

House Bill 3568

Sponsored by Representative HARKER; Representatives HUFFMAN, NATHANSON, J SMITH

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Oregon Department of Administrative Services to establish project management process and certain standards for managing information technology projects for state government. Requires department to establish division of information technology project portfolio management and to develop or acquire suitable software for information technology project portfolio management. Requires department to report to Legislative Assembly.

Becomes operative January 1, 2012.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to information technology management for state agencies; creating new provisions; amend-
3 ing ORS 184.475, 184.477 and 291.038; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Sections 2 and 3 of this 2011 Act are added to and made a part of ORS**
6 **chapter 291.**

7 **SECTION 2. (1) The Oregon Department of Administrative Services shall:**

8 (a) **Establish a project management framework and methodology that is based on a**
9 **project management body of knowledge for state government and agencies of state govern-**
10 **ment to use in procuring and implementing information technology projects.**

11 (b) **Develop and implement a process to ensure accountability from contractors that**
12 **provide goods and services related to information technology projects.**

13 (c) **Develop and implement a cost-tracking methodology for state information technology**
14 **expenditures of all sizes and at all levels of complexity.**

15 (d) **Develop guidelines and model policy directives for state government and state agen-**
16 **cies to use to clearly define project success and to ensure accountability for information**
17 **technology projects.**

18 (e) **Adopt rules that require state government and state agencies to:**

19 (A) **Clearly define project success criteria and standards for accountability before imple-**
20 **menting an information technology project.**

21 (B) **Demonstrate project success criteria and ensure project performance according to**
22 **accountability standards that are based on the guidelines and model policy directives devel-**
23 **oped under paragraph (d) of this subsection.**

24 (C) **Use post-implementation reviews to demonstrate project success and adherence to**
25 **accountability standards with respect to project performance, funding and resources pro-**
26 **vided.**

27 (D) **Report the results of the review to the Director of the Oregon Department of Ad-**
28 **ministrative Services, to the administrative officers of the state agency that implemented**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 the information technology project and to the Legislative Assembly.

2 (E) Transfer funds budgeted to monitor quality assurance contractors in each informa-
3 tion technology project with a contract price that exceeds \$250,000 to the department for the
4 purposes of managing quality assurance oversight functions for the project through the En-
5 terprise Information Strategy and Policy Division.

6 (f) Define requirements for when an information technology project requires a quality
7 assurance contractor, what levels of funding are necessary for each project's size, type and
8 complexity and other requirements to ensure that each project has an adequate amount of
9 funding dedicated to quality assurance.

10 (g) Adopt rules that require state government and state agencies that implement infor-
11 mation technology projects with a contract price that exceeds \$1 million to release funds to
12 contractors on a controlled basis, at clearly defined milestones and with adequate account-
13 ability.

14 (h) Train employees of the department and state agencies that implement information
15 technology projects in:

16 (A) Project management;

17 (B) Cost estimation;

18 (C) Requirements definition;

19 (D) Scope management; and

20 (E) Other skills that enable employees of the department and state agencies to manage
21 information technology projects within a project framework.

22 **SECTION 3.** (1) The Oregon Department of Administrative Services shall develop and
23 each biennium provide the Legislative Assembly with a detailed plan, budget and staffing
24 requirements for implementing the department's responsibilities under section 2 of this 2011
25 Act.

26 (2) The department shall report on the results of the department's implementation of the
27 department's responsibilities under section 2 of this 2011 Act each year on the date of the
28 convening of the regular session of the Legislative Assembly as specified in ORS 171.010.

29 (3) The department shall make recommendations, if any, for changes in provisions of this
30 section and section 2 of this 2011 Act on the basis of a business case and value proposition
31 the department develops.

32 **SECTION 4.** ORS 184.475 is amended to read:

33 184.475. (1) The purposes of information technology portfolio-based management are to:

34 (a) Ensure that state agencies link *[their]* **the state agencies'** information technology invest-
35 ments with business plans;

36 (b) Facilitate risk assessment of information technology projects and investments;

37 (c) Ensure that state agencies justify information technology investments on the basis of sound
38 business cases;

39 (d) Ensure that state agencies facilitate development and review of information technology per-
40 formance related to business operations;

41 (e) Identify projects that can cross agency and program lines to leverage resources; and

42 (f) Assist in state government-wide planning for common, shared information technology
43 infrastructure.

44 (2)(a) The department shall establish a division of information technology project port-
45 folio management for the purpose of managing and tracking state agency information tech-

1 **nology projects as a portfolio and giving the information technology projects needed visibility**
 2 **and priority.**

3 **(b) The department shall develop or acquire suitable project portfolio management soft-**
 4 **ware necessary to perform the functions specified in paragraph (a) of this subsection.**

5 [(2)] (c) The [Oregon Department of Administrative Services] **department** shall integrate state
 6 agency strategic and business planning, technology planning and budgeting and project expenditure
 7 processes into the department's information technology portfolio-based management.

