House Bill 3328

Sponsored by Representative HARKER; Representatives CLEM, VEGA PEDERSON

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**.

Removes Oregon Department of Administrative Services as exclusive authority for procuring or providing information technology, telephone and telecommunications services for state agencies. Permits state agencies to procure telecommunications services and information technology services from private vendors if doing so results in cost savings.

Becomes operative January 1, 2014.

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Declares emergency, effective on passage.

A BILL FOR AN ACT

2 Relating to information technology used by state agencies; creating new provisions; amending ORS

3 279A.050, 283.130, 283.140, 283.505, 283.510, 283.520, 291.038 and 291.990 and section 41a, chapter

4 637, Oregon Laws 2011; repealing ORS 283.143; and declaring an emergency.

5 Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 279A.050 is amended to read:

7 279A.050. (1)(a) Except as otherwise provided in the Public Contracting Code, a contracting 8 agency shall exercise all **of the contracting agency's** procurement authority in accordance with 9 the provisions of the Public Contracting Code.

(b) [When] If a contracting agency has authority under this section to carry out functions described in this section, or has authority to make procurements under a provision of law other than the Public Contracting Code, the contracting agency is not required to exercise [*that*] the contracting agency's authority in accordance with the provisions of the code if, under ORS 279A.025, the code does not apply to the contract or to the contracting agency's authority.

(2) Except as otherwise provided in the Public Contracting Code, for state agencies the Director
of the Oregon Department of Administrative Services has [all the] complete authority to carry out
the provisions of the Public Contracting Code.

(3) Except as otherwise provided in the Public Contracting Code, the Director of Transportation
 has [all the] complete authority to:

(a) Procure or supervise the procurement of all services and personal services to construct, acquire, plan, design, maintain and operate passenger terminal facilities and motor vehicle parking
facilities in connection with any public transportation system in accordance with ORS 184.689 (5);

(b) Procure or supervise the procurement of all goods, services, public improvements and per sonal services [*relating to the operation, maintenance or construction of*] related to operating,
 maintaining or constructing highways, bridges and other transportation facilities that are subject
 to the authority of the Department of Transportation; and

(c) Establish standards for, prescribe forms for and [conduct the prequalification of] prequalify
 prospective bidders on public improvement contracts related to [the operation, maintenance or con struction of] operating, maintaining or constructing highways, bridges and other transportation

1 facilities that are subject to the authority of the Department of Transportation.

2 (4) Except as otherwise provided in the Public Contracting Code, the Secretary of State has [all 3 the] complete authority to procure or supervise the procurement of goods, services and personal 4 services related to programs under the authority of the Secretary of State.

5 (5) Except as otherwise provided in the Public Contracting Code, the State Treasurer has [all 6 the] complete authority to procure or supervise the procurement of goods, services and personal 7 services related to programs under the authority of the State Treasurer.

8 (6) The state agencies listed in this subsection have [all the] complete authority to do the fol-9 lowing in accordance with the Public Contracting Code:

(a) The Department of Human Services to procure or supervise the procurement of goods, services and personal services under ORS 179.040 for the department's institutions and [the procurement of] to procure goods, services and personal services for [the construction, demolition, exchange, maintenance, operation] constructing, demolishing, exchanging, maintaining, operating and equipping [of] housing for the purpose of providing care to individuals with intellectual disabilities or other developmental disabilities, subject to applicable provisions of ORS 427.335;

(b) The Oregon Health Authority to procure or supervise the procurement of goods, services and personal services under ORS 179.040 and construction materials, equipment and supplies for the authority's institutions and [*the procurement of*] **to procure** goods, services, personal services, construction materials, equipment and supplies for [*the construction, demolition, exchange, maintenance, operation*] **constructing, demolishing, exchanging, maintaining, operating** and equipping [*of*] housing for [*persons*] **individuals** with chronic mental illness, subject to applicable provisions of ORS 426.504;

(c) The State Department of Fish and Wildlife to procure or supervise the procurement of construction materials, equipment, supplies, services and personal services for public improvements,
public works or ordinary construction described in ORS 279C.320 that is subject to the authority
of the State Department of Fish and Wildlife;

(d) The State Parks and Recreation Department to procure or supervise the procurement of all
 goods, services, public improvements and personal services relating to state parks;

