



**Department of General Services
Procurement Division**

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**TO: Procurement & Contracting Officers (PCOs)
Purchasing Authority Contacts (PACs)**

**RE: Information Technology (IT) Procurement Reform 2009 and New
Multi-Staged Procurement Model**

The purpose of this broadcast is to share the results of Procurement Reform 2009 whereby the Department of General Services (DGS) is piloting new reengineered procurement processes for complex Information Technology (IT) procurements. With these new processes, the DGS is expecting to 1) maximize the State's ability to obtain the best value solution, 2) ensure that all participants are in agreement as to the activities necessary to successfully deliver the solution, and 3) reduce processing time to 9 months - where supported by customer departments. Below is a summary of the elements of the reengineered process, as well as the different procurement models available, for complex IT procurements.

A. Reengineered Processes

The reengineered processes may include the following elements:

1. Accelerated RFP development sessions – Representatives from the customer department, DGS Procurement Division (DGS PD), DGS Office of Legal Services (DGS OLS), and the Office of the Chief Information Officer (OCIO) meet for consecutive days to write the RFP requirements and evaluation criteria.
2. Small procurement teams
3. Parallel reviews of the solicitation documents (Department representatives, DGS and OCIO).
4. Request for Information (RFI) – The RFI will be a required step prior to the development of the solicitation document. It may include project requirements and other details sufficient for bidders to determine the

- merit of participating in the procurement. This will also help to ensure that the funding is appropriate for the goals of the procurement.
5. Expanded use of Confidential Discussions during the solicitation process, prior to submission of Final Proposals.
 6. Phased implementation and progress payments
 7. Use of Alternative Protest Process

B. Procurement Models

1. Multi-Staged Procurement applicable to complex IT procurements
 - a. Approved by the Director of DGS and the Chief Information Officer prior to proceeding [Public Contract Code (PCC) Section 10430]
 - b. Conducted by DGS PD and released under the provisions of PCC Section 6611
 - c. Includes most of the elements of the reengineered process listed in (A) above along with vendor pre-qualification resulting in separate contracts for (1) the proposal submittal stage, and (2) the solution implementation stage.
 - d. Confidential Discussions throughout the solicitation process – iterative process that encourages dialogue between the State and bidders
 - e. Accelerated requirements development (optional)
2. Solution Based Procurement - PCC Section 12103.5(d)
 - a. Requirements are business based
 - b. Bidders provide solutions
 - c. Confidential Discussions throughout the solicitation process – iterative process that encourages dialogue between the State and bidders
3. Traditional Procurement
 - a. RFP developed without accelerated process
 - b. Requirements address business, functional and operational needs
 - c. Reviews by department and DGS are not done concurrently
 - d. Confidential Discussions held between Draft and Final Proposal submission

Departments wishing to partner with DGS to use any of the facets of the reengineered process, including use of a multi-staged procurement approach, are encouraged to contact DGS early to discuss the procurement approach. Techniques such as these require advanced planning and a focused commitment by all parties involved.

Reference the following resources for further information:

- California IT Future Procurement Forum – **Watch Web Cast - August 11, 2009**

<http://www.dgs.ca.gov/Webcasts.htm>

- Legislation: AB 21

http://www.leginfo.ca.gov/pub/09-10/bill/asm/ab_0001-0050/abx4_21_bill_20090728_chaptered.pdf

- State Contracting Manual (SCM) Volume 3:

<http://www.pd.dgs.ca.gov/polproc/SCMVol3.htm>

- Bulletins pertaining to SCM Volume 3 can be viewed at:

www.pd.dgs.ca.gov/polproc/v3bulletin.htm

If you have any questions regarding this notification, please contact:

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