

IT POLICY LETTER

NUMBER:

ITPL 11-03

SUBJECT:

REVIEW OF FORMAL INFORMATION TECHNOLOGY SOLICITATIONS

EMPHASIS: Review of Formal Information Technology Solicitations by the California Technology Agency prior to release.

DATE ISSUED:

MARCH 15, 2011

EXPIRES:

Until Rescinded

REFERENCES:

Government Code Section 11545
Chapter 404, Statutes of 2010 (AB 2408)
Public Contract Code Section 12104 (c)
State Administrative Manual Sections 4819.31, 4819.41, 5200.5
Statewide Information Management Manual Sections 05A and 28
State Contract Manual Volume 3, Chapter 2, Section B3, and
Volume 3, Chapter 4, Section B1.0

ISSUING AGENCY:

CALIFORNIA TECHNOLOGY AGENCY

Note: Agency¹ Chief Information Officers (CIO) and Department CIOs are requested to forward a copy of this Information Technology Policy Letter (ITPL) to their respective Procurement Managers, Project Management Office(s), and Information Technology (IT) Project Managers.

DISTRIBUTION

Agency Secretaries
Department Directors
Agency Chief Information Officers
Department Chief Information Officers
Department of General Services

PURPOSE

Continuing with the California Technology Agency's (Technology Agency)² efforts to minimize overlap, redundancy, and cost of information technology (IT) in state operations, the purpose of this ITPL is to announce:

- A policy for reviewing solicitations for IT goods and services.
- Updated content to the State Administrative Manual (SAM) and the Statewide Information Management Manual (SIMM) concerning the review policy.

¹ When capitalized, the term "Agency" refers to one of the state's super agencies such as the State and Consumer Services Agency or the Health and Human Services Agency. When used in lower case, the term "agency" refers to any office, department, board, bureau, commission or other organizational entity within state government. Within this ITPL, "agency" and "department" are used interchangeably.

² Effective January 1, 2011, the Office of the State Chief Information Officer (OCIO) was renamed the California Technology Agency (Technology Agency).

BACKGROUND

Within the authority of Government Code Section 11545, the Technology Agency has responsibility and authority for the establishment and enforcement of state information technology policy in California State Government. This includes establishing and enforcing state IT policies regarding oversight of IT projects.

In addition, Chapter 404, Statutes of 2010 ([AB 2408](#)) includes the following change to Public Contract Code (PCC) Section 12104 (c):

All information technology requests for proposals shall be reviewed by the California Technology Agency and the Department of General Services prior to release to the public.

POLICY

Effective January 1, 2011, all Formal IT Solicitations for IT goods and services must be submitted to the Technology Agency for review no later than 45 business days prior to the planned date for release to the public. Review of Informal IT Solicitations is delegated to the department.

For purposes of this policy, Formal IT Solicitations are Invitation for Bids (IFB) and Request for Proposals (RFP) valued at more than \$1,000,000 as defined in [Chapter 4, Section B1.0 of Volume 3 of the Department of General Services' \(DGS\) State Contracting Manual \(SCM\)](#). Section B1.0 states, in part:

Formal solicitations are more complicated, higher in risk and usually of higher dollar value and may be conducted using the IFB or RFP, depending on the degree of specific language needed.

The following provides the dollar thresholds for distinguishing between informal and formal IT goods and services solicitations:

- *Informal Solicitation: \$1,000,000 and less*
- *Formal Solicitation: More than \$1,000,000*

The Information Technology Procurement Plan (ITPP) prepared in accordance with [Volume 3, Chapter 2, Section B3 of the DGS' SCM](#) and approved by the DGS, or approved by the department for Formal IT Solicitations delegated by the DGS in accordance with SAM Section 5200.5, must be included with the review package.

Prior to addenda release, the Technology Agency will review addenda focusing on Technical or Functional Requirements that are specific to the California IT Strategic Plan, the Statewide Enterprise Architecture, or IT reporting and approval requirements. Other addenda, such as schedule adjustments or administrative changes, do not require Technology Agency review.

Review of applicable addenda will be determined by the Technology Agency in collaboration with the DGS Procurement Division (PD), for DGS-administered Formal IT Solicitations, and with the issuing department, when the Formal IT Solicitation is conducted by departments under their delegated purchasing authority in accordance with SAM Section 5200.5.

Review of Formal IT Solicitations is in addition to existing IT-related

reporting and approval requirements, including but not limited to approval requirements for IT Acquisition Plans, Feasibility Study Reports (FSR), and Special Project Reports (SPR).

PROCESS

The following will help ensure an efficient review process for Formal IT Solicitation documents:

1. **Engage the Technology Agency Early as Requirements are Developed:**

Early and continual engagement will support timely review once a Formal IT Solicitation package is submitted to the Technology Agency. Failure to engage the Technology Agency early may result in significant delay.

