

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 4122 - A**Seventy-Seventh Oregon Legislative Assembly – 2014 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Requires state contracting agency or public corporation that undertakes an information technology initiative procurement with a contract price that exceeds \$5 million or meets other criteria to procure quality management services from qualified contractor; requires that a contract for quality management services contain a provision requiring contractor to provide copies of written reports to the State Chief Information Officer, the Director of the Department of Administrative Services, and to the director, commission or board, or governing body of the contracting agency or public corporation.

Government Unit(s) Affected:

Department of Administrative Services (DAS), Department of Aviation, Department of Corrections, Department of Education, Department of Human Services (DHS), Department of Veterans' Affairs, Housing and Community Services Department, Oregon Department of Fish and Wildlife (ODFW), Oregon Department of Transportation (ODOT), Oregon Health Authority (OHA), Oregon Health Sciences University (OHSU), Oregon Military Department, Oregon Parks and Recreation Department (OPRD), Secretary of State

Summary of Expenditure Impact:

Please see analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure defines two types of quality assurance contracts and requires contracting agencies and public corporations to separately procure quality management services for each "information technology initiative" procurement that exceeds \$5 million, or meets at least three of a number of other qualifiers. The measure also makes it an option for contracting agencies and public corporations to separately procure preliminary quality assurance services for those same qualified contracts.

The exact number of contracts that will be undertaken in the future by contracting agencies that meet the enumerated qualifiers in the bill is unknown. The dollar amount qualifiers may be of little consequence in calculation of number of contracts affected since the additional qualifiers provide broad enough definitions to include a large number of procurements, especially Information Technology, Software as Services contracts, and statewide master agreements administered by the Department of Administrative Services. Of the contracts that become subject to the provisions of the bill, contracting agencies generally acknowledge that there will be an additional cost to procure the quality assurance services, but that amount is unknown. Agencies anticipating applicable procurements estimate an average additional cost of 10% of the cost of the underlying contract amount is likely. This is commensurate with other professional services contracts such as architecture and engineering.