STATE ADMINISTRATIVE MANUAL

MANAGEMENT MEMO

SUBJECT: GUIDELINES FOR INFORMATION TECHNOLOGY PROCUREMENT PLANS (ITPP)	NUMBER: MMM 03-05 DATE ISSUED: March 17, 2003 EXPIRES: Until Rescinded
REFERENCES: California Government Code Section 11700, et. Seq. Public Contract Code Section 12100, et. Seq. Management Memo 02-20	ISSUING AGENCY: DEPARTMENT OF GENERAL SERVICES

This Management Memo provides the guidelines on when and how to develop and submit an Information Technology Procurement Plan (ITPP).

A. Intent of an ITPP

An ITPP describes the overall strategy necessary to accomplish and manage an information technology (IT) acquisition by formally documenting that the proposed approach for the acquisition satisfies state requirements. The ITPP is a stand-alone document that allows the Department of General Services (DGS), Procurement Division (PD), Technology Acquisitions Section (TAS) the ability to assess a project's readiness to start the procurement phase. TAS will either approve the ITPP as submitted, or work with the department to refine it to a point where it can be approved. The ITPP content will be scaleable based on the acquisition, and incorporate such factors as project urgency, estimated dollar value, mission criticality, complexity, and project history. The ITPP will serve as a reference document and become a permanent record of acquisition decisions.

1. Submission of an ITPP is required when a project exceeds a department's delegated purchasing authority for:
   a. New IT projects authorized by Feasibility Study Reports (FSRs).
   b. Special Project Reports (SPRs). ITPPs are approved during the FSR phase and require updating after SPR approval.
   c. WorkGroup Computing Policy (WCP) acquisitions.
   d. Ongoing maintenance services.
   e. Telecommunication procurements conducted by the PD-TAS.
2. An ITPP is not required when both of the following conditions exist:
   a. The purchase is for replacement equipment; and
   b. The acquisition is not an element within one of the categories above
3. Requirements for ITPP submission are as follows:
   a. Consult with the PD-TAS to ensure alignment with current procurement guidelines
   b. Provide name, title, office, and phone number of the person preparing the ITPP.
   c. Obtain ITTP approval from the department's Chief Information Officer (CIO), Director/Deputy Director or immediate next ranking official.
   d. ITPPs (or updated ITPPs) should be submitted to the PD-TAS at the same time the FSR, SPR, or WCP is submitted to the Department of Finance (DOF). If submitted after approval, include a copy of the approved FSR/SPR/WCP document.

B. Format and Content of the ITPP

1. DESCRIPTION OF PROJECT OR REQUIREMENT

a. The following questions should be responded to, briefly describing and discussing as they apply to the project.
   1) Does the project require Commercial-off-the-shelf (COTS), Modified-off-the-shelf (MOTS), or custom software development? Estimate the percentage of each.
   2) Does the project require integration?
   3) Is the project a stand-alone system with minimal integration?
   4) Does the project require maintenance of an existing system?
   5) Does the project involve state databases and/or legacy systems?
   6) Does the project use an existing state data center or another site?

b. Briefly describe background and contracting history, i.e., previous purchase, competitive or non-competitive purchase, etc.

c. Indicate estimated contract amounts for this project.

d. Indicate the contract(s) term, including maintenance years as appropriate.

e. Identify the projected life cycle of the project.

2. MARKET RESEARCH

a. Market research is critical in determining the selection of the appropriate procurement methodology. The extent of the research will depend on such factors as project urgency, estimated dollar value, complexity and past experience.
   1) Understand and relate market conditions to the project requirements.
   2) Analyze market place offerings and customary commercial practices for similar types of projects before drafting the ITPP. Review the project requirements to ensure that they are not overstated, thereby leading to exclusion of commercial items.
   3) During an informal market survey the department may request, at no cost to the state, price/cost estimates from interested bidders/sources for the purpose of planning and budgeting.
   4) Market research should be conducted during or after the project initiation phase and prior to finalization of the FSR or SPR, and must be completed prior to the development of the solicitation requirements.

b. The ITPP should briefly describe the extent and results of the market research, documenting:
   1) Potential providers of the product(s), the functional requirements, and the unique features that will meet the business objectives;
   2) The results and effect of market research in formulating the requirements; and
   3) Prospective sources that can meet the business and project objectives.

