

MANAGEMENT MEMO

	NUMBER: 98-17
SUBJECT: CONDUCTING INFORMATION TECHNOLOGY (EDP AND TELECOMMUNICATIONS) PROCUREMENTS	DATE ISSUED: 08/31/98 EXPIRES: UNTIL REVOKED
REFERENCES: STATE ADMINISTRATIVE MANUAL SECTION 5200 ET SEQ.	ISSUING AGENCY: Department of General Services Department of Information Technology

The policies and procedures listed below extend the provisions previously established in Management Memo 96-07. The appropriate sections of the State Administrative Manual (SAM) will be revised. The information below will remain in effect until the appropriate sections of SAM can be released and distributed.

Blanket delegation authority is \$500,000 for all transactions whether or not they extend to multiple years. Agencies must obtain an individual delegation authority (one time exception) from the Procurement Division for all transactions exceeding \$500,000.

The threshold for conducting a formal procurement is \$500,000. Any transaction with a value of \$500,000 or less may be conducted as an informal request for quotation.

The threshold for conducting value-effective acquisitions is \$500,000. Contract awards for all competitively bid formal IT service acquisitions (with a value greater than \$500,000) must be based on the proposal that provides the most value-effective solution to the State's requirements, as determined by the evaluation criteria contained in the solicitation document. Acquisitions for IT services costing \$500,000 or less may be made on the basis of lowest cost meeting all other bid specifications or on the basis of value-effective bid criteria. (See Public Contract Code 12100.7 and 12102(b)(2) for a definition of "value-effective acquisitions" and associated requirements).

SAM Section 5215 requires agencies requesting authorization to use an alternative procurement technique to concurrently request authorization from the Directors of the Department of General Services and the Department of Information Technology.

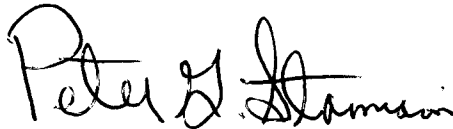
THE ABOVE DOES NOT REDUCE OR RELIEVE STATE AGENCIES OF THEIR RESPONSIBILITY TO MEET STATEWIDE REQUIREMENTS REGARDING CONTRACTS OR PROCUREMENTS OF INFORMATION TECHNOLOGY GOODS OR SERVICES.

Agencies must obtain approval from the Department of Information Technology for:

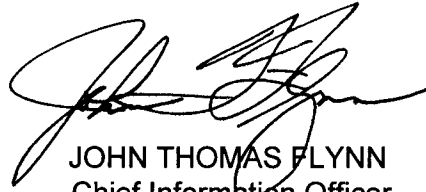
- procurement of major information technology pursuant to SAM Section 4819.39,
- purchase of imaging equipment which exceeds \$25,000, and
- purchase of used information technology equipment.

Special attention needs to be given to the requirements of SAM sections 4819.41 and 4832 for certification of compliance with policies.

If you have any questions concerning the Management Memo, please contact Gerry Alley, Department of General Services, Procurement Division, at (916) 323-6294, CALNET 473-6294.



PETER G. STAMISON, Director
Department of General Services



JOHN THOMAS FLYNN
Chief Information Officer
Department of Information Technology