

IT POLICY LETTER

	NUMBER: ITPL 09-06
SUBJECT: OFFICE OF THE STATE CHIEF INFORMATION OFFICER PROMOTING THE EFFICIENT AND EFFECTIVE USE OF INFORMATION TECHNOLOGY THROUGH ACQUISITION PLANNING.	DATE ISSUED: JULY 02, 2009 EXPIRES: Until Rescinded
REFERENCES: GOVERNOR'S REORGANIZATION PLAN #1 of 2009 GOVERNMENT CODE SECTION 11545 et seq	ISSUING AGENCY: OFFICE OF THE STATE CHIEF INFORMATION OFFICER

PURPOSE

The purpose of this Information Technology Policy Letter (ITPL) is to:

- Achieve significant cost reductions given the state's current fiscal condition while advancing the policy priorities articulated in the Governor's Reorganization Plan #1 of 2009;
- Promote the efficient and effective use of information technology (IT) in furtherance of the Legislative intent of Government Code Section 11545 et seq;
- Announce the IT Acquisition Planning process and delineate those IT acquisitions that must be approved by the OCIO through this policy; and
- Provide notification of the requirement to report all IT expenditures with an aggregate value of \$5,000 or greater to the OCIO. Additional information concerning this reporting requirement will be forthcoming from the OCIO.

POLICY

In order to ensure the efficient and effective use of information technology and achieve the cost savings included in the Budget Act, state agencies must submit an IT Acquisition Plan (Acquisition Plan) to the OCIO for approval.¹ At minimum, the Acquisition Plan should cover those acquisitions that the Chief Information Officer (CIO) expects their department to make in the upcoming quarter; however, it may cover any period greater than three months (e.g., quarterly, semi-annually, or annually).²

The Acquisition Plan must include all information technology acquisitions that the agency plans to make after June 30, 2009, as follows:

- IT Services and Consulting acquisitions with an

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 For the month of July 2009, agency CIOs may submit an Acquisition Plan that covers only the month of July 2009, if the agency CIO plans to submit an Acquisition Plan that covers Quarter 1, FY 2009-10 (July 1, 2009 to September 30, 2009), no later than August 7, 2009.

aggregate value of \$100,000 or greater;

- Public Safety Communications Goods and Services acquisitions (e.g., purchase, lease, maintenance, support, and related services) with an aggregate value of \$25,000 or greater;
- Hardware acquisitions (e.g., purchase, lease, maintenance, support, and related services) with an aggregate value of \$20,000 or greater;
- Telecommunications Goods and Services (e.g., purchase, lease, maintenance, support, and related services) with an aggregate value of \$5,000 or greater (services purchased through CALNET 2 are exempt from this Policy Letter); and
- Software acquisitions (e.g., Software-as-a-Service, purchase, lease, maintenance, support, and related services) with an aggregate value of \$5,000 or greater.

IT acquisitions include, but are not limited to, the following: IT services, IT consulting services, IT equipment (hardware and software as defined in [SAM Section 4819.2](#)), and telecommunications goods and services, including public safety communications goods and services. This requirement applies to new acquisitions or amendments to existing acquisitions that result in increases to cost and/or scope.

As a reminder, it is contrary to state policy to split contracts or purchase orders to avoid administrative reporting requirements.

Effective July 1, 2009, all state agencies are required to report all IT expenditures with an aggregate value of \$5,000 or greater to the OCIO. Additional information concerning this reporting requirement will be forthcoming from the OCIO.

At its discretion, the OCIO may delegate all or part of its approval authority to Agencies or departments.

APPLICABILITY

This requirement applies to all acquisitions, including, but not limited to, those issued using the DGS CAL-Card or through any delegated purchase or use of any Leveraged Purchasing Agreement established by the Department of General Services (e.g., Strategically Sourced or Statewide, IT Master Services Agreements (MSA), California Multiple Award Schedule (CMAS), Software Licensing Program (SLP), and Western State Contracting Alliance (WSCA)), CALNET 2 (except as noted below), and non-competitively bid (NCB) acquisitions. This requirement applies to new acquisitions or amendments to existing acquisitions that result in increases to cost and/or scope that would result in changes to acquisitions that exceed the dollar thresholds described in the *Policy* section (see above).