(e) The Oregon Department of Aviation to procure or supervise the procurement of construction
materials, equipment, supplies, services and personal services for public improvements, public works
or ordinary construction described in ORS 279C.320 that is subject to the authority of the Oregon
Department of Aviation;

(f) The Oregon Business Development Department to procure or supervise the procurement of
 all goods, services, personal services and public improvements related to [*its*] the Oregon Business
 Development Department's foreign trade offices operating outside the state;

(g) The Housing and Community Services Department to procure or supervise the procurement
 of goods, services and personal services as provided in ORS 279A.025 (2)(o);

(h) The Department of Corrections to procure or supervise the procurement of construction
materials, equipment, supplies, services and personal services for public improvements, public works
or ordinary construction described in ORS 279C.320 that is subject to the authority of the Department of Corrections;

(i) The Department of Corrections, subject to any applicable provisions of ORS 279A.120,
279A.125, 279A.145 and 283.110 to 283.395, to procure or supervise the procurement of goods, services and personal services under ORS 179.040 for [*its*] Department of Corrections institutions;

45 (j) The Department of Veterans' Affairs to procure or supervise the procurement of real estate

1 broker and principal real estate broker services related to programs under [the department's] De-

2 partment of Veterans' Affairs authority;

3 (k) The Oregon Military Department to procure or supervise the procurement of construction
4 materials, equipment, supplies, services and personal services for public improvements, public works
5 or ordinary construction described in ORS 279C.320 that is subject to the authority of the Oregon
6 Military Department;

(L) The Department of Education, subject to any applicable provisions of ORS 329.075, 329.085
and 329.485 and the federal No Child Left Behind Act of 2001 (P.L. 107-110, 115 Stat. 1425), to procure or supervise the procurement of goods, services, personal services and information technology
[relating] related to student assessment; and

(m) Any state agency to conduct a procurement [when the agency is specifically authorized by any] if a provision of law other than the Public Contracting Code specifically authorizes the state agency to enter into a contract.

(7) Notwithstanding this section and ORS 279A.140 (1), the Director of the Oregon Department 14 15of Administrative Services has exclusive authority, unless the director delegates this authority, to 16procure or supervise the procurement of all price agreements on behalf of the state agencies identified in subsection (6)(a) to [(k)] (L) of this section under which more than one state agency may 17 18 order goods, services or personal services [and, except for contracts procured by the Oregon Health 19 Authority, all state agency information technology contracts. This subsection does not apply to contracts 20under which the contractor delivers to the state agency information technology products or services incidental to the performance of personal services contracts described in ORS chapter 279C or con-2122struction contracts described in ORS chapter 279C]. A state agency identified in subsection (3) or 23(6)(a) to [(k)] (L) of this section may not establish a price agreement or enter into a contract for goods, services, personal services, construction materials, equipment or supplies without the ap-2425proval of the director if the director has established a price agreement for the goods, services, [or] personal services construction materials, equipment or supplies. 26

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SECTION 2. ORS 283.130 is amended to read:

28 283.130. As used in ORS 283.140 [and 283.143], "state agency" or "agency" includes the Legis-29 lative Assembly, at the option of the Legislative Assembly, or any statutory, standing, special or 30 interim committees of the Legislative Assembly, at the option of the committee.

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SECTION 3. ORS 283.140 is amended to read:

283.140. (1) The Oregon Department of Administrative Services shall exercise budgetary man-32agement, supervision and control over all telephone and telecommunications service for all state 33 34 agencies, but may not control a state agency's budgeting for or procurement, installation, 35 operation or management of telephone and telecommunications services if the state agency demonstrates that the state agency will realize cost savings by procuring, installing, oper-36 37 ating or managing telephone and telecommunications services through contracts with pri-38 vate vendors. A state agency shall coordinate with the department to ensure that the telephone or telecommunications system the state agency procures, installs or operates will 39 40 operate with existing telephone or telecommunications services. The department may operate central mail, shuttle bus or messenger services for agencies located in Salem, Portland or other 41 42cities, [where it] if operating central mail, shuttle bus or messenger services would be economical [so to do]. The cost of [maintaining and operating any central telephone exchange, switching 43 system, network service and facility, intercity or intracity network trunk or line or switchboard, or the 44 cost of] mail, shuttle bus and messenger services[,] shall be charged to the various agencies served 45

1 and paid to the department in the same manner as other claims against the agencies are paid.

