STATE OF CALIFORNIA DEPARTMENT OF GENERAL SERVICES	DATE ISSUED: January 30, 2003
Administrative Order 03-01	EXPIRES: Until Rescinded
TO: **Deputy Directors** **Branch Chiefs** **Office Chiefs**	REFERENCES: Management Memo 02-19, Rev. 1
SUBJECT: Procurement Procedures and Approval for Information Technology (IT) Goods and Services	SUPERSEDES:

This Administrative Order announces the department's decision to centralize the Department of General Services (DGS) IT acquisitions, and obtain delegation authority for purchasing IT goods and services.

Introduction

The Department of General Services is committed to establishing a model program for the procurement of Information Technology (IT) goods and services.

The Deputy Director, Management Services Division (MSD), has established a team of experts from the Procurement Division (PD), Business Services Office (BSO), Office of the Chief Information Officer (OCIO), Office of Legal Services (OLS) and Research, Planning and Measurement (RPM) to develop and implement an action plan for securing procurement delegation authority for IT goods and services. The team has developed a centralized process to ensure we meet all Department of Finance (DOF) and IT acquisition requirements.

Project Goals

The goals of the project are listed below:

1. Ensure all DGS programs comply with Public Contract Code (PCC) Sections 12100 et seq., Government Code (Section 13070), the State Administrative Manual (SAM), Sections 4800-5953 and 6700-6780, and the State Information Management Manual (SIMM), Sections 10-90 related to Workgroup Computing Policy (WCP), Feasibility Study Report (FSR), and IT Procurement Plan (ITPP) requirements.

2. Obtain DGS procurement delegation authority for IT goods and services.

3. Ensure all DGS IT acquisitions (for goods and/or services) are reviewed, approved, and certified, in writing, by the OCIO **prior** to awarding a procurement contract.

4. Establish a uniform receiving process, managed by the DGS Business Services Office (BSO), for all IT commodity acquisitions.

5. Ensure all IT acquisitions receive the appropriate level of review by the BSO, PD, OCIO and OLS.

Existing State Policies for IT Procurement

SAM and SIMM require that all proposed IT acquisitions *must* be reviewed and approved, in writing, by the Chief Information Officer (CIO) ***prior*** to awarding a procurement contract. IT acquisitions are authorized via a DGS Workgroup Computing Justification Form (WCJF), Short-Form WCJF, Feasibility Study Report (FSR), or FSR Project Summary Package (Short-form FSR) and approved Information Technology Procurement Plan (ITPP), as required. Under certain conditions, proposed IT acquisitions are subject to the review and authorization of the State and Consumer Services Agency Secretary and the Department of Finance.

Information regarding these policies and related process can be found at: http://cio.dgs.ca.gov/IT+Policies/Default.htm and http://www.dof.ca.gov/HTML/IT/Statewide_IT.htm.

IT Procurement Process

The following tables provide an overview of the DGS IT procurement process applicable to all DGS programs. The procurement process for California Multiple Award Schedule (CMAS); Master Purchase Agreement; Master Rental Agreement; and Master Service Agreements (MSA) are shown in Table 1 and Diagram 1. The procurement process for Non-Delegated and Non-Competitively Bid (NCB) are shown in Table 2 and Diagram 2. The processes herein supplement the guidelines for CMAS, MSA, and Non-Competitively Bid contracts outlined in Management Memo 02-19, and revisions thereto.

For information related to all other IT acquisitions, contact the DGS Procurement Division, Technology Acquisitions Unit.

IT CMAS and Master Agreements

Table 1	
Who	**Does What**
Requesting Program	Submits a completed IT acquisition package to the DGS OCIO for review and approval. The IT procurement package must include: 1. Appropriate Justification Document (WCJF, Short-Form WCJF, FSR, or FSR Summary Fact Sheet); 2. IT Procurement Plan (ITPP) when applicable; 3. Competitive Solicitation Documents (Request for Offer (RFO), and Vendor Responses (Best Value Comparisons); 4. Completed Intra-Office Requisition Form (Form 5); 5. Standard 215, Summary Agreement (if contract is for services); 6. Notice of Contract Award, if applicable, and 7. Input procurement contract information into ABMS

