

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass with Amendments to the A-Engrossed Measure. (Printed B-Engrossed)

Vote: 5 - 0 - 0

Yeas: Beyer, Burdick, Ferrioli, Starr, Rosenbaum

Nays: 0

Exc.: 0

Prepared By: Jan Nordlund, Administrator

Meeting Dates: 2/27

WHAT THE MEASURE DOES: Requires state contracting agencies and public corporations to obtain quality management services (QMS) from qualified contractor on information technology (IT) initiative exceeding \$5 million or if IT initiative meets criteria or standards set by State Chief Information Officer (CIO) or Director of Department of Administrative Services (DAS). Prohibits disaggregating large initiative to avoid QMS requirements. Requires QMS contractor to provide copy of preliminary and final reports to CIO, DAS Director, and appropriate agency director, board, commission or governing body. Requires state contracting agencies and public corporations to consult with CIO and DAS Director and follow CIO and DAS policies and procedures to determine extent of quality management services or preliminary quality assurance services required for IT initiative. Provides exemption from requirement that state contracting agency not accept bid or proposal from contractor that assisted in developing specifications or solicitation documents for bid or proposal for certain QMS. Requires bidders and proposers to submit affidavit that attests bidder or proposer has complied with state and local tax laws. Becomes operative July 1, 2014. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- How past IT initiatives could have benefited from QMS and wider distribution of reports
- Ability of Legislative Fiscal Office to access reports prepared by QMS contractor
- Whether Legislative Assembly should receive reports from QMS contractor
- Whether large projects can be disaggregated to avoid provisions of the measure
- Importance of oversight from early development phase through completion
- Exemption for Secretary of State and State Treasurer

EFFECT OF COMMITTEE AMENDMENT: Modifies definitions for information technology initiative and quality management services. Requires QMS contract on any IT initiative that meets criteria or standards set by CIO or DAS Director. Requires state contracting agencies and public corporations to also consult with CIO and follow CIO policies and procedures to determine extent of quality management services or preliminary quality assurance services required for IT initiative. Provides CIO with rulemaking authority to implement provisions of measure.

BACKGROUND: The process that contracting agencies follow when procuring goods and services is 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 DAS. Some agencies (such as the Oregon Health Authority) are currently exempt from this requirement.

House Bill 4122-B requires independent quality assurance review of IT initiatives and the distribution of preliminary and final reports to the State CIO, DAS Director, and the appropriate agency director, board, commission or governing body. Provisions apply to executive branch state agencies and public corporations even if an entity is exempt from the Public Contracting Code under ORS 279A.050 (2) or (7). The measure also requires any bidder or proposer on a procurement under ORS 279B to submit an affidavit attesting the bidder or proposer has complied with the state and local tax laws.

2/28/2014 10:05:00 AM

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