## CHAPTER 5200 INDEX

## (Department of General Services–Procurement)


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## INTRODUCTION 5200

(Revised 11/06)

This chapter provides policy direction applicable to information technology (IT) procurements pursuant to Public Contract Code section 12100 et seq. IT as defined in SAM Sections 4819 through 4819.42 includes telecommunications goods and services.

## RESPONSIBILITIES AND AUTHORITY 5200.5

(Revised 1/2016)

The Department of Finance (Finance) is responsible for review and approval of funding related to IT project proposals.

The Department of General Services (DGS) has statutory authority in the determination of IT Procurement Policy and Procedures and responsibility for the acquisition of all IT goods and services not associated with reportable IT projects (over the DGS Delegated Purchasing Authority), unless otherwise specified by the California Department of Technology. The DGS is responsible for approval of the acquisition methods used and the establishment and interpretation of related procedures. The Procurement Division (PD) was established within the DGS to provide oversight, guidance, and direction to departments in all aspects of IT procurements that are not associated with reportable IT projects (over the DGS Delegated Purchasing Authority).

The DGS also has statutory authority to delegate IT purchasing authority to those departments demonstrating the capability to make purchases that adhere to State statutes, regulations, policies, and procedures. This program is described in SCM Volume 3.

The California Department of Technology (Department of Technology) has statutory authority to establish and enforce IT policies. The Department of Technology's authority extends to the acquisition of project-related IT procurements related to reportable (non-delegated) projects. The Statewide Technology Procurement Division (STPD) was established within the Department of Technology to provide oversight, guidance, and direction to departments in all aspects of reportable IT project procurements. Departments must obtain required approval as appropriate before an IT procurement cycle commences.

Pursuant to Public Contract Code section 12104(a), the DGS/PD has established the State Contracting Manual (SCM), Volume 3. SCM Volume 3 contains IT acquisition policies, procedures, and methods and is available on the Internet at http://www.dgs.ca.gov/pd/Resources/publications/SCM3.aspx. The DGS/PD, Office of Policies, Procedures and Legislation (OPPL), is the entity responsible for the development, implementation, and maintenance of SCM Volume 3.

***For additional information regarding requirements for reporting the purchase of goods and services, see Management Memo MM15-02.***

## DEPARTMENT OF TECHNOLOGY REVIEW OF PROCUREMENT DOCUMENTS 5211

(Revised 1/2016)

The California Department of Technology (Department of Technology) Information Technology Project Oversight Division (ITPOD) may decide to review specifications in procurement documents before they are advertised to ensure that the specifications are consistent with the requirements and specifications identified in the Project Approval Lifecycle Stage/Gate deliverables (see SIMM Section 19) or Special Project Reports (SPR) for the projects. The Department of Technology's decision to review procurement documents will be based on whether it believes a project requires special oversight during the procurement process. Procurement documents that the Department of Technology determines are subject to its oversight under this section may not be released until the Department of Technology has approved their release.

## UNIFORM STANDARDS 5230

(New 06/07)

Uniform standards are applicable to acquisitions of IT goods and/or services pursuant to Public Contract Code section 12100 et seq., regardless of dollar amount, type of IT goods/services, and acquisition approach. The following standards shall apply throughout the IT procurement process:

- Acquisitions shall be conducted in a manner consistent with applicable laws, regulations, policies, and procedures.
- Acquisitions shall be conducted to advance the public policy purpose of the State program that the technology will serve.
- Acquisitions shall be conducted in a professional manner that promotes direct, straightforward, and cooperative communication with the supplier community.
- Contracting opportunities shall be enhanced, whenever possible, for eligible certified small businesses and Disabled Veteran Business Enterprises (DVBEs).
- Acquisitions and projects shall comply with Americans with Disabilities Act (ADA) requirements.
- New systems should be conceived in terms of a solution.
- Regardless of the acquisition approach, the procurement process shall consist of three stages:
    - Acquisition Planning
    - Acquisition Phase
    - Post-award Activity

**ACQUISITION PLANNING** **5230.1**
(Revised 01/2016)

Elements of the Acquisition Planning stage include:

- Defining the program need
- Assessing operational needs
- Selecting the acquisition method
- IT General Provisions (GSPD 401-IT) and Cloud Computing Special Provisions (as applicable)
- Obtaining approvals

1. Defining the Program Need

For all IT acquisitions, these steps shall be followed:

- Define the business need that solutions are to address.
- Determine whether the acquisition is justified.
- Verify that the goods and/or services to be acquired are IT.

Additional issues and requirements for defining the need are discussed in Chapter 1 of SCM Volume 3.

In planning a new IT system procurement the focus should be towards a "solution" approach so that the State may consider and select from a potential array of IT goods and/or services to meet the public policy and business needs of a State program, rather than specifying a particular product design.

2. Assessing Operational Needs

In assessing operational needs, these steps shall be followed:

- Consider fiscal and budgetary issues.
- Assess the timeframe in which the acquisition must be completed and determine the schedule for delivery and/or implementation.
- Assess the impact on physical facilities.
- Consider the risks associated with the procurement and the goods and/or services to be acquired.
- Consider risk protection strategies that will both protect the State and encourage competition.
- Determine whether there are available sources of the goods and/or services to be acquired (including existing State sources and contracts), and whether there is competition in the marketplace.

Additional issues and requirements for defining the need are discussed in Chapter 1 of SCM Volume 3.

