

AMENDED IN SENATE MAY 27, 2005  
AMENDED IN SENATE APRIL 25, 2005  
AMENDED IN SENATE APRIL 18, 2005

**SENATE BILL**

**No. 954**

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**Introduced by Senators Figueroa and Dutton**

February 22, 2005

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An act to add Section 12104 to the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 954, as amended, Figueroa. Information technology goods and services: procurement.

Existing law sets forth the requirements for the acquisition of information technology goods and services by the state, and requires all contracts for the acquisition of those goods and services to be made by or under the supervision of the Department of General Services, with expenditures in this regard subject to the review and approval of the Department of Finance.

This bill makes certain findings ~~and states the intent of the Legislature to reform~~ regarding the manner in which state agencies procure information technology goods and services. This bill would require ~~all state agencies and departments~~ *the Department of General Services* to conform with specified practices and guidelines in the procurement of information technology goods and services.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) The State of California depends on information technology  
4 (IT) goods and services to accomplish its legally mandated core  
5 business functions and public services and it is in the best interest  
6 of the state to procure these services according to best practices,  
7 thereby rationalizing the process and providing a consistent basis  
8 for communication and decisionmaking.

9 (b) IT improves the functioning of government by providing  
10 increased public access and enhanced customer service.

11 (c) Conducting business with technology industry vendors in a  
12 professional manner with an attitude of cooperative, direct, and  
13 straightforward communication serves the best interests of the  
14 State of California and its citizens for the following reasons:

15 (1) Vendors can better respond to the state if published  
16 business and technical requirements are clear.

17 (2) An efficient and effective procurement process saves the  
18 state valuable dollars and time, mitigating overall project risk  
19 long term.

20 (d) IT goods and services are complex and multidimensional.  
21 The implementation of new technology invariably impacts  
22 existing technology, dependent and independent IT systems,  
23 governmental business processes, operational expectations and  
24 outcomes, and future technical and operations choices for the  
25 functions of a governmental entity. Purchases, therefore, should  
26 be considered in the appropriate context with a total cost of  
27 ownership for the state.

28 (e) New information systems that require IT goods and  
29 services for their implementation should be conceived in terms of  
30 a “solution.” Thinking and planning according to an IT  
31 “solution” mindset appropriately considers the complete set of IT  
32 goods and services required to complete an objective or set of  
33 objectives in the context of the actual business needs of the  
34 purchasing state agency. This also provides a means with which  
35 to consider the overall purchasing decision and weigh the  
36 benefits of different IT options according to the total cost of  
37 ownership for the state.

1 SEC. 2. It is the intent of the Legislature to enact legislation  
2 to reform the manner in which state agencies procure information  
3 technology goods and services and to pursue these reforms in a  
4 manner that is guided by the following values and principles:

5 (a) Leadership, with a commitment to reform and prioritize the  
6 proposed reforms and to seek public input on proposed reforms.

7 (b) The development and maintenance of trust among  
8 participants and the public, within established ground rules and  
9 agreements, in the development and implementation of the  
10 proposed reforms.

11 (c) Openness in the presentation, evaluation, and identification  
12 of all goals and issues, in accordance with established ground  
13 rules, that are related to the development and implementation of  
14 the proposed reforms.

15 (d) Public involvement in a manner that educates and engages  
16 the public in the identification of problems and solutions  
17 associated with the development and implementation of the  
18 proposed reforms.

19 (e) Inclusiveness in the process, which includes the  
20 identification and inclusion of all affected stakeholders  
21 throughout all stages in the development and implementation of  
22 the proposed reforms.

23 (f) Commitment by the participants to obtain the agreement  
24 and commitment of the constituents of all participants.

25 (g) Timeliness, by establishing a timeline for the development  
26 of the reform process and the implementation of the proposed  
27 reforms.

28 (h) Uniformity in the administration of reform across all state  
29 departments and agencies.

30 (i) Consistency and regularity in procurement rules, policies,  
31 and guidelines that will apply equally to all state departments and  
32 agencies.

33 (j) Public access to the procurement process, by posting the  
34 procurement rules, policies, and guidelines in writing at a single  
35 master location that is easily accessible by the public.

36 SEC. 3. There is a consistent framework in which to consider  
37 and conduct new IT purchases, which shall include the following  
38 IT procurement checklist that the agency shall complete before  
39 bid documents are completed:

1 SEC. 2. Beginning January 1, 2007, for IT purchases for  
 2 which the Department of General Services prepares the request  
 3 for proposal (RFP), the department shall complete the following  
 4 IT procurement checklist prior to releasing the RFP:

5 (a) Identify the legislative mandate or state business, or  
 6 operational reason for the IT procurement.

7 (b) Identify the existing business processes currently used to  
 8 accomplish the legislative mandate, state business, or operational  
 9 reason.

10 (c) Identify the most important priorities for the IT project to  
 11 accomplish.

12 (d) Identify what current technology is being used and how it  
 13 is being used.

14 (e) If the data used in a proposed IT system comes from  
 15 multiple sources, identify the existing business processes or  
 16 technical systems that produce and maintain the source data to  
 17 ensure interoperability.

18 (f) Identify whether the proposed IT system is already being  
 19 used by the state. If so, determine what can be learned from the  
 20 design and implementation of the similar system.

21 (g) Identify how the new IT project leverages existing  
 22 technology investments while accomplishing its business  
 23 objectives.

24 SEC. 4. Section 12104 is added to the Public Contract Code,  
 25 to read:

26 12104. ~~All state agencies and departments~~ *The Department of*  
 27 *General Services* shall, when procuring ~~IT~~, *IT* conform to the  
 28 “Information Technology Procurement Guidelines.” The  
 29 guidelines are as follows:

30 (a) ~~All state agencies and departments~~ *The department* shall  
 31 communicate in writing all rules governing a specific IT  
 32 procurement process and all project-related business and  
 33 technical requirements impacting the scoring and evaluation of  
 34 that specific procurement. The rules and requirements shall be  
 35 included in the published request for proposal (RFP). Any  
 36 changes shall be communicated to all bidding vendors and shall  
 37 be posted in a public location. No requirements other than those  
 38 provided by law outside of the published RFP and posted  
 39 addendums shall be used by the ~~state~~ *department* to score bids.

1 (b) IT solutions shall be procured according to reasonable  
2 project phases.

3 (c) Incumbent vendors shall not be precluded from delivering  
4 future project implementation phases of large multiphased  
5 information technology projects provided that the vendor has  
6 successfully delivered technology to the state on past project  
7 phases, the delivered technology works according to desired  
8 objectives, and the technology was delivered on time and within  
9 the given budget.

10 (d) Information technology procurements of six million dollars  
11 (\$6,000,000) or less shall be conducted according to  
12 deliverable-based contracts that align vendor payments with  
13 specific project deliverables.

14 ~~(e) For IT procurements over \$\_\_\_, the department shall~~  
15 ~~require the names of all government clients that are currently~~  
16 ~~being served by the bidders or have been served within the~~  
17 ~~previous 36 months. The government clients may be used as~~  
18 ~~references in scoring any bid proposal.~~

19 ~~(f)~~

20 (e) The requirements of this section shall be in addition to any  
21 other requirement provided by law.