IT CMAS and Master Agreements

Table 1 (continued)	
Who	**Does What**
OCIO	1. Reviews the IT acquisition package for approval of the justification document(s). 2. Forwards the approved justification document (s) and certification for acquisitions **under** $250,000 to the BSO, along with the acquisition package, for further review and processing. 3. Forwards the approved justification document (s) and certification for acquisitions **over** $250,000 to the PD, along with the acquisition package, for further review and processing. The OCIO will return justification documents and acquisition packages that are not approved to the requesting program.
BSO	1. Reviews all IT acquisition packages for compliance with state and department procurement policy and procedures. 2. Sends IT acquisition packages over $50,000 to OLS. Incomplete or inaccurate packages will be returned to the requesting program for corrections. *Note: If the BSO review results in any changes to the scope and/or cost of the project or procurement approved and certified by the CIO, the BSO will route the complete revised IT acquisition package to the OCIO for approval and re-certification.*
OLS	Reviews all IT service contracts greater than $50,000 for approval
PD	Obtains Notice of Contract Award approval for acquisitions over $250,000 by securing approvals from: 1. DGS Office of Legal Services 2. DGS Executive Office 3. State and Consumer Services Agency (SCSA)
BSO	1. Releases the IT procurement contract to the vendor and provides a copy to the requesting program. 2. Serves as the receiving agent for all IT commodity acquisitions received at the Ziggurat. The BSO will delegate receiving roles and responsibilities to satellite offices as appropriate. 3. Maintains central files for all IT procurement packages.

Non-Delegated and Non-Competitive (NCB) IT Acquisitions

Table 2	
Who	**Does What**
Requesting Program	Submits a completed IT procurement package to the DGS OCIO for review and approval. The IT procurement package must include: 1. Appropriate Justification Document (WCJF, Short-Form WCJF, FSR, or FSR Summary Fact Sheet); 2. IT Procurement Plan (ITPP), when applicable; 3. Completed Purchase Estimate (STD. 66) for IT goods, or Intra-Office Requisition (Std. Form 5), along with proposed Statement of Work for IT services; 4. Contract Advertising Exemption Request (STD. 821), if applicable; and 5. Input Purchase Estimate into ABMS
OCIO	1. Reviews the IT acquisition package for approval of the justification document(s). 2. Forwards approved packages to PD for further processing. The OCIO will return justification documents and acquisition packages that are not approved to the requesting program.
PD	Process, review and approve IT acquisition packages for compliance with state and department procurement policy and procedures to include the following: 1. Reviews and Approves Non-Competitive Bid Justification documents; 2. Forwards all IT contracts over $50,000 to DGS-Office of Legal Services for review and approval; and 3. Obtains approvals from DGS Office of Legal Services, Director and SCSA for Non-Competitive Bid Justification, if over $5,000, and secures DOF approval if over $250,000 Incomplete or inaccurate packages will be returned to the requesting program for corrections. *Note: If the PD review results in any changes to the scope and/or cost of the project or procurement approved and certified by the CIO, the PD will route the complete revised IT acquisition package to the OCIO for approval and re-certification.*

	Table 2 (continued)	
	Who	**Does What**
Non-Delegated and Non-Competitive NCB IT Acquisitions	PD	Process STD 66 Purchase Estimate request as follows: 1. Finalize solicitation document, with input from requesting program; 2. Conduct solicitation; 3. Obtain approval of CIO if scope and/or cost change;. 4. Award the contract; 5. Distribute contract to the vendor and requesting program; and 6. Maintain central file for all IT procurements, with a copy to the BSO
	BSO	Serves as the receiving agent for all IT commodity acquisitions received at the Ziggurat. The BSO will delegate receiving roles and responsibilities to satellite offices as appropriate.

Use of CAL-Card

The use of a CAL-Card as a *payment* mechanism is allowed for IT purchases.

When using the CAL-Card as a payment mechanism for IT procurement, remember the following:

1. The CAL-Card is a *payment mechanism*, not a *procurement method*.
2. Use of the CAL-Card does not preclude the requirement to follow all acquisition rules and delegation guidelines.
3. All IT purchases require **prior** approval from the OCIO, including those that use the CAL-Card as the payment mechanism.
4. A copy of the OCIO approval must be submitted with the cardholder's CAL-Card statement.

Processing Timelines

We will establish and publish timelines for processing IT acquisitions. We will make every effort to streamline the process and provide timely service.

Questions?

Office of the Chief Information Officer

If you have questions regarding the OCIO responsibilities, determining what goods and services constitute IT acquisitions, or need assistance with IT procurement justification requirements, you may direct your call to:

Kim Heartley-Humphrey
DGS Office of the Chief Information Officer
Policy, Planning and Administrative Services Section
(916) 375-4727

Business Services Office

If you have questions regarding the BSO responsibilities, or need assistance completing the required forms, you may direct your call to:

Angela Ponciano
DGS Business Services Office
(916) 376-5338

Questions?