2 (2) If the department operates central mail service, [*it*] **the department** shall:

3 (a) Approve or disapprove all state agency mail equipment or mail service acquisitions.

4 (b) Report biennially to the Director of the Oregon Department of Administrative Services on 5 opportunities for savings through state agency mail room centralization, consolidation and auto-6 mation and through mail route coordination.

7 (3) The department shall adopt rules pursuant to which persons associated with government ei-8 ther temporarily or otherwise, including but not limited to unsalaried volunteers, part-time employ-9 ees, contractors with the state and employees of contractors, political subdivisions and the federal 10 government may use shuttle bus services.

(4) For the purposes of this section, "telecommunications" means media that communicate voice,
data, text, images or video over a distance using electrical, electronic or light wave transmission
media.

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SECTION 4. ORS 283.505 is amended to read:

15 283.505. (1)(a) The Oregon Department of Administrative Services shall coordinate the consol-16 idation and operation of all telecommunications systems [*used by*] that the state and state agencies 17 use. [Notwithstanding any other provision of law,] Except as provided in paragraph (b) of this 18 subsection, [no] an agent or agency of the state [*shall*] may not construct, purchase or otherwise 19 gain access to a telecommunications system without the department's prior approval [of the de-20 partment].

(b) A state agency may construct or purchase a telecommunications system without the department's prior approval if the state agency demonstrates that the state agency will realize cost savings by constructing or purchasing the telecommunications system through contracts with private vendors. The state agency shall coordinate with the department to ensure that the telecommunications system the state agency constructs or purchases will operate with existing state agency telecommunications systems.

(2) The department shall coordinate the consolidation and operation of emergency telecommu nications systems used by the state and state agencies. The provisions of this section [shall not be
 construed to require consolidation of] do not require consolidating telecommunications systems used
 by emergency service providers, as defined by the department, into nonemergency networks.

31 SECTION 5. ORS 283.510 is amended to read:

32 283.510. (1) As used in this section:

(a) "Advanced digital communications" means equipment, facilities and capability to distribute
 digital communications signals for the transmission of voice, data, image and video over distance.

(b) "Telecommunications provider" means any person capable of providing advanced digital
communications including, but not limited to, a telecommunications utility as defined in ORS
759.005, a competitive telecommunications provider as defined in ORS 759.005, a cable television
provider or an interstate telecommunications provider.

(2) Notwithstanding ORS chapters 279A, 279B and 279C, the Oregon Department of Administrative Services by contract shall acquire an advanced digital communications network and related
services from telecommunications providers or a consortium of [such] telecommunications providers. Contracts under this section [shall] must provide that the contracting provider retains all
responsibility for [construction, installation, operation and maintenance of the network shall remain
with the contracting provider] constructing, installing, operating and maintaining the network.
(3) Upon installation of an advanced digital communications network, the Oregon Department

of Administrative Services shall [*provide all*] coordinate telecommunications services and operations for the state and [*its*] state agencies. The department shall [*not approve the procurement of any*] consult with a state agency that procures a telecommunications system or equipment to ensure that the telecommunications system or equipment [*that is incompatible with the network*] is compatible with the network.

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SECTION 6. ORS 283.520 is amended to read:

283.520. (1) For the purposes of ORS 283.500 to 283.520, the Oregon Department of Administra-7 tive Services or a state agency may enter into a contract or contracts with telecommunications 8 9 service providers and equipment manufacturers for [the purchase, use or operation of] purchasing, 10 using or operating telecommunications equipment and services for a period not to exceed 10 years. (2) For purposes of ORS 291.038 (7), the Oregon Department of Administrative Services may 11 12 extend the benefits of telecommunications contracts for networks, equipment and services to 13 nonprofit organizations that [have been designated] the department designates as communities of interest. 14

15 **SECTION 7.** ORS 291.038 is amended to read:

16291.038. (1) [The planning, acquisition, installation and use of] An Information Resources Management Council shall direct policy and coordinate planning, acquisition, installation and 17 18 use of all information and telecommunications technology by state government and agencies of state 19 government [shall be coordinated] so that statewide and individual agencies' plans and activities[, 20as well as those of individual agencies,] are addressed in the most integrated, economic and efficient manner. [To provide policy direction for and coordination of information technology for state govern-2122ment,] The Director of the Oregon Department of Administrative Services shall chair and appoint 23not fewer than five agency executives to [an] the [Information Resources Management] council. The council membership shall include at least two members who represent the private sector and poli-2425tical subdivisions of the state.