8 (3) In cooperation with state agencies **and subject to section 2 of this 2011 Act**, the depart-
 9 ment shall conduct and maintain a continuous inventory of each state agency's current and planned
 10 investments in information technology, a compilation of information about those assets and the total
 11 life cycle cost of those assets. The department shall develop and implement state government-wide
 12 standards, processes and procedures for [*the required inventory and for the management of*] **taking**
 13 **inventory of and managing** the state government-wide information technology portfolio. State
 14 agencies shall participate in the information technology portfolio-based management and shall com-
 15 ply with the standards, processes and procedures **the department establishes** [*established by the*
 16 *department*] under this subsection. The provisions of this subsection do not relieve [*any*] a state
 17 agency from accountability for equipment, materials, supplies and tangible and intangible personal
 18 property under [*its*] **the state agency's** control.

19 (4) The department shall ensure that state agencies implement portfolio-based management of
 20 information technology resources in accordance with this section, **with section 2 of this 2011 Act**
 21 and with rules [*adopted by*] the Director of the Oregon Department of Administrative Services
 22 **adopts under this section and section 2 of this 2011 Act.**

23 (5) This section does not apply to competitive research grants and contracts at institutions of
 24 higher education listed in ORS 352.002.

25 (6) In implementing the provisions of this section, the department shall submit state
 26 government-wide policies for review to the Joint Legislative Committee on Information Management
 27 and Technology.

28 **SECTION 5.** ORS 184.477 is amended to read:

29 184.477. (1) The purpose of enterprise management is to create a plan and implement a state
 30 government-wide approach for managing distributed information technology assets to minimize total
 31 ownership costs from acquisition through retirement, while realizing maximum benefits for trans-
 32 acting the state's business and delivering services to its citizens.

33 (2) With input and recommendations from state agencies, **and subject to section 2 of this 2011**
 34 **Act**, the Oregon Department of Administrative Services shall develop a plan for the state
 35 government-wide management of distributed information technology assets. The plan shall prescribe
 36 the state government-wide infrastructure and services for managing these assets. The **department**
 37 **shall submit the** plan [*shall be submitted*] to the Joint Legislative Committee on Information Man-
 38 agement and Technology for review.

39 (3) Following review by the Joint Legislative Committee on Information Management and
 40 Technology, the department shall ensure state agency implementation of the plan, including the de-
 41 velopment of appropriate standards, processes and procedures.

42 (4) State agencies shall participate in the enterprise management of information technology as-
 43 sets and shall comply with the standards, processes and procedures of the department.

44 (5) This section does not apply to competitive research grants and contracts at institutions of
 45 higher education listed in ORS 352.002.

1 **SECTION 6.** ORS 291.038 is amended to read:

2 291.038. (1) *[The planning, acquisition, installation and use of all information and telecommuni-*
3 *cations technology by state government and agencies of state government shall be coordinated so that*
4 *statewide plans and activities, as well as those of individual agencies, are addressed in the most inte-*
5 *grated, economic and efficient manner.]* **The Oregon Department of Administrative Services shall**
6 **coordinate planning, acquisition, installation and use of information technology by state**
7 **government and agencies of state government in accordance with the provisions of section**
8 **2 of this 2011 Act.** To provide policy direction for and coordination of information technology for
9 state government, the Director of the Oregon Department of Administrative Services shall chair and
10 appoint not fewer than five agency executives to an Information Resources Management Council.
11 The council membership shall include at least two members who represent the private sector and
12 **the** political subdivisions of *[the]* **this** state.

13 (2) *[To facilitate accomplishment of the purpose set forth in subsection (1) of this section, the*
14 *Oregon Department of Administrative Services]* **Subject to section 2 of this 2011 Act, the depart-**
15 **ment** shall adopt rules, policies and standards to plan for, acquire, implement and manage the
16 state's information resources. In developing rules, policies and standards, the department shall con-
17 sult with state agencies that have needs that information resources may satisfy. State agencies shall
18 cooperate with the department in preparing and complying with rules, policies and standards. The
19 rules, policies and standards must be formulated to promote electronic communication and informa-
20 tion sharing among state agencies and programs, between state and local governments and with the
21 public where appropriate.

22 (3) **Subject to section 2 of this 2011 Act, the department shall formulate** rules, policies,
23 plans, standards and specifications *[must be formulated]* to ensure that information resources fit to-
24 gether in a statewide system capable of providing ready access to information, computing or tele-
25 communication resources. Plans and specifications the department adopts must be based on industry
26 standards for open systems to the greatest extent possible. Before adopting rules described in sub-
27 section (2) of this section, the department shall present the proposed rules to the appropriate legis-
28 lative committee. The department has the responsibility to review, oversee and ensure that state
29 agencies' planning, acquisition and implementation activities align with and support the statewide
30 information resources management plan. The department is responsible for procuring information
31 technology fairly, competitively and in a manner that is consistent with the department's rules.

32 (4)(a) The policy of the State of Oregon is that state government telecommunications networks
33 should be designed to provide state-of-the-art services where economically and technically feasible,
34 using shared, rather than dedicated, lines and facilities.

35 (b) The department shall, when procuring telecommunications network services, consider
36 achieving the economic development and quality of life outcomes set forth in the Oregon
37 benchmarks.