3. ACQUISITON METHODOLOGY

a. Indicate why the proposed acquisition methodology--leveraged procurement, competitive bid, non-competitive bid (NCB) is in the best interest of the state. Note: The Department of General Services prohibits the use of CMAS and/or Masters for large-scale information technology system integration projects.

b. Describe how sources for competition will be sought, promoted, and sustained throughout the acquisition.

c. If competition is not contemplated or achievable, discuss the basis for the application of that decision and explain why, under current state policies, this decision should be considered. Explain the underlying rationale to use an NCB and identify the source(s). Justify why the requirement cannot be modified to take advantage of competition.

Submit the ITPP with the appropriately signed NCB documentation to PD-TAS; TAS will coordinate with DOF on the NCB signature requirements.

d. Describe efforts to achieve certified Small Business and certified Disabled Veteran Business Enterprise (DVBE) goals.
e. Describe the proposed procurement steps. For example, a Request for Proposal (RFP) can be structured using all or a combination of a Request for Interest (RFI), Conceptual, Technical, Draft, and Final Proposal methodologies.
f. Provide solicitation key action dates and activities (these may be estimated, and can vary on a case-by-case basis). In addition, list completion times for statements of work, deliverables, technical requirements, technical evaluation factors and assigned values, and Master Agreement exemption approvals (if applicable).
g. For best value solicitations, describe the evaluation factors and values (percent or points) assigned for functional/technical requirements. The evaluation factors must be based on functional requirements identified in the project approval document, i.e., FSR, SPR, etc. For example:

Sample Evaluation Factors and Values

Evaluation Factor	Value Assigned (e.g., % or points)
Development and Conversion Tasks and Deliverables	45%
Training Tasks and Deliverables	25%
Cost	30%

4. PROCUREMENT RISK MANAGEMENT

a. Provide a schedule for obtaining adequate funds, i.e., budget change proposal, and any financing methods, i.e., GS $MART.
b. Describe how the state's investment will be protected during the term of the contract. Address payment protections such as:
   1) Payment holdbacks and performance bond requirements that ensure the system development, implementation and integration meet requirements. (Refer to Public Contract Code Section 12112.)
   2) Warranty provisions, liquidated damage provisions, letters of credit, or other special insurance requirements. (Refer to the California Acquisition Manual Sections 3.78 (Warranty) and 3.3.8 (Insurance & Risk Management) on the DGS-PD web site at http://www.pd.dgs.ca.gov/cam/camindex.htm.)

5. CONTRACT MANAGEMENT APPROACH

a. The contract management approach describes how the project will manage the contract and should reflect the project's complexity and risks.
b. Provide name, title, office, and phone number of the assigned Contract Manager or other representative(s) responsible for implementing the department's contract management approach. Describe the contract management approach. Suggested tools and processes/techniques may include:
   1) Contract Management Plan;
   2) Contract Issues/Resolutions Report;
   3) Status reporting process;
   4) System acceptance process;
   5) Deliverable approval process;
   6) Invoice process;
   7) Reporting contractor deficiencies;

8) Contract changes and amendments;
9) Contract closeout.

c. Describe tools such as Microsoft Project and contractor status reports that will be used to manage and measure contracts and deliverables, and help capture contractor performance for cost, schedule, quality, and risk.
d. Define tracking and control methods employed to provide status reports, problems, outstanding issues (include points of contact as to who will resolve each issue), and resolutions.
e. Provide monthly reports to internal management (and PD-TAS if requested) on the status, problems, issues, and any conditions requiring any amendment to the contract(s).

Questions regarding this Management Memo may be directed to:

Pete Mastella
Technology Acquisitions
Department of General Services
Procurement Division
Telephone: (916) 375-4496
email: pete.mastella@dgs.ca.gov

Scott Norton
Technology Acquisitions
Department of General Services
Procurement Division
Telephone: (916) 375-4503
email: scott.norton@dgs.ca.gov

CLOTHILDE V. HEWLETT, INTERIM DIRECTOR
Department of General Services