



Please Support SB22-191

Overview

- **Bill Title:** SB22-191 Procurement of IT Resources
- **Sponsor(s):** **Senators Bridges and Priola**
Representatives Titone and Bernett
- **Summary:** The bill strengthens OIT's role in the procurement of information technology resources for state agencies, and clarifies that state agencies may only initiate solicitations and contracts for information technology resources if the agency has received prior approval of the OIT procurement official. If a state agency does not receive written approval or disapproval from the OIT procurement official within 30 business days after submitting the procurement request to the office, the state agency may assume that it has received the required approval and is authorized to initiate the procurement or solicitation process.

Under current law, OIT is continuously appropriated up to fifty percent of the Technology Risk Prevention and Response (TRPR) fund balance at the beginning of each fiscal year. The bill specifies that the total TRPR fund balance cannot exceed \$50 million. OIT is authorized to contribute money to the TRPR from operations and maintenance fees associated with the billing practices of OIT. Starting with the 2022-23 fiscal year, and each fiscal year thereafter, the bill requires that any money appropriated from the General Fund to OIT or a state agency for the procurement of information technology resources or projects that are unexpended or unencumbered at the close of the fiscal year as a result of savings achieved by OIT or the state agency, will not be reverted back to the General Fund, but instead will be transferred to the TRPR by July 1, 2023 and each July 1 thereafter.

The bill also makes changes to the state's procurement code to state that if a governmental body enters into a contract or addendum for the licensing of software applications, such software can be run on the hardware of the public/state agency's choosing – meaning that, the use of a specific software does not commit the agency to using any specific type of hardware.

Why the changes are needed

- The bill creates sustainable funding sources to help eliminate the state's existing \$465.1 million technical debt problem and to prevent further technical debt from accumulating.
 - The bill allows for IT budget reversions into the TRPR and clarifies the limited uses of the fund for emergency and security risk mitigation.
 - The Rates and Services Board, which is made up of OIT customer agencies, supports the idea of OIT charging agencies an operations and maintenance fee – a fee the board would review and approve annually. The funds from the fee would go to the TRPR fund and be used in accordance with statute.
- The changes to OIT statute will clearly define relationships between OIT and state agencies in the procurement of information technology resources.
- Changes to the State Procurement Code are necessary to encourage better behavior from IT providers when public entities are contracting for software systems.

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