

Management Memo

SUBJECT: USE OF CALIFORNIA
MULTIPLE AWARD SCHEDULE AND
MASTER AGREEMENT FOR THE
ACQUISITION OF LARGE-SCALE
INFORMATION TECHNOLOGY (IT)
SYSTEM INTEGRATION PROJECTS

NUMBER: MM 03-04

REFERENCES: Governor's Task
Force on Contracting and Procurement
Review, Executive Summary, August
30, 2002

DATE ISSUED: March 17, 2003

ISSUING AGENCY: Department of
General Services

EXPIRES: UNTIL RESCINDED

Purpose

Pursuant to Executive Order 0-55-02, open and competitive bidding is to be utilized to the greatest extent possible. As a result of the adoption of the Task Force Recommendations on August 30, 2002, and in particular, Recommendation #2, the Department of General Services must ensure that California Multiple Award Schedule (CMAS) agreements and/or Master Agreements (Masters) will not be utilized for the acquisition of large-scale information technology (IT) system integration projects.

This Management Memo addresses the use of a California Multiple Award Schedule and/or a Master Agreement established by the Department of General Services (DGS), Procurement Division (PD), Technology Acquisition Section (TAS) for the acquisition of large-scale, complex information technology (IT) system integration projects.

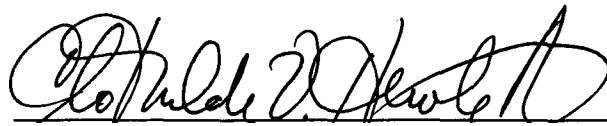
Although leveraged procurement vehicles such as CMAS and Masters offer alternative processes for obtaining goods, services, and IT, they do not guarantee that agencies will receive the best overall value. Further, these procurement vehicles were not designed to be used in large-scale IT system integration projects. Rather they were established to leverage the purchasing power of the state for goods, services, and IT, including commercial "off-the-shelf" products that are purchased repetitively.

STATE ADMINISTRATIVE MANUAL

Consequently, agencies are prohibited from using CMAS and/or Masters for large-scale information technology system integration projects except when specifically approved by PD-TAS. Projects are assessed a Risk/Criticality rating (low-medium-high) pursuant to the Department of Finance (DOF) Budget Letter 03-04. Those projects assessed a rating of medium or high by DOF will require full and open competitive bidding; utilizing a single or a series of CMAS/Master contracts will be prohibited. Agencies may request approval of PD-TAS to utilize CMAS and/or master contracts when a project has been assessed a "low" Risk/Criticality rating or the department can demonstrate that appropriate risk mitigation factors have been identified/considered and incorporated into the ITPP. In determining whether or not approval will be granted, PD-TAS will consider relevant project information including, among other things, project description, estimated dollar value, mission criticality, complexity, schedule, procurement risk, and contract management approach. This information is to be reflected in the Information Technology Procurement Plan (ITPP). The ITPP, documenting the procurement approach is submitted to the PD-TAS for approval when the project's monetary value exceeds the agency's delegated purchasing authority. Development of and submission requirements of the ITPP is further addressed in a separate Management Memo, Guidelines for Information Technology Procurement Plans.

Questions regarding this policy should be directed to the Department of General Services/Procurement Division, Technology Acquisitions Section, Scott Norton (916) 375-4503 or Pete Mastella, (916) 375-4496.

Signature



CLOTHILDE V. HEWLETT, INTERIM DIRECTOR
Department of General Services