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3. Selecting the Acquisition Method: See SCM Volume 3 2.B3.0

4. IT General Provisions (GSPD 401-IT)

The State's IT General Provisions (GSPD-401IT, as applicable) shall be used or incorporated by reference in all competitive solicitations and purchase documents for IT goods and services (written or verbal) valued in excess of $4,999.99 (See SCM Volume 3 Section 4.B8.1). Under certain circumstances, the IT General Provisions associated with Reportable Projects (non-delegated), may be modified to meet project specific needs. These modifications are in addition to the supplemental language that may be added to the Statement of Work modifying certain sections of the IT General Provisions. All such modifications are to be approved by the California Department of Technology Statewide Technology Procurement Division (STPD) and Legal Services Division, before the contract may be considered valid and final.

5. Obtaining Approvals

For many IT acquisitions, it is necessary to obtain approvals before starting the procurement process. These approvals shall be obtained, as applicable, before releasing solicitation or purchase documents:

- Verify the authority to initiate the acquisition and to sign the resulting purchase document.
- Obtain and/or verify necessary approvals or delegated authority from the following Control Agencies: Department of Finance (Finance), California Department of Technology and/or Department of General Services (DGS).
- If the acquisition involves telecommunications goods and/or services, verify necessary authority or approvals from the Office of Technology Services (OTech), Statewide Telecommunications and Network Division (STND).
- If the acquisition is being conducted via the NCB process or requires Control Agency approval, verify there is an approved NCB request and/or Project Approval Lifecycle Stage 3 Solution Development deliverable prior to releasing solicitation or purchase documents.
- If the acquisition is being conducted using a procurement method, verify there is an approved procurement request and/or Project Approval Lifecycle Stage 3 Solution Development deliverable prior to release of the solicitation.

Further details on required approvals are contained in SCM Volume 3 and SIMM 19C.

## ACQUISITION PHASE 5230.2

(Revised 01/2016)

The Acquisition Phase is when the acquisition is conducted. Acquisitions shall be conducted in a manner that complies with State policies and meets the State's needs. In conducting acquisitions, the State shall follow these requirements:

- Acquisition documents shall clearly set forth the rules and authority governing the acquisition.
- Competitive solicitation documents shall clearly set forth the:
  - Business and technical requirements
  - Evaluation methodology to be used
  - Applicable protest procedures
  - Contract award procedures
- If the acquisition is for a personal services contract pursuant to Government Code §19130(a), the acquiring department must notify the State Personnel Board pursuant to Government Code §19131 prior to contract execution.
- Protests shall be handled in a manner consistent with law, regulation and policy. Requirements for protests are in Chapter 7 of SCM Volume 3.

Various chapters of SCM Volume 3 spell out requirements and procedures for specific acquisition approaches and methods. See SIMM 19C for additional requirements and procedures for reportable IT projects.

## POST-AWARD ACTIVITY 5230.3

(Revised 01/2016)

Post-award Activity includes elements such as contract management, project management, and reporting. Effective contract and project management ensures that the State and its contractors honor their agreements and deal with one another in good faith. Following the award of the contract, the acquiring department shall:

- Adhere to the provisions of the contract and comply with statutory requirements, policies and procedures.
- Enforce contractual requirements.
- Follow plans for project management and risk management, if applicable.
- Manage implementation of the goods and/or services in accordance with the level of project oversight directed by the California Department of Technology.
- Fulfill all reporting requirements.

SCM Volume 3 contains additional information related to Post-award Activity.

## PRINCIPLES FOR IT PROCUREMENT 5230.4

(New 06/07)

The general principles for IT procurement are as follows:

- The State obtains IT goods and/or services that meet its needs and advance its policy goals, in a timely fashion, within budget, and with the least possible administrative burden.
- Procurements are conducted with integrity and in a manner consistent with the State's requirements and policies, including its commitment to small businesses and Disabled Veteran Business Enterprises (DVBEs).
- The State harnesses its expertise and purchasing power to obtain the best values available in the marketplace.
- The State communicates clearly and consistently from procurement to procurement with interested parties so that they understand its goals.
- The benefits of competition, which include obtaining a broad array of solutions to program and policy challenges, are maximized.
- The State is appropriately protected from risk.

## PUBLIC POLICY CONSIDERATION 5230.5

(Revised 01/2016)

Consideration shall be given to each of the following priorities to advance public policy for IT procurements:

- Business need
- Business requirements (mandatory or desirable)
- Functionality
- IT environment

## EXEMPTION 5230.6

(New 06/07)

Procurements necessary to meet the requirements of the Hawkins Data Center in the Department of Justice are exempt from the requirements of Section 5230 Uniform Standards.

## LEVERAGED PROCUREMENT AGREEMENTS 5291

(Revised 01/2016)

There are instances when many State departments require goods or services to perform essentially the same functions. Individual procurements would require duplicative effort and extend lead times.

Leveraged Procurement Agreements (LPAs) combine State departments' requirements for the same items or similar items thus providing standardization and leveraging the State's buying power. LPAs also enable streamlined purchases by removing repetitive, resource intensive, costly and time consuming solicitation processes by departments.

Types of LPAs include Master Agreements, IT Master Agreement (ITMSA), Statewide Contracts, State Price Schedules, Software Licensing Programs (SLP), the California Multiple Award Schedules (CMAS), and Cooperative Agreements. Unless identified as a mandatory contract, the use of LPAs is optional. State departments must have approved purchasing authority for the applicable LPA category in order to place orders against an agreement in that category.