in new loans from fiscal year 2022-23. Please see Attachment 1 for the report.

Attachment 1 to the Golden State Financial Marketplace (GS \$Mart) Loans for Fiscal Year 2022-23 Report

<u>Department</u>	<u>Physical address of asset</u>	<u>Supplier</u>	<u>Lender</u>	<u>Amount of Loan</u>	<u>Term</u>	<u>Interest rate</u>	<u>Asset(s) description</u>
California Department of Transportation	1920 35 th Street, Sacramento, CA 95816	Amada America, Inc.	Webster National Bank	\$1,094,121.00	3 annual payments	3.74%	Laser cutting table
California Department of Technology (CDT)	3101 Gold Camp Drive, Rancho Cordova, CA 95670 & 1020 Vaquero Circle, Vacaville, CA 95688	Direct Systems Support (DSS)	International Business Machine Global Financing (IBMGF)	\$4,495,118.49	48 monthly payments	3.25%	Mainframe upgrade
CDT	3101 Gold Camp Drive, Rancho Cordova, CA 95670	DSS	IBMGF	\$7,254,271.98	36 monthly payments	3.71%	Mainframe upgrade
CDT	3101 Gold Camp Drive, Rancho Cordova, CA 95670	Presidio Networked Solutions Group, LLC. (Presidio)	Banc of America Public Capital Corp (BAPCC)	\$2,561,555.14	60 monthly payments	4.0299%	Hardware refresh/upgrade for <i>Advanced Interactive eXecutive</i> machines

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California Air Resources Board	1001 I Steet, Sacramento, CA 95814	Presidio	Key Government Finance, Inc. (Key)	\$1,295,207.01	5 annual payments	0.00%	Cisco SmartNet
CDT	10860 Gold Center Drive, Rancho Cordova, CA 95670	Presidio	Key	\$6,260,071.41	3 annual payments	1.99%	Cisco SmartNet
CDT	3101 Gold Camp Drive, Rancho Cordova, CA 95670	Presidio	Key	\$2,778,343.08	3 biannual payments	1.79%	Cisco hardware and software
Employment Development Department	800 Capitol Mall, Sacramento, CA 95814	Optm West	BAPCC	\$7,186,922.08	3 annual payments	4.371%	Palo Alto software license and support

Total financed

\$32,925,610.19

2.86%