Arizona Department of Child Safety

TITLE	POLICY NUMBER	
IT Vendor Management Policy	DCS 05-8460	
RESPONSIBLE AREA	EFFECTIVE DATE	REVISION
DCS Information Technology	June 30, 2024	Initial

I. POLICY STATEMENT

The purpose of this policy is to outline principles and guidelines for the management of IT vendors at DCS. This includes establishing standards and control mechanisms to monitor IT Vendors and ensuring that the selection, engagement, and ongoing relationships with them align with the organization's strategic objectives, ethical standards, and regulatory compliance.

II. APPLICABILITY

This policy applies to all DCS information systems, processes, operations, and personnel, including all employees, contractors, interns, volunteers, external partners, and their respective programs and operations. IT integrations and/or data exchange with third parties that perform IT functions, activities, or services for or on behalf of DCS. Applicability of this policy to third parties is governed by contractual agreements entered into between DCS and the third party/parties. In addition, all PSPs for security technology must comply with the Information Security Program Policy (DCS 05-8120).

III. AUTHORITY

A.R.S. § 18-104   Powers and duties of the department; violation; classification

HIPAA Administrative Simplification Regulation, Security and Privacy, CFR 45 Part 164, November 2022

NIST 800-53 Rev. 5   Security and Privacy Controls for Information Systems and Organizations, September 2020.

Arizona Procurement Code   A.R.S. Title 41, Chapter 23, §§ 41-2501 *et seq* and A.A.C. R2-7-101 *et seq*

Procurement Regulations	State Procurement Office (SPO) Technical Bulletins (TBs) and Standard Procedures (SPs)
DCS 02-44	DCS Contract Governance Policy

IV. EXCEPTIONS

Exceptions to this and all DCS IT policies are approved at the sole discretion of the DCS CIO or designee and will be signed and made an attachment to each applicable policy.

Exceptions to the Statewide Policy Framework taken by DCS shall be documented in the following format:

Section Number	Exception	Explanation / Basis	DCS CIO/Designee

V. ROLES AND RESPONSIBILITIES

A. DCS Director shall:

   1. Be ultimately responsible for the correct and thorough completion of Information Technology Policies, Standards and Procedures (PSPs);

   2. Be responsible for the correct and thorough completion of Information Technology PSPs;

B. The DCS Chief Information Officer (CIO) shall be responsible for:

   1. Work with the DCS Director to ensure the correct and thorough completion of Information Technology PSPs;

C. System Users of DCS information systems shall:

   1. Become familiar with statewide and DCS specific IT PSPs;

   2. Adhere to statewide and agency specific IT PSPs pertaining to the use of State or DCS IT resources.

     D.   DCS Chief Procurement Officer (CPO)/Deputy CPO shall:

          1.   Serve as the Department's procurement authority as delegated by the ADOA Director and State Procurement Administrator.

          2.   Ensure any purchase for IT goods and services comply with the requirements of the Arizona Procurement Code (APC) and other procurement regulations, policies and/or procedures.

          3.   Provide oversight vendor and contract performance reporting through the DCS Contract Governance Policy (DC-02-44).

     E.   DCS IT Vendor Manager shall:

          1.   Be responsible for the DCS IT Vendor Management Program (VMP), and manage all vendor work with business and IT for IT-related procurements and goods and services purchased under existing statewide contracts.

          2.   Conduct IT vendor performance reviews and evaluations when conducting on-contract sourcing activities and during performance of work.

          3.   Establish procedures for conducting contract monitoring of IT contractors.

          4.   Manage dispute between DCS and IT contractors.

          5.   Participate in the DCS Office of Procurement & Contracts Vendor Performance Report (VPR) process, tracking and escalation.

VI.   POLICY

     A.   IT Vendor Manager, under the IT Vendor Management Program (VMP) shall:

          1.   For purchases from established statewide contracts, lead the IT procurement process, and if necessary, under the guidance and direction of the Agency Chief Procurement Officer (CPO), Deputy Chief Procurement Officer (DCPO), or designated Procurement Manager in the Office of Procurement & Contracts (OPC):

              a.   Require that all IT requisitions require approval notification to the designated budget committee or relevant financial oversight body is obtained before proceeding, ensuring proper financial scrutiny and alignment with organizational and budgetary objectives.

              b.   Establish a comprehensive vendor selection process encompassing scoping; vendor identification; capability evaluation; market

research; and final selection for purchases from established statewide contracts.

c. Standardize negotiation procedures covering terms, pricing, and payment.

d. Implement a robust performance monitoring system with regular reviews, KPI tracking, and transparent communication channels.

e. Identify and mitigate vendor-related risks, including business continuity and legal compliance.

f. Foster positive vendor relationships through proactive communication, collaborative issue resolution, and mutual respect.

g. Ensure vendor adherence to relevant laws and regulations through regular audits and reviews of their practices.

h. Establish a structured dispute resolution process with clear escalation paths and impartial resolution mechanisms, to include participation in the OPC VPR process.

i. Define clear conditions for terminating vendor relationships, including breach of contract, performance issues, and evolving business requirements.

j. Adhere to State and DCS IT security specifications for IT procurements/acquisitions before starting the procurement process to include:

   i. FedRAMP (https://marketplace.fedramp.gov/products)

   ii. AZRAMP (https://azdohs.gov/azramp-vendors)

VII. DEFINITIONS

Refer to the Policy, Standards and Procedures Glossary located on the Arizona Strategic Enterprise Technology (ASET) website.

VIII. ATTACHMENTS

None.

IX. REVISION HISTORY

Date	Change	Revision	Signature
June 30, 2024	Initial Version	1	**DocuSigned by:** *Frank Sweeney* CDB46EB4E4A6442... 7/8/2024 Frank Sweeney Chief Information Officer AZDCS