



Department of Housing and Community Development
Business and Contract Services Branch

ELECTRONIC SIGNATURE USE POLICY

Introduction

Pursuant to chapter 1240 of the State Administrative Manual (SAM), entitled “Electronic Signatures, Electronic Transactions and Electronic Record Management Policy (SAM Policy), the Department of Housing and Community Development (HCD or Department) Contracts Office has adopted the Electronic Signature Use Policy (Policy). The Policy clarifies that electronic signatures are permitted on certain standard agreements subject to the State Contracting Manual. It utilizes the Digitized Image of Handwritten Signature option¹ set forth in the SAM Policy. This Policy shall be used to increase productivity by use of electronic signature (“e-signature(s)”), and available technology to collect and preserve signatures on documents quickly, securely, and efficiently. In addition to increasing productivity and efficiency, this Policy will reduce the consumption of paper documents and the maintenance and supply of printers.

This Policy clarifies when an electronically sent or received document with a hand-written and scanned signature is acceptable with the goal of encouraging the use of paperless, electronically sent documents whenever appropriate and allowed by law. Pursuant to the SAM Policy, this Policy applies to all signatures used in processing the HCD Standard Agreement documents, including the following: STD. 213/213(A), STD. 215, STD. 210, Payee Data Record (STD 204) and the Government Agency Taxpayer ID form (TIN). This Policy assumes the HCD signer has been given the authority to sign as determined by the business processes of the Business, Consumer Services and Housing Agency and by the Department. It also assumes that all parties have agreed to sign electronically.

While the use of e-signatures is encouraged, this Policy does not require any Contractor with the Department to use e-signatures, nor can HCD mandate that any third party signing a document use e-signature.

Purpose

This Policy restates SAM chapter 1240 and identifies the permissible type of e-signature and requirements for the use of e-signatures, electronic transactions, and electronic records (hereafter “e-records”) in conducting state business operations.

Background

Federal legislation known as the Electronic Signatures in Global and National Commerce Act made both electronic contracts and electronic signatures (e-signatures) as legal and enforceable (with some exceptions) as traditional paper contracts signed in person. Following the federal government’s lead, California adopted the Uniform Electronic Transactions

¹ e.g. a PDF copy of a signed Word document



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Act (California Civil Code (CIV) § 1633.1-1633.17) which establishes the legal validity of e-signatures and contracts in a manner similar to the federal law. California law was revised to make clear that the state is authorized to use any type of e-signature. See AB 2296 (Chapter 144, Statutes of 2016), effective 1/1/17.

Policy

HCD's Contract Office permits the use of the following e-signatures and e-records in conducting state business:

E-Signature Requirements: Pursuant to the SAM Policy, HCD's Contracts Office supports and accepts e-signatures from all parties as legally binding and equivalent to handwritten, wet or original, signatures to signify an agreement, consistent with state laws and regulations. E-signature must be blue in color; include the date the document was signed. Electronically sent documents must also clearly and unambiguously show a history of approval, or "chain of approval" of all parties required to sign the document. This requirement is explained more below.

Electronic Transactions: the following documents may be signed and submitted electronically: Standard Agreements, STD. 213/213(A), STD. 215, STD. 210, bids, proposals, quotes, offers, Payee Data Record STD. 204, and Government Agency Taxpayer ID form (TIN).

Recordkeeping Requirements: An e-record is an electronically saved document and may serve as the official copy of a procurement-related document. E-records shall be maintained in the departments group drive (G: BbmbCon) and shall be accessible and retrievable in a timely manner throughout the retention period. In addition, one hardcopy (back-up copy) will be maintained in the HCD Contract Office. E-records and hardcopies shall be retained and/or disposed of in accordance with the approved records retention schedule.

General Management: HCD's Contract Office Manager, Business Services Office Manager and Business and Contract Services Branch Chief, of the Administration and Management Division, are authorized to sign any and all the documents listed in this Policy.

Scope

This Policy applies to the above electronic transactions. This Policy enables the contract analyst to conduct many transactions electronically, accept e-signatures by other parties, and to distribute executed Standard Agreements signed on behalf of HCD. This Policy does not waive or modify any requirement or limitation as to which officers and employees are



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authorized to bind their agency to a contract or any other legal requirements associated with the covered transactions.

**E-Signature
Approval**

When a document is electronically to or from the Contracts Office, the chain

of approval of all those required to sign the document must be clear and unambiguous. All parties required to sign must have unequivocally approved the same document. To demonstrate all authorized signers sign the same document, a PDF copy of the document must be emailed to the Contracts Office with legally binding signatures from each authorized signer attached, the email chain shall state *“By signing this document with an e-signature, I agree that such signature will be as valid as original, wet, hand-written signatures to the extent allowed by law”*, and all approvers must be copied on the email. Parties may request a document with an original, wet signature signed by HCD’s authorized signer.

Type of E-

The following type of e-signature, selected from the list set forth by the DGS policy, can be used:

**Signature
Permitted for
Use**

A hand-written signature scanned and forwarded electronically.