Office of Legal Services

If you have questions regarding the OLS roles and responsibilities, you may direct your call to:

Michael Barth
Office of Legal Services
(916) 376-5110

Procurement Division

If you have questions regarding the PD roles and responsibilities for technology acquisitions, you may direct your call to:

Diana LaBonte
Procurement Division
(916) 375-4428

Effective Date

These procedures are effective January 30, 2003.

Updates

We will refine the scope of this order as we gain experience with the variety of acquisitions, the fiscal impact of those acquisitions, and the nature of the product or service being procured. We will also provide additional detailed instructions under separate cover. Updates will be provided on a routine basis.

Approval

Clothilde V. Hewlett
Interim Director

Date: 1/27/03

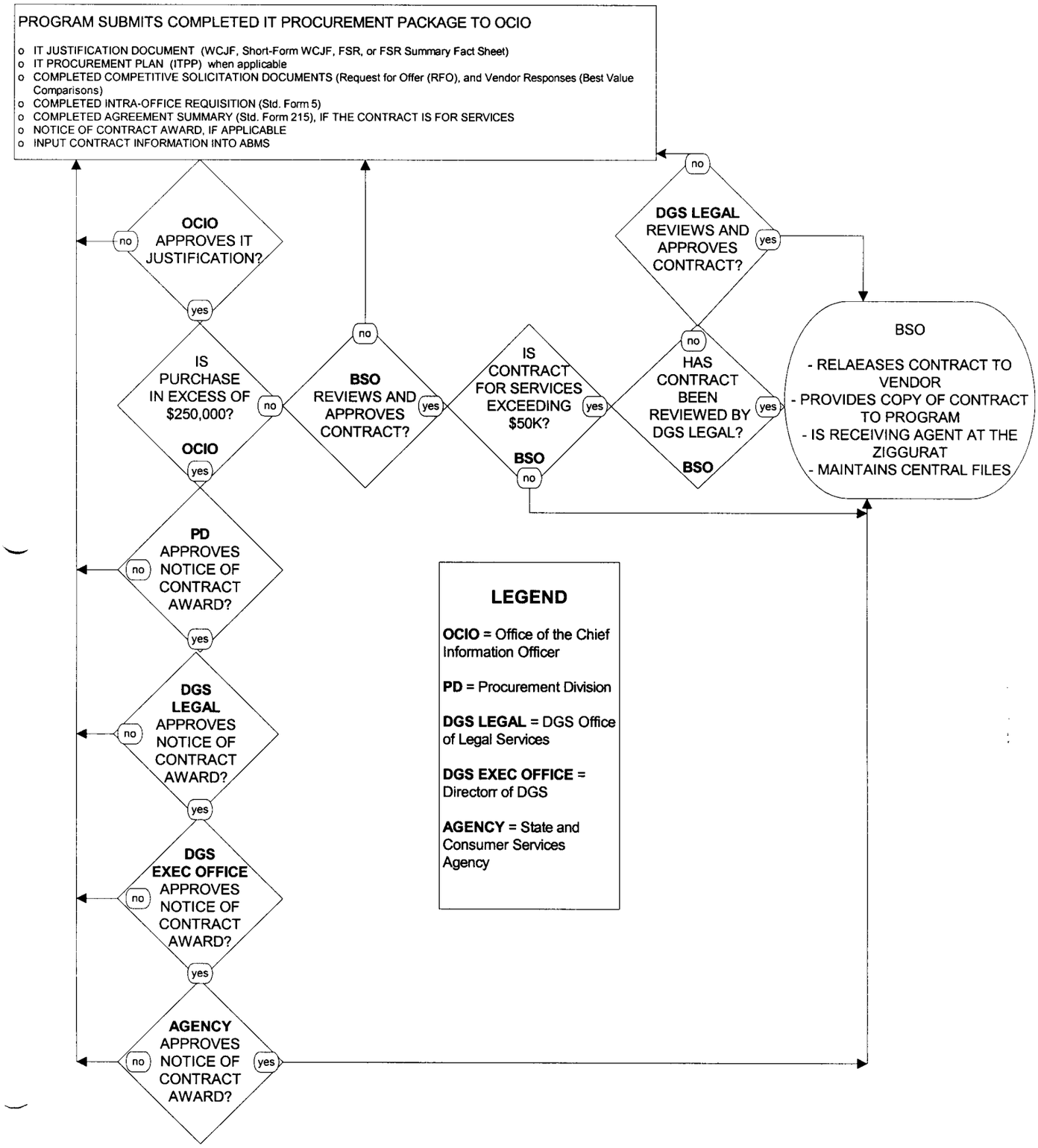
Deborah Hysen
Chief Deputy Director (A)

