

CHAPTER 395

GOVERNMENT - STATE

HOUSE BILL 18-1421

BY REPRESENTATIVE(S) Rankin, Hamner, Young, Hansen, McLachlan, Michaelson Jenet, Van Winkle;
also SENATOR(S) Lambert and Tate, Lundberg, Moreno, Martinez Humenik, Priola, Todd.

AN ACT

**CONCERNING THE PROCUREMENT PROCESS FOR MAJOR INFORMATION TECHNOLOGY PROJECTS
UNDERTAKEN BY STATE AGENCIES, AND, IN CONNECTION THEREWITH, MAKING AN
APPROPRIATION.**

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 24-30-202, **amend** (1) as follows:

24-30-202. Procedures - vouchers, warrants, and checks - rules - penalties - definitions. (1) No disbursements shall be made in payment of any liability incurred on behalf of the state, other than from petty cash or by any alternative means of payment approved by fiscal rule promulgated by the controller, unless there has been previously filed with the office of the state controller a commitment voucher. The commitment voucher may be in the form of an advice of employment, a purchase order, a copy of a contract, or a travel authorization or in other form appropriate to the type of transaction as prescribed by the controller. Any state contract involving the payment of money by the state shall contain a clause providing that the contract shall not be deemed valid until it has been approved by the controller or such assistant as he OR SHE may designate; EXCEPT THAT A STATE CONTRACT FOR A MAJOR INFORMATION TECHNOLOGY PROJECT AS DEFINED IN SECTION 24-37.5-102 (2.6) SHALL CONTAIN A CLAUSE PROVIDING THAT THE CONTRACT SHALL NOT BE DEEMED VALID UNTIL IT HAS BEEN APPROVED BY THE CHIEF INFORMATION OFFICER OR THE CHIEF INFORMATION OFFICER'S DESIGNEE. Such contracts entered into on or after July 1, 1997, shall also contain a clause notifying the other party to the contract of the controller's authority to withhold debts owed to state agencies under the vendor offset intercept system pursuant to section 24-30-202.4 (3.5)(a)(I) and the types of debts that are subject to withholding under said system. The form and content of and procedures for filing such vouchers shall be prescribed by the fiscal rules promulgated by the controller.

Capital letters or bold & italic numbers indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

SECTION 2. In Colorado Revised Statutes, 24-37.5-102, **amend** (2.6) introductory portion and (2.6)(a) as follows:

24-37.5-102. Definitions. As used in this ~~article~~ ARTICLE 37.5, unless the context otherwise requires:

(2.6) (a) "Major information technology project" means a project of state government, EXCLUDING THE DEPARTMENT OF EDUCATION THROUGH JUNE 30, 2019, that has a significant information technology component, including, without limitation, the replacement of an existing information technology system.

SECTION 3. In Colorado Revised Statutes, 24-37.5-105, **amend** (4)(c)(VII) and (4)(c)(VIII); and **add** (4)(c)(IX) and (4.5) as follows:

24-37.5-105. Office - responsibilities - rules. (4) (c) As part of any major information technology project by a state agency, classified as such according to a comprehensive risk assessment performed by the office, the project plan at a minimum shall include:

(VII) Independent verification and validation of the project; ~~and~~

(VIII) A funding strategy for the ongoing maintenance and eventual disposal of the information technology system; AND

(IX) A PLANNING AND ANALYSIS FUNCTION TO BE PERFORMED BY THE OFFICE TO ENSURE THAT THE STATE AGENCY'S DESIRED MAJOR INFORMATION TECHNOLOGY PROJECT SOLUTION IS IN ACCORDANCE WITH THE OFFICE'S TECHNOLOGY STANDARDS AND TO ENSURE THAT THE SCOPE AND BUDGET OF THE MAJOR INFORMATION TECHNOLOGY PROJECT ARE VETTED BY THE OFFICE.

(4.5) ON OR BEFORE DECEMBER 1, 2018, THE OFFICE SHALL ESTABLISH POLICIES AND PROCEDURES REGARDING A VENDOR SELECTION STANDARD TO BE USED IN SELECTING A VENDOR FOR ANY MAJOR INFORMATION TECHNOLOGY PROJECT CLASSIFIED AS SUCH BY THE OFFICE. THE VENDOR SELECTION STANDARD SHALL INCLUDE A PROCESS FOR RESOLVING DIFFERENCES OF OPINION BETWEEN THE OFFICE AND THE STATE AGENCY IN THE VENDOR SELECTION FOR ANY MAJOR INFORMATION TECHNOLOGY PROJECT.

SECTION 4. In Colorado Revised Statutes, 24-37.5-803, **add** (5.5) as follows:

24-37.5-803. State information technology resources - independent evaluation and recommendations - report - repeal. (5.5) (a) THE QUALIFIED, INDEPENDENT THIRD-PARTY CONSULTING FIRM RETAINED PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL, IN ADDITION TO THE EVALUATION SPECIFIED IN SUBSECTION (2) OF THIS SECTION, REVIEW AND EVALUATE THE PROCUREMENT PROCESS FOR THE HUMAN RESOURCES INFORMATION SYSTEM, ALSO KNOWN AS HRWORKS, AND PROVIDE OBJECTIVE FINDINGS AND RECOMMENDATIONS THAT COULD HELP THE PROCUREMENT PROCESS FOR MAJOR INFORMATION TECHNOLOGY PROJECTS IN THE FUTURE.

(b) ON OR BEFORE JUNE 30, 2019, THE CONSULTING FIRM SHALL SUBMIT A REPORT TO THE LEGISLATIVE AUDIT COMMITTEE, THE JOINT BUDGET COMMITTEE, THE JOINT TECHNOLOGY COMMITTEE, AND THE OFFICE OF INFORMATION TECHNOLOGY. THE REPORT SHALL INCLUDE:

(I) A DISCUSSION OF SPECIFIC POINTS IN THE MAJOR INFORMATION TECHNOLOGY PROJECT PROCUREMENT PROCESS THAT CONTRIBUTED TO THE CHALLENGES FOR THE EXECUTIVE BRANCH OF STATE GOVERNMENT AND THE GENERAL ASSEMBLY IN IDENTIFYING AND PROCURING OPTIMAL TECHNOLOGY SOLUTIONS; AND

(II) RECOMMENDATIONS REGARDING CHANGES THAT THE EXECUTIVE BRANCH OF STATE GOVERNMENT MAY IMPLEMENT AND POLICY DISCUSSIONS THAT THE GENERAL ASSEMBLY MAY CONSIDER TO IMPROVE MAJOR INFORMATION TECHNOLOGY PROJECT PROCUREMENT PROCESSES IN THE FUTURE.

(c) AFTER RECEIVING THE REPORT REQUIRED BY THIS SUBSECTION (5.5), THE JOINT BUDGET COMMITTEE, THE JOINT TECHNOLOGY COMMITTEE, THE OFFICE OF INFORMATION TECHNOLOGY, AND ANY OTHER OFFICE OR DEPARTMENT THAT WAS THE SUBJECT OF RECOMMENDATIONS MADE IN THE REPORT SHALL MEET TO DISCUSS THE IMPLEMENTATION OF THE RECOMMENDATIONS MADE IN THE REPORT.

SECTION 5. Appropriation. For the 2018-19 state fiscal year, \$141,744 is appropriated to the legislative department for use by the office of the state auditor. This appropriation is from the general fund. To implement this act, the office may use this appropriation for the purposes authorized in section 24-37.5-803, C.R.S.

SECTION 6. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 6, 2018