

## SERVICE CONTRACTS WITH INFORMATION TECHNOLOGY COMPONENTS

### Frequently Asked Questions

The Service Contracts with Information Technology Components Information Technology Policy Letter 11-02 establishes a certification requirement for state agencies<sup>1</sup> to identify service contracts with IT components that may be subject to Technology Agency review, approval and oversight.

Please review the FAQs and answers to assist in the completion of the Service Contract IT (SCIT) Certification form.

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**1. Q: Do we need to complete the SCIT Certification for service contracts procured through:**

- **CMAS or MSA**
- **Commodity Purchase Orders**
- **Western States Contracting Alliance (WSCA)**

**A:** The SCIT Certification would be completed if the service is procured using a non-IT service contract.

**2. Q: DGS' review and approval timeframe is ten days. Will the Technology Agency specify a similar timeframe for SCIT Certification review and approval?**

**A:** The Technology Agency will complete SCIT Certification review within ten days and will notify the department if circumstances warrant additional review time. Not receiving approval notification from the Technology Agency within ten days should not be considered as tacit approval.

**3. Q: Can submittal of an IT Procurement Plan (ITPP) be used in lieu of completing and submitting a SCIT Certification?**

**A:** The ITPP cannot be used in lieu of completion of a SCIT Certification. The ITPP is a plan for an IT procurement and does not include the actual contract. SCIT Certification approval is based on review of the non-IT service contract.

**4. Q: Are there any provisions for emergency contracts?**

**A:** Yes; the ITPL includes information on emergency contract exemptions.

**5. Q: Are SCIT Certification requirements based on departmental DGS delegation amount or the IT project delegation amount?**

**A:** SCIT Certification applicability is based on the Technology Agency's IT delegated cost threshold. A listing of delegated cost thresholds by department can be found at the Technology Agency Web-site at [http://www.cio.ca.gov/Contact\\_Us/staff\\_assignments.html](http://www.cio.ca.gov/Contact_Us/staff_assignments.html).

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<sup>1</sup> When capitalized, the term "Agency" refers to one of the state's super Agencies such as the State and Consumer Services Agency or the Health and Human Services Agency. When used in lower case, the term "agency" refers to any office, department, board, bureau, commission or other organizational entity within state government. Within this ITPL, "agency" and "department" are used interchangeably.

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**6. Q: Is the cost of IT in a service contract based on the total cost of the contract, or just on the cost of the specific IT component in the contract?**

**A:** For Technology Agency review and oversight purposes, the cost is just based on the cost of the IT components in the contract. In the example of a service contract with a total cost of \$1 million that includes an IT component with a value of \$50,000, the IT cost of the contract would be \$50,000. If the cost of the IT component is unknown or there is no ability to estimate the costs, then the department may use the total value of the contract as the default.

**7. Q: If the proposed service contract is listed on an approved IT Acquisition Plan (ITAP), do we need to complete a SCIT Certification?**

**A:** Since the ITAP only covers IT goods and services, it's unlikely that an ITAP would contain the type of non-IT service contract addressed by the SCIT Certification process. In any case, inclusion on an approved ITAP does not eliminate the requirement to complete a SCIT Certification. See question 8 for additional information on the applicability of the SCIT Certification process.

**8. Q: Since many service contracts do not contain IT components, are there any plans to exclude certain categories of service contracts from the SCIT Certification process?**

**A:** The SCIT Certification process is designed to identify non-IT service contracts that may contain an IT component that is subject to Technology Agency review and approval. Therefore, a SCIT Certification must be completed for all non-IT service contracts. The Technology Agency will only evaluate those SCIT Certifications that meet the requirements for Technology Agency review and oversight as specified in item #3 on the SCIT Certification form.

**9. Q: The SCIT Certification process requires departments to submit a copy of the completed proposed service contract along with the SCIT. What about a situation where much time and effort has gone into finalizing the contract, only to have it not be approved by the Technology Agency?**

**A:** To avoid unnecessary delays in approvals, we strongly advise Departments to consult with their respective CIOs early in the contract development process for guidance in identifying whether a proposed non-IT service contract contains IT components. We also advise departments to inform their Technology Agency Program Management Office (PMO) representative as soon as possible if the service contract is likely to contain an IT component that would be subject to Technology Agency review and oversight.

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**10.Q: What about a situation where the IT components included in non-IT service contract are already part of a Feasibility Study Report (FSR), Special Project Report (SPR), or equivalent document that has already been approved by the Technology Agency.**

**A:** If the IT component is already included as part of an approved FSR, SPR, or equivalent document, the IT components would be procured using one of the IT contracting processes developed expressly for IT. Since these types of procurements are already subject to Technology Agency review and oversight requirements, completion of the SCIT is not necessary. Again, we strongly advise Departments to consult with their respective CIOs early in the contract development process for guidance in identifying whether a proposed non-IT service contract contains IT components. We also advise departments to inform their Technology Agency PMO representative as soon as possible if the service contract is likely to contain an IT component that would be subject to Technology Agency review and oversight.

**11.Q: Is it possible to submit a blanket SCIT Certification to cover multiple service contracts of the same type, or to cover many contracts with different vendors for the same service?**

**A:** Yes; according to DGS, it is permissible to submit a single SCIT Certification in these situations. In the event that a department uses one SCIT Certification for multiple contracts, each contract must be specifically identified by contractor name and contract number, using a separate sheet if necessary, and a copy of the SCIT Certification must be included with each contract package submitted to the DGS.

**12.Q: Will the Technology Agency allow a designee for the department CIO to approve and sign the SCIT?**

**A:** For SCIT Certifications that require CIO signature, the department may utilize a designee in cases where the CIO is absent from the office, such as vacations and conferences.

**13.Q: Can blanket approvals be obtained for contracts for multiple years (i.e., a Security contract that needs to be renewed on an annual basis)?**

**A:** SCIT Certification approval is based on review of the contract document to be executed. It would not be possible to utilize a previous SCIT Certification to identify the impact of a future amendment that has not yet been drafted. In addition, contract amendments often contain other changes to the terms and conditions, budget and statement of work which may change the information provided on a SCIT Certification. For these reasons, a SCIT Certification must be submitted for each contract amendment

**14.Q: With regard to amendments to contracts, will Technology Agency approval of amendments be limited to major changes but not minor amendments, such as extending term dates and changing project managers?**

**A:** No; SCIT Certification is required for all contracts and contract amendments.

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**15.Q: Do non-IT service contracts with an IT component include interagency agreements with other state agencies and/or contracts with local entities (i.e., city, county, universities)?**

**A:** Yes; service contracts encompass interagency agreements, as well as contracts with local entities. SCIT Certification is required for these types of agreements and contracts.

**16.Q: Can you provide additional examples of single-function process-control systems?**

**A:** [SAM Section 4819.32](#) lists several examples of single-function process-control systems, including water gates, traffic signals, or environmental systems for buildings. Please consult with your CIO or your Technology Agency PMO representative for further clarification on these types of systems.

**17.Q: Are Constitutional Office subject to the requirements of the SCIT Certification policy? Does this policy only apply to State Executive Agencies?**

**A:** The Service Contracts with Information Technology Components (SCIT) policy does apply to the Constitutional Offices. The new statutes concerning the jurisdiction of the California Technology Agency contain some limiting language regarding consolidation and information technology cost reporting by the Constitutional Officers. (See Government Code sections 11456.1-11546.3.) However, Government Code section 11546.4 specifically allows review, approval, or other oversight of these types of projects by the Technology Agency for any agency that would not otherwise be subject to the review and approval of these service contracts.