Date: 1/24/03

DIAGRAM 1

DGS Procurement Process for CMAS and Master Agreement* IT Procurements

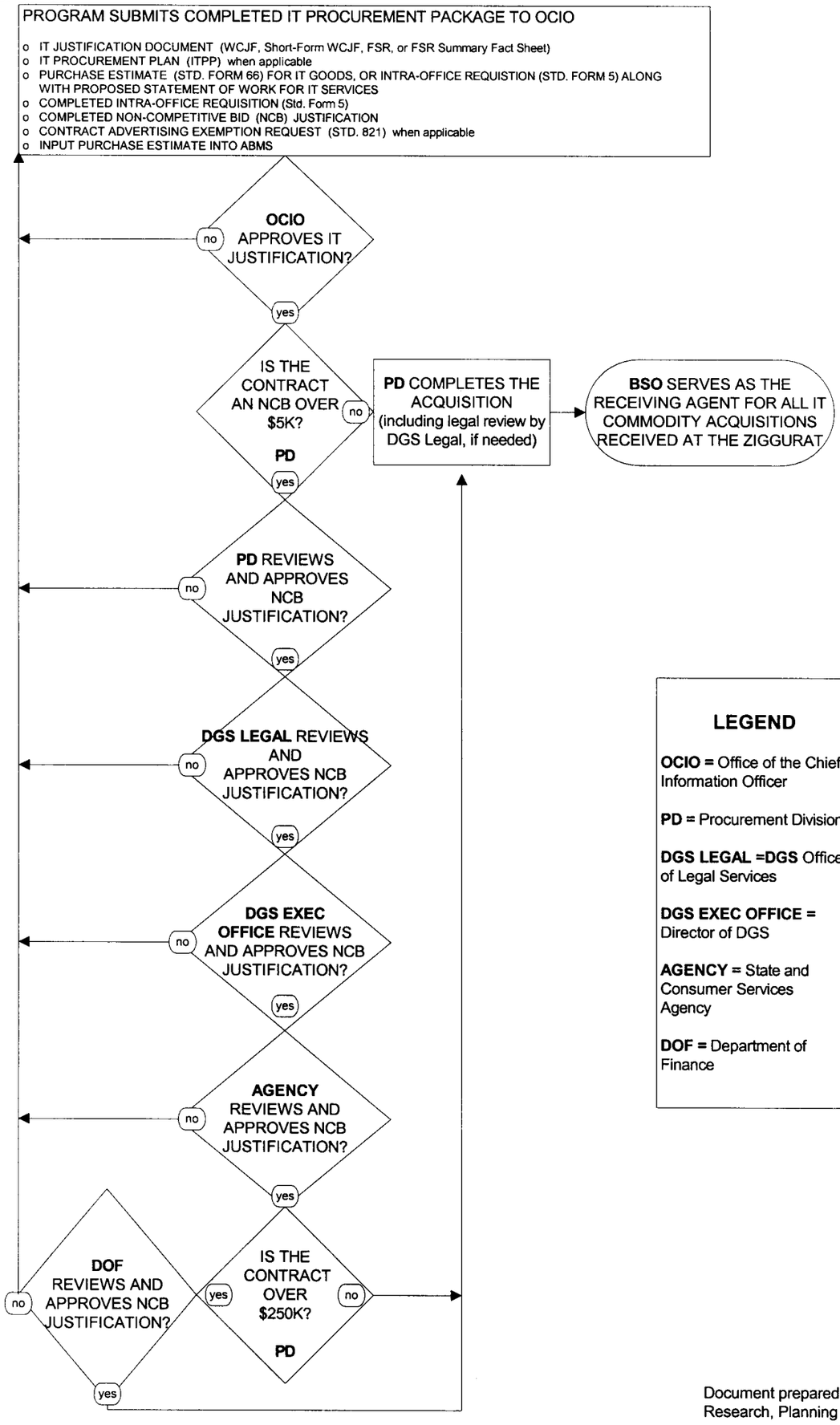
***Includes IT Master Purchase Agreement, Master Service Agreement (MSA), Master Rental Agreement, ɜstern States Contracting Alliance (WSCA)**



Document prepared by: Stacie Sormano of Research, Planning and Measurement

DGS Procurement Process for Non-Delegated and Non-Competitive Bid IT Acquisitions

DIAGRAM 2



LEGEND

OCIO = Office of the Chief Information Officer

PD = Procurement Division

DGS LEGAL =DGS Office of Legal Services

DGS EXEC OFFICE = Director of DGS

AGENCY = State and Consumer Services Agency

DOF = Department of Finance

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