(2)(a) To facilitate accomplishment of the purpose set forth in subsection (1) of this section, the 2627Oregon Department of Administrative Services shall adopt model rules, policies and standards to [plan for, acquire, implement and manage] guide state agencies in planning for, acquiring, im-28plementing and managing the state's information resources. In developing rules, policies and 2930 standards, the department shall consult with state agencies that have needs that information re-31 sources may satisfy and shall provide for a process by which a state agency may demonstrate that the state agency can achieve cost savings by acquiring information resources and 32technology from private vendors. State agencies shall cooperate with the department in preparing 33 34 and complying with the model rules, policies and standards. The department shall formulate the 35 **model** rules, policies and standards [*must be formulated*] to promote electronic communication and information sharing among state agencies and programs, between state and local governments and 36 37 with the public where appropriate.

(b) A state agency may adopt the state agency's own rules for planning for, acquiring,
 implementing and managing the state agency's information resources and technology if the
 state agency:

(A) States specifically that the model rules the department adopts under paragraph (a)
 of this subsection do not apply to the state agency; and

(B) Adopts rules that the state agency will use to plan for, acquire, implement and
 manage the state agency's information resources and technology, which may include
 portions of the department's rules. Rules that govern the state agency's acquisition of in-

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formation resources and technology must comply with the Public Contracting Code. Rules

2 that a state agency adopts under this paragraph shall provide that to the extent that ac-3 quiring, implementing and managing the state agency's information resources and technol-

ogy by means of contracts with private contractors results in cost savings for the state
 agency, the state agency may procure contracts that will do so.

(3) The department and state agencies shall formulate rules, policies, plans, standards and 6 specifications [must be formulated] to ensure that information resources fit together in a statewide 7 system capable of providing ready access to information, computing or telecommunication resources. 8 9 Plans and specifications the department or a state agency adopts must be based on industry standards for open systems to the greatest extent possible. Before adopting rules described in subsection 10 (2) of this section, the department or a state agency shall present the proposed rules to the ap-11 12 propriate legislative committee. The department has the responsibility to review, oversee and ensure 13 that state agencies' **rules and** planning, acquisition and implementation activities align with and support the statewide information resources management plan. [The department is responsible for 14 15 procuring information technology fairly, competitively and in a manner that is consistent with the 16 department's rules.]

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

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

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

(b) The department shall establish [*the*] statewide integrated videoconferencing and statewide online access user fees, services, delivery, rates and long range plans in consultation with the Stakeholders Advisory Committee created [*pursuant to*] **under** this section. The rates [*shall*] **must** reflect the department's cost in providing the service.

32 (c) The department by rule shall restrict the department's furnishing or delivery of Internet ac-33 cess service to private entities [*when*] if the **department's** service would directly compete with two 34 or more local established providers of Internet access services within the local exchange telecom-35 munications service area.

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

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

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

45 (c) The term of office of each member is three years, but a member serves at the sole discretion

1 of the director. The director shall appoint a successor to a member before the member's term ex-

2 pires. A member is eligible for reappointment. If a position on the committee is vacant for any cause,

the director shall make an appointment to the position that is immediately effective for the unex-pired term.

5 (d) A member of the committee is entitled to travel expenses pursuant to ORS 292.495. Members 6 of the committee are not entitled to compensation.

7 (e) The director may establish additional advisory and technical committees as the director 8 considers necessary to aid and advise the Stakeholders Advisory Committee in the performance of 9 the committee's functions.

10 (f) The director may delegate to the State Chief Information Officer a duty, function or power 11 that this subsection imposes upon the director.