To facilitate the Technology Agency's timely review of Formal IT Solicitations, the issuing department shall:

- Initiate consultations with the Project Management Branch (PMB) and the Systems Integration Unit (SIU) within the Technology Agency's Office of Technology Services (OTech). This generally occurs after a department's IT Concept is approved for inclusion in the Statewide IT Capital Plan. The OTech representatives will confer with other entities within the Technology Agency to coordinate any needed additional technical review.

To initiate consultations with OTech representatives, complete and submit a [Customer Service System Service Request \(SR\)](#) in accordance with your department's established processes. Reference the IT Concept Name and Concept number, and request OTech PMB and SIU assistance for requirements review within the SR.

- Continue engaging the Technology Agency during the development of the FSR, SPR (if applicable), and subsequent solicitation document(s). Accordingly, reference the SR number within documents and when requesting technical reviews.

The Technology Agency will transmit reviewed materials back to the department with review comments and changes indicated using track-changes. For materials submitted for re-review, the department shall direct specific attention, either in writing or using track-changes, to revisions other than those requested by the Technology Agency.

Technology Agency findings and recommendations should be integrated where applicable to ensure timely review when the department submits Formal IT Solicitation packages to the Technology Agency.

2. **Formal IT Solicitation Submittal and Review:**

Once the preparation of a Formal IT Solicitation has been completed, the department shall submit a complete Formal IT Solicitation package to the Technology Agency no later than 45 business days prior to the release date to the public.

Departments must review and approve Formal IT Solicitation packages prior to submittal to the Technology Agency. A complete Formal IT Solicitation package consists of the following:

- A completed and signed Formal Information Technology Solicitation Review Executive Approval Transmittal, which is available in SIMM Section 28A.
- All sections, appendices, attachments and exhibits comprising the Formal IT Solicitation.
- The ITPP approved by the DGS or, for IT solicitations delegated by the DGS, approved by the department.

Please note: Failure to engage the OTech early in the process or submitting incomplete Solicitation packages may result in significant delays, causing return of the Solicitation package without review or an extension of the 45 business day review period.

Submit the signed Executive Transmittal electronically as a scanned PDF and the solicitation package documents as Word or Excel files to: ITSolicitationReview@state.ca.gov.

When naming each document, use **Proj-Num Solicitation-Num X of Y** as the naming convention, where:

- **Proj-Num** – Is the Project Number assigned by the Technology Agency when approving the FSR.
- **Solicitation-Num** – Is the Solicitation Number, including the addenda number if applicable, assigned by the DGS or, for IT solicitations delegated by the DGS, assigned by the department.
- **X** – Denotes the number of that specific document.
- **Y** – Denotes the total number of documents included in the complete package

For example, in a three document submittal package scenario with hypothetical numbers of 1955-010 for the project and 15635 for the Solicitation, name the first document **1955-010-15635 1 of 3**, the second document **1955-010-15635 2 of 3** and the third document **1955-010-15635 3 of 3**.

Departments shall not be relieved of responsibility for major scope deviations within the Formal IT Solicitations or addenda reviewed by the Technology Agency unless:

1. The department has specifically informed the Technology Agency-Program Management Office (PMO) in writing of such major scope deviations at the time of submittal; and
2. The Technology Agency-OTech has given written approval of the specific deviation.

3. Addenda Submittal and Review:

Prior to addenda release, the Technology Agency will review addenda

focusing on Technical or Functional Requirements that are specific to the California IT Strategic Plan, the Statewide Enterprise Architecture, or IT reporting and approval requirements. Other addenda, such as schedule adjustments or administrative changes, do not require Technology Agency review.

Technology Agency review of applicable addenda will be determined in collaboration with the DGS PD, for DGS-administered Formal IT Solicitations, and with the issuing department, for Formal IT Solicitations conducted by departments under their delegated purchasing authority in accordance with SAM Section 5200.5.

In addition, review and approval of Formal IT Solicitations administered by the DGS will continue in accordance with DGS' established procedures.

APPLICABILITY

This ITPL applies to all agencies, departments, offices, boards, bureaus and commissions.

SIMM AND SAM CHANGES

The SAM Sections 4819.31 and 4819.41 will be updated to incorporate the changes previously discussed. An advance copy of the SAM update is included in this ITPL as Attachment A.

The SIMM, located at http://www.cio.ca.gov/Government/IT_Policy/SIMM.html has been updated to include the following changes:

- **SIMM Section 05A, Summary of Required Information Technology Reports and Activities** – Added the Formal IT Solicitation package submittal instructions previously discussed.
 - **SIMM Section 28A, Formal Information Technology Solicitation Executive Approval Transmittal** – To be completed and included with the Formal IT Solicitation package submitted to the Technology Agency.
 - **SIMM Section 28B, Formal Information Technology Solicitation Frequently Asked Questions (FAQs)** – Added FAQs to provide additional detail concerning the Formal IT Solicitation review process.
-

CONTACT

Questions regarding this policy should be directed to Pete Mastella at (916) 403-9621 or via e-mail at Pete.Mastella@state.ca.gov.

