



Joint Communiqué

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**TO: Purchasing Authority Contacts (PACs)
Procurement and Contracting Officers (PCOs)
Chief Information Officers (CIOs)
Agency Information Officers (AIOs)**

RE: Information Technology (IT) Project Procurement Authority – 2018 Legislation

This Broadcast Bulletin is a joint communication by the Department of General Services (DGS) and the California Department of Technology (CDT) to communicate changes effective July 1, 2018 pursuant to statutory changes set forth in Public Contract Code (PCC) Sections 12100 and 12102.2. The specifics of the changes are as follows:

1. The word “reportable” was removed from PCC 12100 when referring to IT acquisitions related to IT projects.
2. CDT has modified the State Administrative Manual (SAM) policy to replace the word “reportable” with “non-delegated” for certain IT projects meeting criteria prescribed in this policy.
3. CDT has modified the definition of an IT project in SAM Section 4819.2 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 “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.
4. DGS will consult with CDT when delegating purchasing authority when:
 - a) There is a new state agency or a new state agency created as a result of a reorganization of government.
 - b) There is a general increase in purchasing authority; not transaction-based increase requests.
5. CDT has procurement oversight authority and will conduct acquisitions related to non-delegated IT projects (unless CDT authorizes the state agency to conduct the acquisition under the purchasing authority granted by the DGS).

6. DGS has procurement oversight authority and can delegate purchasing authority for all other IT acquisitions.

See the following updated sections of SAM:

- Section 4819.2 for Definitions
- Section 4819.34 for Project Approval Authority
- Section 4819.37 for IT Project Delegation Criteria
- Section 4819.38 for Reporting Exemption Request
- Section 5200.5 for Responsibilities and Authority
- Section 5210 for Acquisition Authority for IT Goods and Services Related to IT Projects

The DGS Procurement Division (DGS/PD) will revise the State Contracting Manual (SCM) to incorporate changes necessitated by the revisions to PCC 12100 and 12102.2.

DGS/PD continues to be responsible for oversight over IT purchasing authority. Please see your state agency's [Purchasing Authority Approval Letter](#) at for available purchasing authority dollar thresholds.

If you have any questions regarding this notification, please contact:

For DGS:
The Purchasing Authority Unit
PAMS@dgs.ca.gov

For CDT:
Office of Statewide Project Delivery
TechnologyProcurements@state.ca.gov