This requirement does not apply to:

- Interagency agreements with the Office of Technology Services or the Public Safety Communications Division for IT goods and services;
- Services purchased through CALNET 2; and
- Single-function process-control systems as defined in [SAM Section 4819.32\(2\)](#).

This requirement applies to all Agencies, constituent departments, constitutional offices, and entities that do not report to an Agency, without regard to an Agency's or department's procurement delegation granted by the Department of General Services. Implementation of this new policy does not exempt agencies or departments from following all existing procurement policies and procedures. In addition, this requirement does not diminish or replace any approval authority that Agencies may have over their constituent-departments that may be greater than the requirements included in this ITPL. Accordingly, departments should continue to follow their Agency's processes and procedures concerning IT purchases, including Agency-established delegated approval limits and or reporting criteria.

EMERGENCY EXEMPTIONS

In the event of an emergency as defined in Public Contract Code section 1102, state agencies may conduct acquisitions for IT goods and services with an aggregate value of \$25,000 or less without an approved acquisition plan.³ Such acquisitions may be conducted with concurrent notification to the OCIO.

PROCEDURES

Prior to the issuance of any bid document(s) (e.g., Invitation for Bids (IFB), Request for Offer (RFO), Request for Proposals (RFP), Request for Quotation (RFQ)), purchase order(s), contract(s), or contract amendment(s) after June 30, 2009, that will result in a contract and/or purchase order with an aggregate value equal to or exceeding the dollar thresholds described in the *Policy* section (see above), CIOs must have an IT Acquisition Plan (Acquisition Plan) approved by the OCIO. At minimum, the Acquisition Plan, submitted by CIOs to the OCIO for review and approval, should cover those acquisitions that the CIO reasonably expects their agency to make in the upcoming quarter; however, it may cover any period equal to or greater than three months (e.g., semi-annual).⁴ To ensure that the state maximizes its purchasing power, CIOs should make their best efforts to identify those acquisitions for software (e.g., Software-as-a-Service, purchase, lease, maintenance, support, and related services) that will be

³ An emergency is defined in the Public Contract Code 1102 as a "sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services". SAM Section 6560, specifies that emergency expenditures cannot exceed \$25,000, unless approved by Finance.

⁴ For the month of July 2009, agency CIOs may submit an Acquisition Plan that covers the period from July 1, 2009 to August 7, 2009, if the agency CIO plans to submit an Acquisition Plan that covers Quarter 1, FY 2009-10 (July 1, 2009 to September 30, 2009), no later than August 7, 2009.

necessary for their agency in state Fiscal Year (FY) 2009-10 no later than August 7, 2009.

Beyond the Acquisition Plan for Quarter 1, plans for FY 2009-10 are due as follows:

- Quarter 2: September 15, 2009.
- Quarter 3: December 14, 2009.
- Quarter 4: March 15, 2010.

If consistent with their Agency's process and procedures concerning IT purchases, department CIOs within an Agency may submit requests directly to the OCIO. Otherwise, the Agency's Chief Information Officer should submit departmental requests to the OCIO. Departments or entities that do not report to an Agency may submit requests directly to the OCIO.

If the need to make an IT acquisition arises and it is not included in an approved Acquisition Plan, agencies shall submit an addenda to their approved Acquisition Plan to the OCIO for review and approval. State agencies should complete their Acquisition Plans using the template located in Section 18C of the Statewide Information Management Manual (SIMM), which is available to download at: www.cio.ca.gov/Government/IT_Policy/SIMM.html.

Completed Acquisition Plans should be submitted electronically to the OCIO to ITContract.Approval@state.ca.gov.

For pending acquisitions (e.g., acquisitions pending responses from bidders, bids under evaluation, unexecuted contracts, etc.), agencies shall follow the following procedures:

All pending acquisitions must be listed in an Acquisition Plan for July 2009 (covering the period from July 1 to August 7, 2009). Prior to the execution of any contract or purchase order, approval by the OCIO is required. The OCIO will review and provide feedback to agencies on whether pending acquisitions are approved within 10 business days of their submittal.

CONTACT

Questions concerning this policy should be directed to the OCIO Program Management Office Manager responsible for your agency. Please refer to the organization-specific-list of contact information available at:

www.cio.ca.gov/contact_us/staff_Assignments.html

SIGNATURE

/s/
Teri Takai,
Chief Information Officer
State of California