38 (5)(a) The department, upon request, may furnish and deliver statewide integrated
39 videoconferencing and statewide online access service to a public or private entity that primarily
40 conducts activities for the direct good or benefit of the public or community at large in providing
41 educational, economic development, health care, human services, public safety, library or other
42 public services. The department shall adopt rules with respect to furnishing the service.

43 (b) The department shall establish the statewide integrated videoconferencing and statewide
44 online access user fees, services, delivery, rates and long range plans in consultation with the
45 Stakeholders Advisory Committee created pursuant to this section. The rates shall reflect the

1 department's cost in providing the service.

2 (c) The department by rule shall restrict the department's furnishing or delivery of Internet ac-
3 cess service to private entities when the service would directly compete with two or more local
4 established providers of Internet access services within the local exchange telecommunications ser-
5 vice area.

6 (d) The rates and services established and provided under this section are not subject to the
7 Public Utility Commission's regulation or authority.

8 (6)(a) There is created the Stakeholders Advisory Committee, consisting of a minimum of nine
9 members appointed by the Director of the Oregon Department of Administrative Services. In making
10 appointments, the director shall give consideration to geographic balance and adequate represen-
11 tation of the department's users and providers and the general public.

12 (b) The committee must consist of members who represent elementary or secondary education,
13 higher education, community colleges, economic development, health care, human services and pub-
14 lic safety. At least four members must reside in areas east of the Cascade Mountains.

15 (c) The term of office of each member is three years, but a member serves at the sole discretion
16 of the director. The director shall appoint a successor to a member before the member's term ex-
17 pires. A member is eligible for reappointment. If a position on the committee is vacant for any cause,
18 the director shall make an appointment to the position that is immediately effective for the unex-
19 pired term.

20 (d) A member of the committee is entitled to travel expenses pursuant to ORS 292.495. Members
21 of the committee are not entitled to compensation.

22 (e) The director may establish additional advisory and technical committees as the director
23 considers necessary to aid and advise the Stakeholders Advisory Committee in the performance of
24 the committee's functions.

25 (f) The director may delegate to the State Chief Information Officer a duty, function or power
26 that this subsection imposes upon the director.

27 (7) An organization or organizations recognized as tax exempt under section 501(c)(3) of the
28 Internal Revenue Code that primarily conduct activities for the direct good or benefit of the public
29 or community at large in providing educational, economic development, health care, human services,
30 public safety, library or other public services and have formed an affiliation with one or more fed-
31 eral, state or local governmental units within this state may apply to the department for designation
32 as a community of interest. The application must be in the form prescribed by the department and
33 contain information regarding the governmental affiliation relationship, the tax exempt status of
34 each organization and the public benefit services to be provided. The department shall establish an
35 application review and appeal process to ensure that designating the organizations as a community
36 of interest for the purposes of including the organization in telecommunications contracts under
37 ORS 283.520 will result in providing educational, medical, library or other services for public benefit.

38 (8) This section does not apply to the State Board of Higher Education or *[any]* a state institu-
39 tion of higher education within the Oregon University System.

40 (9) As used in this section:

41 (a) "Information resources" means media, instruments and methods for planning, collecting,
42 processing, transmitting and storing data and information, including telecommunications.

43 (b) "Information technology" includes, but is not limited to, present and future forms of hard-
44 ware, software and services for data processing, office automation and telecommunications.

45 (c) "Internet access service" means electronic connectivity to the Internet and the services of

1 the Internet.

2 (d) "Open systems" means systems that allow state agencies freedom of choice by providing a
3 vendor-neutral operating environment where different computers, applications, system software and
4 networks operate together easily and reliably.

5 (e) "State-of-the-art services" includes equipment, facilities and the capability to distribute dig-
6 ital communication signals that transmit voice, data, video and images over a distance.

7 (f) "Telecommunications" means hardware, software and services for transmitting voice, data,
8 video and images over a distance.

9 (g) "Statewide integrated videoconferencing" means a statewide electronic system capable of
10 transmitting video, voice and data communications.

11 (h) "Statewide online access" means electronic connectivity to information resources such as
12 computer conferencing, electronic mail, databases and Internet access.

13 **SECTION 7. (1) Sections 2 and 3 of this 2011 Act and the amendments to ORS 184.475,**
14 **184.477 and 291.038 by sections 4 to 6 of this 2011 Act become operative on January 1, 2012.**

15 **(2) The Director of the Oregon Department of Administrative Services and the adminis-**
16 **trative officers of state agencies that have responsibility for planning and implementing in-**
17 **formation technology projects may take any action before the operative date specified in**
18 **subsection (1) of this section that is necessary to enable the director or the administrative**
19 **officer to exercise, on and after the operative date specified in subsection (1) of this section,**
20 **all of the duties, functions and powers conferred on the director or the administrative officer**
21 **by sections 2 and 3 of this 2011 Act and the amendments to ORS 184.475, 184.477 and 291.038**
22 **by sections 4 to 6 of this 2011 Act.**

23 **SECTION 8. This 2011 Act being necessary for the immediate preservation of the public**
24 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**
25 **on its passage.**