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*NEWS RELEASE*

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Status Report on Implementing  
State Procurement Reform

**Sacramento--** The Department of General Services (DGS) today announced the release of its six-month status report on the state's implementation of measures recommended by the Task Force on Contracting and Procurement Review.

The task force submitted its final report to the Governor in August 2002. The report consisted of 20 recommendations designed to strengthen and improve the quality and openness of the state acquisition process, and to implement a new set of checks and balances to ensure its integrity. Today's status report describes the DGS' current efforts to implement the task force recommendations.

Among the significant actions taken by the Department of General Services are:

- Implementing an Internet-based Contract Registration System, where all state agencies will be required to report all purchases over \$5,000. A "beta" testing registration system was launched with eight state agencies in December. This pilot is expected to go "live" February 18, followed by statewide implementation in July.
- In conjunction with CSU Northridge's Center for Management and Organization Development, the DGS conducted an extensive survey of more than 1,000 individuals involved in day-to-day state purchasing activities. The results of this comprehensive needs assessment demonstrated a "striking need" for training in basic acquisition principles. The survey is providing invaluable insight into the specific training needs of purchasing officials. Armed with this new data, the DGS is phasing-in a series of state acquisition training courses. Acquisition Ethics will be among the first courses offered beginning in April.
- State agencies have been directed to increase competition and accountability through a number of new mandates including a requirement for the solicitation of three bids, enforcement of a \$500,000 limit on all California Multiple Award Schedule (CMAS) transactions, and agency sign-off requirements on orders exceeding \$250,000.
- State agencies cannot utilize CMAS contracts, Master Agreements (MA), and other contracts that leverage the state's buying power, without first being granted purchasing authority from the DGS. In the past, agencies were not required to have this authority. An additional \$2 billion worth of annual expenditures will come under the oversight authority of DGS Procurement.

Even before the final Task Force report was submitted, DGS began initiating improvements to the

procurement and contracting process. A Management Memo was issued on August 20, 2002, which established guidelines for the use of DGS' CMAS and MA contracting programs, and established guidelines for non-competitively bid contracts.

The next status report is scheduled to be released in August 2003.

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To view the report, click below

<http://www.documents.dgs.ca.gov/pd/root/rptgov6m211b.pdf>