SIGNATURE

/s/

Christy Quinlan,
Acting Secretary, California Technology Agency
State of California

Note: The new addition to SAM Section 4819.31 is item #9. Subsequent items in Section 4819.31 have been renumbered.

4819.31 BASIC POLICY

(Revised xx/11)

Each state agency is required to:

1. Establish and maintain a Disaster Recovery Plan, so that it will be able to protect its information assets in the event of a disaster or serious disruption to its operations, and submit the plan or its update to the Office of Information Security (OIS) as outlined in the Disaster Recovery Plan Quarterly Reporting Schedule (SIMM Section 05). See SAM Sections 5350-5355.
2. Establish an ongoing information management strategic planning process to support the accomplishment of its overall business strategy (i.e., its strategy to carry out its programmatic mission) and submit its strategic plan to the Technology Agency for approval. See SAM Section 4900.2.
3. Adopt standards for an agency information technology infrastructure consistent with SAM Section 4900.1.
4. Prepare annually an IT Capital Plan for long-term planning of the State's strategic IT investments. See SAM Section 4904.
5. Use the California Project Management Methodology (CA-PMM) as described in SAM Section 4910 for managing all IT projects.
6. Implement their Enterprise Architecture in accordance with the guidelines and instructions included in SIMM Section 58.
7. Conduct a feasibility study in order to establish the business case for each proposed information technology project (development or acquisition) and obtain approval of the FSR from the Technology Agency, or, if approval authority has been delegated to the agency director, from the agency director before expending any resources on the project. See SAM Sections 4819.34-4819.35.
8. Complete and sign the Service Contract Information Technology (SCIT) Certification for each proposed non-IT service contract and service contract amendment, including non-competitive bids. Please note that IT goods and services, including contracts associated with a Feasibility Study Report (FSR) or FSR Reporting Exemption Request approved by the Technology Agency, would be procured using one of the IT contracting processes developed expressly for IT. In these cases, completion of the SCIT is not necessary, since IT procurements are already subject to Technology Agency review and oversight requirements. The SCIT Certification is available in SIMM Section 16A, and includes instructions for completing and submitting the SCIT Certification.
9. Submit all Formal IT Solicitations, (as defined in the State Contracting Manual (SCM), Volume 3, Chapter 4, Section B1.0) to the Technology Agency for review prior to release to the public. Review of Informal IT Solicitations is delegated to departments. The following materials shall be included with the Formal IT Solicitation package:
 - a. A completed and signed *Formal Information Technology Solicitation Executive Approval Transmittal*, which is available in SIMM Section 28A.

- b. All sections, appendices, attachments and exhibits comprising the Formal IT Solicitation.
- c. The Information Technology Procurement Plan prepared in accordance with Volume 3, Chapter 2, Section B3 of the SCM and approved by the DGS or, for Formal IT Solicitations delegated by the DGS in accordance with SAM Section 5200.5, approved by the department.

Review of Formal IT Solicitations is in addition to existing IT-related reporting and approval requirements. The instructions and time frame for submitting Formal IT Solicitations to the Technology Agency for review is specified in SIMM Section 05A.

For addenda focusing on Technical or Functional Requirements within the solicitation that are specific to the California IT Strategic Plan, alignment with the Statewide Enterprise Architecture, or alignment with IT reporting and approval requirements, the Technology Agency will collaborate with the DGS Procurement Division (PD), for DGS-Administered Procurements, and with the issuing department, for delegated procurements, prior to release. All other addenda will only be reviewed by the DGS PD or the issuing department, as appropriate. The time frame for submitting addenda will be determined in collaboration with the Technology Agency and the DGS PD or with the issuing department as appropriate.

Departments shall not be relieved of responsibility for major scope deviations within the Formal IT Solicitations or addenda reviewed by the Technology Agency unless:

- a. The department has specifically informed the Technology Agency-Program Management Office (PMO) in writing of such major scope deviations at the time of submittal; and
 - b. The Technology Agency-OTech has given written approval of the specific deviation.
10. Manage information technology projects following the established IT Project Oversight Framework (SIMM Section 45) minimum requirements, to ensure that projects are completed on-time, within budget, and that they accomplish the objectives defined in their FSRs. See SAM Section 4800.
 11. Protect the integrity of its information management capabilities and databases and ensure the security and confidentiality of information it maintains.
 12. Establish an ongoing acquisition planning process to develop IT Procurement Plans (ITPP) for IT project acquisition of IT goods and services as determined by the Department of General Services.
 13. Agencies shall implement power management practices on all desktop and laptop computing devices, thin client devices, printers, copiers, scanners, and monitors. During hours of normal operation, devices which are not in use for 30 minutes shall automatically go into an energy-saving mode. Devices shall be shutdown at the end of the normal business day.

