



NEWS RELEASE

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State Launches IT Reform Push

Lower costs and greater efficiency expected

West Sacramento, Calif - State officials and representatives of the information technology industry gathered today in West Sacramento to begin the task of reforming the state's IT purchasing process. Late last month, the Governor enacted a series of process and legislative changes included within the 2009-10 budget, that when implemented will greatly shorten the time it takes to get an IT project done, generate project benefits earlier, avoid costs and aid in the modernization of the state's technology environment.

Today's forum with the IT companies that currently contract or hope to do business with the state included State Consumer Services Agency Secretary Fred Aguiar, State Chief Information Officer Teri Takai and Department of General Services' Chief Procurement Officer Jim Butler. Hundreds of companies are expected to attend to voice their comments and feedback, implementing the Governor's goal to be as efficient and as transparent as possible in this process. It is being webcast live at [/Webcast.htm](#) and is available for viewing at <http://media.dgs.ca.gov/itforum>.

"The Governor has made it clear to us all that we must look to cut the time and cost involved with our large IT projects in California while working to ensure we benefit from the latest technological advancements," said Jim Butler, the state's chief procurement officer. "We must work to stop the multi-year procurement process. The Governor's plan will cut our purchasing time from five years to one, while also cutting costs and enhancing our ability to collect more revenues."

The new program makes changes in a number of areas. The most significant improvement being reducing the total time it takes to implement a large IT project. Under the new plan, the process would be reduced from 3-5 years to 24-26 months, avoiding a large amount of workforce costs. Additionally, the plan also incorporates changes to allow multi-stage phased procurements—these allow a small number of winning first round bidders to create pilot or prototype versions of the systems they have bid on. This, a normal part of the IT procurement process outside of state government that was formerly prohibited. The opportunity to evaluate working version of systems should greatly improve the final products.

The IT procurement process improvements will also engage the IT community ahead of the state releasing Request for Proposals on new projects. This will allow the IT industry to provide much better input to the bid documents the government produces. Other improvements streamline the appeals process, drop some burdensome reporting requirements, and reduce mandatory financial withholding requirements for IT vendors.

"These reforms will strengthen our existing laws and help the IT vendor community partner with us to build projects that will operate more efficiently and effectively," said Teri Takai, California's Chief Information Officer. "As we overhaul our aging technology infrastructure, California has a golden opportunity to achieve Governor Schwarzenegger's vision to reform, rebuild and better serve all Californians."

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