



Modernizing Procurement and Policy to Drive Efficiency



Commonwealth of Pennsylvania
Office of Digital Experience

State: Pennsylvania

Agency: Commonwealth Office of Digital Experience (CODEPA)

Award Category: Operational Efficiency

Project Date: June 2024 to February 2025

Contact: Bry Pardoe, Executive Director CODEPA
ra-oacodepa@pa.gov

Carolyn McCarthy, Head of Governance and Compliance
ra-ciso@pa.gov



Executive Summary

The Commonwealth of Pennsylvania has transformed its IT procurement process to eliminate bureaucratic delays, improve vendor access, and increase agility in government services.

Recognizing the need to align procurement with modern business speeds, the Shapiro Administration implemented this comprehensive modernization effort to streamline processes, improve service delivery, reduce costs, and increase agility, laying a foundation for broader digital transformation.

What sets Pennsylvania's approach apart is its multi-dimensional strategy: a new Digital Services Invitation to Qualify (ITQ), generative AI to simplify policies, agile procurement methods, a streamlined intake process, and real-time vendor engagement. This shift moves procurement from rigid, monolithic Requests for Proposals (RFPs) to modular, outcome-based contracts, enabling incremental project delivery and encouraging vendor specialization.

Pennsylvania Procurement and Policy Modernization



Procurement request take weeks instead of months.



Intake questions reduced by 75%, improving clarity, compliance, and reducing overall efforts.



Faster decision-making and stronger vendor engagement benefiting small and mid-sized businesses.



Transitioned from cumbersome RFPs to modular ITQ-driven RFQs for outcome-based, iterative project delivery.



Policies were consolidated from 93 to 34. Work to reduce pages by 60% and align with NIST SP 800-53 for ease of compliance is underway.



Established a sustainable, agile procurement model designed to keep pace with technology and publish needs.

Through this comprehensive modernization, Pennsylvania is setting a new standard for how government buys technology: smarter, faster, and built for the future.

What problem or opportunity does the project address?

Pennsylvania's outdated IT procurement processes were rife with bureaucratic hurdles, excessive policy documentation, and slow vendor onboarding, creating bottlenecks for both agencies and vendors. This resulted in delayed project delivery, limited innovation, and barriers to engaging with new technology providers. Recognizing the need to operate at the speed of business, the Shapiro Administration sought to streamline procurement to improve service delivery, reduce costs, and increase agility.

Why does it matter?

Prior to reform, agencies and vendors had to navigate 93 IT policies totaling over 500 pages. These inefficiencies led to missed opportunities, increased project risk, and slowed the delivery of vital services. The modernization initiative cut policy documentation by 60%, reduced IT procurement intake questions by 75%, and built an automated communications campaign that cleared a 4,500-request vendor backlog of small businesses interested in doing business with the Commonwealth. These changes matter because they enhance speed, competition, and cost-efficiency, directly benefiting Pennsylvania's residents and taxpayers.

What makes it different?

Unlike traditional procurement modernization efforts, Pennsylvania's approach was multi-dimensional: it introduced a new digital services Invitation to Qualify (ITQ), deployed generative AI to simplify and rewrite policy language, adopted agile, user-centered procurement methods, and facilitated vendor access through real-time engagement like "vendor days." This initiative wasn't just about cutting red tape—it created a foundation for digital transformation.

Traditional Requests for Proposals (RFPs) for large-scale IT systems can take **18–24 months or longer** to plan, issue, evaluate, and award.

By contrast, a pre-qualified ITQ system allows agencies to issue streamlined Requests for Quotes (RFQs) for specific, clearly defined scopes of work within an existing contract structure.

What makes it universal?

Every state faces challenges with slow procurement cycles, policy complexity, and limited vendor engagement. This project directly aligns with NASCIO's top CIO priorities including Digital Government and Modernization, Procurement Reform, and Risk Management. The playbook developed by Pennsylvania offers a replicable roadmap for states seeking to modernize procurement and accelerate innovation.

Implementation

What was the roadmap?

The project was guided by a multi-agency steering committee including the Office of Administration (OA), Department of General Services (DGS), Office of the Budget, Office of General Counsel, and six agency leaders. It launched in phases beginning with a streamlined procurement intake, continued with policy simplification, and will hit another major milestone with the new Digital Services Invitation to Qualify (ITQ) procurement model that will launch in May 2025. A core focus of launching the ITQ is to onboard partners that leverage agile methodologies. This new contracting vehicle will enable iterative testing and refinement, with implementation success being measured through reduced processing times, improved vendor feedback, and increased procurement velocity.

Who was involved?

Key collaborators included:



**CODE PA
Commonwealth Office of
Digital Experience):**
led service design and
digital strategy.



**Department of General
Services:**
managed the procurement
framework reform.



**Participating agencies
and stakeholders:**
provided operational
feedback and adoption
leadership.

Engagement strategies included vendor demo days, a cross-functional steering committee, and workshops to align on process optimization.

