



CALIFORNIA STRATEGIC SOURCING INITIATIVE

IT HARDWARE-PC GOODS CONTRACTS – FREQUENTLY ASKED QUESTIONS

QUESTIONS	ANSWER
What IT hardware may I purchase using a CSSI contract?	Five subcategories in the IT Hardware-PC Goods category will be available for purchase on June 30, 2005 when the contracts awarded become effective. The subcategories are: <ul style="list-style-type: none"> • Desktops – Western Blue/HP/Insight and Gateway • Notebooks – Gateway and IBM • Printers – Western Blue/HP/Insight • Monitors – Gateway • Peripherals – Western Blue/HP/Insight
Once awarded, how long will the contracts be in place?	The contracts for IT hardware will be two-year contracts, with up to three optional one-year extensions.
With technology changing so quickly, doesn't that mean the State will be locked into purchasing obsolete technology?	The State will refresh common configurations on a regular basis (approximately every six to 12 months) to accommodate changes to technology standards. The CSSI team will also continue to work with the State Chief Information Officer (CIO) Council and the selected suppliers to review and adjust the technical requirements as technology evolves.
Will the State pay increased prices for IT hardware as pricing declines with the improvements in technology?	Contract prices will be discounted based on industry indices that are periodically adjusted to reflect reduced market prices for a specific product. The State will also include rigorous reporting requirements in the contracts to monitor the prices it pays.
Will the current Department of General Services (DGS) contracts for IT Hardware-PC Goods remain in place?	The goal of the CSSI is to establish "best-in-class" IT hardware contracts for all State authorized purchasers to use. As a result, the State is reviewing existing agreements/contracts that currently provide IT hardware goods. Depending on the terms and conditions of those contracts, some will not be renewed, others will be modified to eliminate the duplicate products, and others will be available to non-CSSI products. Additionally, some contracts will no longer be available for State agency use. Non-state agencies may continue to have access to those IT hardware contracts.
How soon can buyers purchase from the CSSI contracts?	Buyers may purchase IT hardware when the contract becomes effective, June 30, 2005. User Instructions will be posted on the CSSI Web site and an e-mail will be sent to State PCO/PACs.
Are these mandatory contracts?	The contracts are mandatory except as provided for in the contract User Instructions. The State will take all practical measures to ensure that State agencies and departments use the new strategically sourced contracts. User Instructions will outline the exemption process.



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<p>Do I need authority to purchase off these contracts?</p>	<p>Yes. Prior to placing orders against these contracts, State departments must have been granted purchasing authority by the DGS Procurement Division for the use of the State’s contracts. A department’s current purchasing authority number must be entered in the appropriate location on each purchase document. Departments that have not been granted purchasing authority by the DGS Procurement Division for the use of the State’s contracts may access the Purchasing Authority Application at http://www.pd.dgs.ca.gov/deleg/pamanual.htm (see Chapters 1 and 13) or may contact the DGS Procurement Division’s Purchasing Authority Management Section by e-mail at pams@dgs.ca.gov.</p>
<p>Are there going to be fees charged to departments (or suppliers) for purchases, similar to fees associated with the California Multiple Award Schedules?</p>	<p>Yes. Similar to all contracts the DGS Procurement Division has established, a 2.48 percent administration fee will be charged. In addition, CSSI contracts include a share-in-savings fee, which is detailed in the User Instructions.</p>
<p>Can buyers purchase PC goods using CAL-Cards and/or CAL-Buy?</p>	<p>The contractors will provide a choice of ordering methods, to include the Internet or facsimile to pay for purchases made under the contract. Information will be included in the User Instructions.</p>
<p>Will departments using the CSSI contracts still be required to solicit multiple bids to fulfill “best value” requirements?</p>	<p>No. These are competitively bid contracts and will fulfill requirements for fair and reasonable pricing for departments. No comparison shopping is necessary.</p>
<p>This bid allows local government agencies to participate; will the contractor be responsible for collecting the administrative fee?</p>	<p>No. The administrative fee will be collected by the DGS.</p>
<p>What are “common configurations” and how did the State create them?</p>	<p>Common configurations refer to State-defined standard for technology. California’s common configurations were developed after a complete analysis of technology choices and use in State agencies. The information was then vetted through State CIOs and the CIO Council for modification and approval. The IT hardware contracts offer buyers options to upgrade from minimum specifications. Common configurations will simplify technical support, streamline processes, and create greater interoperability. To access the common configurations, click on this link: http://www.pd.dgs.ca.gov/StratSouricng/Commonconfiguration-IT.htm</p>
<p>Who should I contact if I have more questions?</p>	<ol style="list-style-type: none"> 1. Contact the Contract Manager for IT Hardware-PC Goods, Bob Riola at: bob.riola@dgs.ca.gov or (916) 375-4481 2. Contact the contractors for the following categories: <ul style="list-style-type: none"> • Desktops – www.gateway.com/cagov and www.westernblue.com/cagov • Notebooks – www.ibm.com/easyaccess/stateofca and www.gateway.com/cagov • Printers – www.westernblue.com/cagov • Monitors – www.gateway.com/cagov



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	<ul style="list-style-type: none"> • Peripherals – www.westernblue.com/cagov 3. Contact the Purchasing Authority Management Section (delegation issues) at: pam@dgs.ca.gov 4. Visit the CSSI Web site: http://www.pd.dgs.ca.gov/stratsourcing 5. Call the CSSI Information Line: (866) 885-8344 (toll free)
<p>How much does the State anticipate saving with these new contracts?</p>	<p>California State departments and agencies spend about \$78 million each year on the awarded subcategories. CSSI analysis indicates an opportunity for the State to save an average of over 25 percent or approximately \$20 million annually on purchases off the new contracts.</p>
<p>How will the savings on these contracts be validated?</p>	<p>The State has developed a rigorous process to ensure that savings calculations are reliable. In addition, the State has hired an independent auditor to verify the savings calculations.</p>
<p>What are the current prices paid by the State for IT hardware?</p>	<p>The current historical average price for desktops is \$729. The historical average for notebooks is \$1,478. Buyers using the new contracts can expect an average savings of 25 percent off historical pricing. The contracts include “total-cost-of-ownership” packages that distinguish them from previous purchases.</p>
<p>How will this procurement impact other large system development project procurements that include PC goods?</p>	<p>Each project will be handled according to its own unique needs. However, it is the State’s intent to leverage the CSSI contracts to purchase PC goods that may be “bundled” in other solicitations. If it meets an agency’s business needs, CSSI contracts will be utilized.</p>
<p>Will buyers be able to purchase from California-certified small businesses and Disabled Veteran Business Enterprises (DVBES)?</p>	<p>Yes. The User Instructions will outline this process.</p>
<p>Should I purchase off the Strategically Sourced contract(s) if I can get better pricing elsewhere?</p>	<p>Though buyers may find lower, one-time prices for individual items using existing contracts, the CSSI contracts will net greater savings for your department because they are based on “total-cost-of-ownership” packages that include detailed service requirements and warranties.</p> <p>By using the new, streamlined contracts, your department has an opportunity to achieve savings and modernize the State’s procurement system. In the long run, this means your department will have more resources to provide programs and services.</p>