

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	9 - 0 - 0
Yeas:	Doherty, Johnson, Keny-Guyer, Lively, Richardson, Smith, Thatcher, Vega Pederson, Holvey
Nays:	0
Exc.:	0
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	2/6, 2/13

WHAT THE MEASURE DOES: Requires state contracting agencies and public corporations to obtain quality management services from a qualified contractor on information technology (IT) initiative exceeding \$5 million or if IT initiative meets three of more of specified criteria. Requires quality management services contractors to provide a copy of the report to the State Chief Information Officer (CIO), Director of Department of Administrative Services (DAS), and, as appropriate, the director of the state contracting agency, board or commission. Requires state contracting agencies and public corporations to consult with DAS Director and follow DAS policies and procedures to determine the extent of quality management services or preliminary quality assurance services required for an IT initiative. Allows state contracting agencies and public corporations to procure preliminary quality management services if the procurement meets standards described above or if it otherwise believes the preliminary quality assurance services will enable it to implement an IT initiative successfully. Provides exemption from requirement that state contracting agency not accept bid or proposal from a contractor that assisted in developing the specifications or solicitation documents for the bid or proposal for certain quality management services. Requires bidders and proposers to submit affidavit that attests the bidder or proposer has complied with state and local tax laws. Becomes operative July 1, 2014. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Desire to have mandatory oversight for certain IT projects
- Need to keep key people in the information loop as IT project progresses
- Desire to prevent tax evaders from obtaining procurement contracts
- Approximate number of IT projects that will receive mandatory oversight
- Agencies that will continue to be exempt from general statutory procurement requirements

EFFECT OF COMMITTEE AMENDMENT: Replaces Section 2 of original measure. Defines “information technology initiative.” Requires state contracting agencies and public corporations to obtain quality management services from a qualified contractor on IT initiative exceeding \$5 million or if IT initiative meets three of more of specified criteria. Prohibits artificially dividing or fragmenting an IT initiative so as to avoid the certain requirements. Requires quality management services contractors to provide a copy of the report to the State CIO, Director of DAS, and, as appropriate, the director of the state contracting agency, board or commission. Requires the report be provided at the same time the contractor provides the report to the contract administrator. Requires state contracting agencies and public corporations to consult with DAS Director and follow DAS policies and procedures to determine the extent of quality management services or preliminary quality assurance services required for an IT initiative. Deletes requirement that bidder or proposer has paid all taxes and instead requires bidder or proposer to have complied with state and local tax laws. Requires bidder or proposer to submit affidavit that attests bidder or proposer has complied with state and local tax laws.

BACKGROUND: The process that contracting agencies follow when procuring goods and services are governed by statute, agency policy, and agency administrative rules. In most cases, agencies, boards, and commissions are required to follow the policies and administrative rules adopted by the Department of Administrative Services. Some agencies (such as the Oregon Health Authority) and all public corporations (such as Cover Oregon) are currently exempted from this requirement.

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This summary has not been adopted or officially endorsed by action of the committee.