How did you do it?

Collaboration Across Teams

Policy and procurement experts, technologists, legal counsel, and CODE PA strategists.

Emerging Technology

The IT Governance, Risk, and Compliance team in OA leveraged the Commonwealth's generative AI pilot technology to help assess the hundreds of pages of policy to streamline our policy footprint.

Technical Architecture

The new IT intake system was built in a COTS solution to streamline access to the IT request system. This enabled agile, modular contracting structures, and workflow automation tools for intake, review, and approval processes.

What did the project make better?

Procurement requests that once took months now move in weeks. Processes that used to require over 90 questions have been pared down to just the essentials. Agencies now work with simplified, aligned IT policies and can onboard qualified vendors more easily. The outcome is a more dynamic, accessible, and innovation-friendly state government. It brings Pennsylvania's procurement closer to the private sector procurement timelines.

How do you know?

This led to several significant outcomes from our efforts, including:

Policy Rationalization

- Reduced the number of IT policies from 93 to 34, merging overlaps and eliminating redundancies.
- 60% targeted reduction in policy volume (from 500+ pages to ~200).
- Aligned content with the NIST SP 800-53 framework, simplifying vendor compliance and strengthening security and risk posture.

Streamlined Governance

- Consolidated policies allow for faster updates and more responsive governance, keeping pace with changing technologies and regulatory environments.
- 75% reduction in intake questions for IT purchases.

Enhanced Clarity & Usability

- Policies are being rewritten in plain language, with intuitive titles and a standardized format, reducing confusion and making it easier for both internal users and external vendors to interpret requirements.

Increased Compliance & Reduced Training Burden

- Clear, concise policies mean staff require less time to train and are more likely to understand and adhere to requirements, reducing unintentional non-compliance.

Faster Decision-Making

- With streamlined documentation, teams can make quicker, more confident decisions in operational and risk-related scenarios.

Stronger User & Vendor Engagement

- End users are more likely to engage with policies that are easy to understand and actionable.
- Vendors benefit from alignment with NIST 800-53, enabling them to contractually commit to standard frameworks without needing to review hundreds of pages of state-specific policy.

What now?

Our ongoing optimization efforts across procurement and policy transformation will continue to accelerate efforts at the Commonwealth.

In May of 2025, the Commonwealth hit the next important milestone in transforming IT procurement: launching a Digital Services Invitation to Qualify (ITQ) with categories aligned to the full lifecycle of a digital delivery IT project that introduces a modern, flexible approach to procurement that offers both strategic and operational benefits for the Commonwealth.

Here's why it matters:

Incentivizes Outcome-Based, Modular Project Design

By organizing the ITQ around specific phases of digital service delivery (such as research, design, development, testing, and deployment), agencies are encouraged to break down large, complex projects into smaller, outcome-based efforts. This modular structure:

- De-risks digital strategies by allowing incremental progress and evaluation at each stage.
- Promotes vendor specialization and quality, as companies can qualify for specific lifecycle categories where they bring the most value.
- Increases competition by giving small and mid-sized vendors the opportunity to contribute to government projects without needing to manage an entire end-to-end system.

Replaces Monolithic RFPs with Agile, Responsive Procurement

Traditional Requests for Proposals (RFPs) for large-scale IT systems can take 18–24 months or longer to plan, issue, evaluate, and award. These long timelines:

- Introduce risk due to shifting technology standards and user needs.
- Favor large vendors over innovative or more agile companies.
- Create barriers to entry and delay public service improvements.

By contrast, a pre-qualified ITQ system allows agencies to issue streamlined Requests for Quotes (RFQs) for specific, clearly defined scopes of work within an existing contract structure. This:

- Accelerates time-to-delivery by skipping repetitive proposal stages.
- Improves alignment with user needs by enabling flexible, iterative procurement.
- Drives accountability by tying contracts to outcomes, not just deliverables.

Launching a lifecycle-based Digital Services ITQ enables the Commonwealth to modernize its procurement strategy, moving away from rigid, monolithic contracts and toward flexible, de-risked, and responsive digital service delivery. This approach directly supports innovation, efficiency, and better outcomes for residents.

We will also continue to build on the critical work of enhancing our governance, risk and compliance efforts by collaborating across agencies to hit additional critical

What now? *(continued)*

milestones going into the next year. CODE PA, the Department of General Services, Governance Risk and Compliance, and the Office of General Counsel are also partnering to determine strategies that can optimize the IT procurement lifecycle from start to finish. This includes creating templates, streamlining shared processes, and creating a single intake for project governance and oversight.

This effort is not a one-time fix, but a long-term transformation of how the Commonwealth engages with technology—a sustainable model worthy of continued investment.