

2025 President's Initiative

Demystifying State
Technology Procurement

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NASCIO has worked for several years (along with our strategic partners) to improve the technology acquisition/procurement process, convening several events and releasing [myriad publications](#). However, because of the magnitude of the acquisition process in state government and the growing reliance on technology in states, challenges remain. While state laws and policies vary, there are some common denominators that NASCIO can address.

That is why NASCIO President Amanda Crawford, executive director and state CIO for the State of Texas, launched an initiative intended to demystify the state technology procurement process. This presidential priority is focused on hot button issues such as state required terms and conditions (Ts&Cs); limitations on liability; indemnification; data use and protection; and other pertinent issues. Listening sessions with NASCIO state and corporate members took place as well as research into common state required Ts&Cs.

The Work

NASCIO research into state required Ts&Cs found that there are common denominators including dispute resolution venue (must occur within the state) and a prohibition on state indemnification, among others. These state-required Ts&Cs are often codified in state law and state chief information officers (CIOs) are unable to change them, absent a statutory change by the legislature.

In addition to researching state-required Ts&Cs NASCIO also solicited feedback from both state CIOs and their staff and NASCIO [corporate members](#). NASCIO held conference sessions and multiple listening sessions with the separate membership groups and found some synergy and gaps in communication and understanding of the role each group has in the state technology procurement process.

If You've Seen One State, You've Seen One State—the State Perspective

States acknowledged that they face issues with laws, policies and Ts&Cs that have not been updated to reflect current technology. They also are aware that the state technology acquisition process takes time as many agencies and individuals are involved. States expressed frustration with a perceived lack of understanding of the state technology procurement process and timeline by the private sector. While there are common themes and processes in the state procurement process, the adage that “if you’ve seen one state... you’ve seen one state,” is at the forefront. Meaning, every state has its own laws, regulations and approval processes that must be followed, and it is critical that the private sector understands those.



Texas recently launched a new vendor portal, **Tech4TX**, to make it easier for vendors to submit bids.



Missouri recently implemented two basic technology **processes** that reduced the turnaround time for all bids by up to 60%.



Florida **automated** its contract and procurement tracking system, transitioning from a manual and sometimes paper based system.

One state CIO told us: “A company’s goal to make a sale quickly does not necessarily line up with my goals of transparency and competition.”

A few other observations from states:

- There is a misconception that the state technology acquisition process is like the private sector. This leads to mistrust by vendors of the state technology procurement process.
- Vendors often use the same legal team for public procurements as they do for private procurements, leading to a lack of public procurement expertise.
- Many quotes from vendors expire in 30 days, which is often less time than it takes to secure funding and/or the required approvals for the project.
- State CIOs and their staff are constantly educating others in state government about the procurement selection process which often relies solely on the cheapest bid without consideration of other factors.

What Corporate Members Say

Getting feedback from NASCIO’s corporate members stemmed from NASCIO’s [previous publications](#) that focused on corporate member perspectives on the state technology procurement process. Some key findings from previous work were confirmed through President Crawford’s 2025 initiative.

First, there is a lack of understanding from states on the time and cost for a vendor to respond to a request for proposal (RFP). In the NASCIO and USDR publication, [Improving RFPs with User Research”](#) [How “Summary Sheets” Can Improve Solicitations](#), NASCIO corporate members reported that, despite reviewing hundreds or thousands of RFPs each year, only a few are bid on and an even smaller number of are awarded contracts. Of the number of NASCIO corporate members who have determined the amount, the majority (55 percent) estimate that the cost to respond to an RFP is \$20,000 to over \$30,000.

Corporate members also noted a few other items:

- States ask for references *from* vendors but will not provide state references *to* vendors.
- RFPs are often issued close to major holidays/end of the year, which compresses and complicates response time.
- Many states are using outdated procurement processes like still requiring physical signatures, paper forms and responses to RFPs.
- There seems to be a misconception that profit is a bad thing. Yes, the private sector makes a profit, but teaming with the private sector is crucial to a state’s success. No state can deliver services without involving the private sector.
- There is frequently a lack of transparency from the states on status and timelines for posting and award. This can inhibit a company’s ability to plan for bids on other procurement opportunities because their procurement teams are on hold pending action on other solicitations.

Finally, we asked corporate members for their advice for private sector professionals who are new to the state technology procurement domain. The most cited piece of advice from corporate members is to **learn the state technology procurement process and non-negotiable terms**. No one should be expected to know every state technology procurement process, but an overall understanding and a targeted understanding of the states in a vendor's portfolio are a must.

Corporate members also discussed the importance of understanding the distinct roles between central procurement agencies and CIO offices. They advised that it is best to engage company legal teams early and educate them on required state Ts&Cs because numerous exceptions to those required Ts&Cs can slow down the process.

Recommendations

Based on research conducted and conversations with both NASCIO state and corporate members, the following recommendations are presented.

- **Private sector legal teams must educate themselves on state procurement laws, especially required terms and conditions.** State required terms and conditions cannot be changed unless laws change. They are non-negotiable. Vendor legal teams who take exception to those required Ts&Cs are greatly lengthening negotiation time and must be educated on what state CIOs cannot change.
- It is critical that **vendors educate themselves on each state's technology procurement processes**. While many vendors take the time to understand the state procurement process, many others do not—especially the approval process and decision tree.
- **Vendors should employ and train a specialized public sector legal team.** There is a lack of understanding of the state technology process from many private sector legal teams.
- **States must modernize existing technology procurement processes** such as increasing dollar thresholds as the cost of technology is increasing; updating Ts&Cs to reflect modern technology; eliminating paper processes and physical signatures; and providing allowances for future technologies as much as possible.
- **States must provide required terms and conditions to vendors as early and as practically possible** so vendors know what can and cannot be changed. This will help reduce the negotiation timeline.
- Finally, **states must continue to improve the technology procurement process** so that the best value for the state is chosen, not just the cheapest bid or proposal.

States, vendors and others in the state technology community know that the state technology procurement process cannot be improved overnight. Keeping up with changes in technology will require constant work from all parties involved. NASCIO will certainly continue to work towards this goal.

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About NASCIO

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