12 (7) An organization or organizations recognized as tax exempt under section 501(c)(3) of the 13 Internal Revenue Code that primarily conduct activities for the direct good or benefit of the public or community at large in providing educational, economic development, health care, human services, 14 15public safety, library or other public services and have formed an affiliation with one or more fed-16 eral, state or local governmental units within this state may apply to the department for designation as a community of interest. The application must be in the form prescribed by the department and 17 18 contain information regarding the governmental affiliation relationship, the tax exempt status of 19 each organization and the public benefit services [to be provided] the organization provides or 20intends to provide. The department shall establish an application review and appeal process to ensure that designating the organizations as a community of interest for the purposes of including 2122the organization in telecommunications contracts under ORS 283.520 will result in providing educa-23tional, medical, library or other services for public benefit.

(8) This section does not apply to the State Board of Higher Education or any public university
 listed in ORS 352.002.

26 (9) As used in this section:

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

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

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

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

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

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

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

42 (h) "Statewide online access" means electronic connectivity to information resources such as 43 computer conferencing, electronic mail, databases and Internet access.

44 **SECTION 8.** ORS 291.990 is amended to read:

45 291.990. (1) If a person incurs or orders or votes to incur an obligation in violation of a provision

1 of the statutes listed in subsection (4) of this section, the person and the sureties on the person's

2 bond are jointly and severally liable for the violation to the person in whose favor the obligation 3 was incurred.

4 (2) Upon certification by the Oregon Department of Administrative Services that a state officer 5 or employee of a state agency has failed or refused to comply with an order, rule or regulation the 6 department made in accordance with the statutes listed in subsection (4) of this section, the salary 7 of the officer or employee may not be paid until the order, rule or regulation is complied with.

8 (3) A violation of a provision of a statute listed in subsection (4) of this section is a Class A 9 violation.

10(4) Subsections (1) to (3) of this section apply to ORS 279A.140, 279A.280, 279B.270, 283.020,11283.110, 283.140, [283.143,] 283.305 to 283.390, 291.001 to 291.034, 291.201 to 291.222, 291.232 to12291.260, 291.307, 292.220 and 292.230.

SECTION 9. Section 41a, chapter 637, Oregon Laws 2011, is amended to read:

Sec. 41a. Notwithstanding ORS 351.086 (1) as amended by section 41, chapter 637, Oregon
Laws 2011 [of this 2011 Act], ORS chapter 278 and ORS 283.100, 283.110, 283.120, 283.130, 283.140,
[283.143,] 283.305 to 283.350, 283.415 to 283.425, 283.500 to 283.520 and 283.524 apply to the Oregon
University System prior to July 1, 2012.

18 SECTION 10. ORS 283.143 is repealed.

<u>SECTION 11.</u> The amendments to ORS 279A.050, 283.130, 283.140, 283.505, 283.510, 283.520, 291.038 and 291.990 and section 41a, chapter 637, Oregon Laws 2011, by sections 1 to 9 of this 2013 Act and the repeal of ORS 283.143 by section 10 of this 2013 Act apply to public contracts 22 that a state agency first advertises or otherwise solicits or, if the state agency does not ad-23 vertise or solicit the public contract, to a public contract that the state agency first enters 24 into on or after the operative date specified in section 12 of this 2013 Act.

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 SECTION 12.
 (1) The amendments to ORS 279A.050, 283.130, 283.140, 283.505, 283.510,

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 283.520, 291.038 and 291.990 and section 41a, chapter 637, Oregon Laws 2011, by sections 1 to

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 9 of this 2013 Act and the repeal of ORS 283.143 by section 10 of this 2013 Act become oper

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 ative January 1, 2014.

(2) The Director of the Oregon Department of Administrative Services or a state agency 2930 that adopts rules under ORS 279A.065 may take any action before the operative date specified 31 in subsection (1) of this section that is necessary to enable the director or the state agency to exercise, on and after the operative date specified in subsection (1) of this section, all of 32the duties, functions and powers conferred on the director or the state agency by the 33 34 amendments to ORS 279A.050, 283.130, 283.140, 283.505, 283.510, 283.520, 291.038 and 291.990 and section 41a, chapter 637, Oregon Laws 2011, by sections 1 to 9 of this 2013 Act and the repeal 35 of ORS 283.143 by section 10 of this 2013 Act. 36

37 <u>SECTION 13.</u> This 2013 Act being necessary for the immediate preservation of the public 38 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect 39 on its passage.

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