BACKGROUND

In 2012, the Legislature passed AB 1498 (Ch. 139, Stats. 2012) to establish the California Department of Technology (CDT) within the Government Operations Agency, wherein it stated the Legislature's intent to transition Information Technology (IT) project-related procurement authority from the Department of General Services (DGS) to CDT. That transition was reflected in the framework of PCC Section 12100 et seq., which provided CDT with procurement responsibility over reportable IT projects, as well as responsibility to set all IT policies for the State.

In 2018, the Legislature passed AB 1817 (Ch. 37, Stats. 2018) which further aligns the IT project procurement authority of CDT while maintaining DGS primary authority for the purchase of IT goods and services that are related to delegated IT projects, the development of statewide contract/leveraged procurement agreements for use, and the delegation of purchasing authority. These statutory changes provide CDT authority to procure IT goods and services related to IT projects that are not delegated to departments. This policy complements the 2018 statutory change by supporting CDT’s critical role and helps focus oversight on the most complex and high risk IT projects.

PURPOSE

The purpose of this Technology Letter (TL) is to announce:

- Public Contract Code (PCC) Section 12100 amended by AB 1817 (Ch 37, Stats. 2018; eff. 6/27/18) to provide CDT procurement authority over acquisitions of IT goods and services related to IT projects (as opposed to “reportable IT projects”).

- Updated SAM Section 4819.2 to modify the definition of “IT Project” to ensure IT Projects and their associated acquisitions are conducted with the appropriate level of oversight based on risk and complexity throughout the entire solution lifecycle. The new definition removes the artificial 500 hour threshold, which does not represent project risk, and shifts the project approval/oversight focus from the IT Project definition to the Project Delegation Criteria. Additionally, the definition of “Reportable Project” was changed to “Non-Delegated Project” and the definitions of “Information Technology Reportable Procurement” and “Information Technology Reportable Procurement Over the DGS Delegated Purchasing Authority” were removed to better align project related terminology with procurement terminology.

- Updated SAM Section 4819.37 to clarify project delegation criteria and provide Agency Information Officers (AIOs) greater discretion in defining IT Projects requiring CDT oversight.
• Updated SAM Section 5200.5 to clarify responsibilities and authority for procurement procedures and the delegation of purchasing authority.

• New SAM Section 5210 incorporates statutory changes into policy and clarifies CDT’s procurement authority over acquisitions of IT goods and services related to IT projects.

• Updated SIMM Section 19 “IT Project Oversight Sample Scenarios Job Aide” to clarify how this policy change will impact common IT project approval and procurement scenarios.

• Updated SIMM Section 19E to change the name of the Project Approval Lifecycle “Reporting Exemption Request” to “Project Delegation Request”.

• Updated SIMM Section 71A and 71B, Certification of Compliance with IT Policies, to incorporate changes to procurement authority.

QUESTIONS

Questions regarding this Technology Letter should be directed to the Department of Technology, Office of Government Affairs at ITPolicy@state.ca.gov

SIGNATURE

/s/
Amy Tong, Director
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