In addition, agencies shall fully implement power management software for desktop and laptop devices by December 31, 2010, or six months after the 2010-11 Budget has been enacted, whichever is later. Agencies shall also implement standby and shutdown practices for all devices within the scope of this policy beginning December 31, 2010.

Exemptions must be approved in writing by the Agency Chief Information Officer (Agency CIO) or the department's Chief Information Officer (CIO). Exemptions are limited to:

- Devices which remain in active mode to meet State operational needs. An example of a valid exemption would be a desktop computer and monitor utilized to manage batch programs 24 hours per day, seven days per week.
- Facilities with electrical service bundled-in with facility lease contracts where state entities would not likely receive offsetting benefits from acquired power management software. In this instance, compliance can be achieved through the use of standard operating systems functionality (e.g., Windows).

If an agency fails to meet these requirements, the agency will be required to obtain the Technology Agency approval before expending any resources on information technology projects.

The project approval process is described in SAM Section 4819.34.

4819.41 PROCUREMENT REVIEW AND CERTIFICATION (Revised xx/11)

1. Review of Formal IT Solicitations

Formal IT Solicitations as defined in the State Contracting Manual (SCM), Volume 3, Chapter 4, Section B1.0, must be reviewed by the Technology Agency prior to release to the public. Review of Informal IT Solicitations is delegated to departments. The following materials shall be included with the Formal IT Solicitation package:

- a. A completed and signed *Formal Information Technology Solicitation Executive Approval Transmittal*, which is available in SIMM Section 28A.
- b. All sections, appendices, attachments and exhibits comprising the Formal IT Solicitation.
- c. The Information Technology Procurement Plan prepared in accordance with Volume 3, Chapter 2, Section B3 of the SCM and approved by the DGS.

Review of Formal IT Solicitations is in addition to existing IT-related reporting and approval requirements. The instructions and time frame for submitting Formal IT Solicitations to the Technology Agency for review is specified in SIMM Section 05A.

For addenda focusing on Technical or Functional Requirements within the solicitation that are specific to the California IT Strategic Plan, alignment with the Statewide Enterprise Architecture, or alignment with IT reporting and approval requirements, the Technology Agency will collaborate with the DGS Procurement Division (PD), for DGS-Administered Procurements, and with the issuing department, for delegated procurements, prior to release. All other addenda will only be reviewed by the DGS PD or the issuing department, as appropriate. The time frame for submitting addenda will be determined in collaboration with the Technology Agency and the DGS PD or with the issuing department as appropriate.

Departments shall not be relieved of responsibility for major scope deviations within the Formal IT Solicitations or addenda reviewed by the Technology Agency unless:

- a. The department has specifically informed the Technology Agency-Program Management Office (PMO) in writing of such major scope deviations at the time of submittal; and
- b. The Technology Agency-OTech has given written approval of the specific deviation.

2. Certification for Information Technology Procurements

A signed certification of compliance with state information technology policies is required for all information technology procurements that cost \$100,000 or more and are in support of a development effort. Development is defined in SAM Section 4819.2 as "Activities or costs associated with the analysis, design, programming, staff training, data conversion, acquisition, and implementation of new information technology applications." Procurements of hardware, software, and services (including interagency agreements) are included in this requirement.

A certification is not required for:

- a. Procurements for less than \$100,000;
- b. Procurements limited only to maintenance services;
- c. Procurements in support of previously-approved efforts. See SAM Section 4819.40;
- d. Procurement of services to conduct a feasibility study, provided the services are limited to supporting or conducting the feasibility study and/or preparing the feasibility study report (SAM Sections 4927 and 4928); or
- e. Procurements of excluded activities as described in SAM Section 4819.32.

The certification must be completed by the agency that will directly utilize the procured goods or services, and the original signed certification must be included with the transmittal of the procurement package to the procurement agency or authority. For audit and review purposes, a copy of the signed certification must be retained in the procurement file. The required format for the certification is provided in SAM Section 4832.

3. Certification for Service Contracts

Departments shall complete and sign the Service Contract Information Technology (SCIT) Certification for each proposed service contract and service contract amendment, including non-competitive bids. Please note that IT goods and services, including contracts associated with a Feasibility Study Report (FSR) or FSR Reporting Exemption Request approved by the Technology Agency, would be procured using one of the IT contracting processes developed expressly for IT. In these cases, completion of the SCIT is not necessary, since IT procurements are already subject to Technology Agency review and oversight requirements. The SCIT Certification is available in SIMM Section 16A, and includes instructions for completing and submitting the SCIT Certification.