

## SENATE AMENDMENTS TO SENATE BILL 7

By COMMITTEE ON HEALTH CARE

March 31

1 On page 1 of the printed bill, line 3, delete “413.450,” and after “475.225” insert “and section  
2 1, chapter 77, Oregon Laws 2014”.

3 On page 3, line 14, delete the second comma and restore “or”.

4 In line 15, delete the boldfaced material and insert a semicolon.

5 Delete lines 22 through 26 and insert:

6 “(c) If the director has established a price agreement for goods, services or personal services,  
7 a state agency identified in subsection (3) or (6)(a) to (k) of this section may not establish a price  
8 agreement or enter into a contract for the goods, services or personal services without the approval  
9 of the director.”.

10 After line 32, insert:

11 “(3) In addition to the procurement authority granted by ORS 279A.050 (6)(b) and except as  
12 provided in ORS 279A.050 (7), the director has all powers necessary to effectively and expeditiously  
13 carry out the duties, functions and powers vested in the authority by ORS 413.032.”.

14 On page 4, lines 16 through 19, restore the bracketed material and delete the boldfaced material.

15 In line 25, restore “(5)” and delete “(4)”.

16 Delete lines 30 through 45.

17 On page 5, delete lines 1 through 8.

18 In line 9, delete “4” and insert “3”.

19 In line 28, delete “5” and insert “4”.

20 On page 6, after line 17, insert:

21 “**SECTION 5.** Section 1, chapter 77, Oregon Laws 2014, is amended to read:

22 “**Sec. 1.** (1) As used in this section:

23 “(a)(A) ‘Information technology initiative’ means a project to develop or provide, with the state  
24 contracting agency’s or public corporation’s own personnel and resources, or to obtain by means of  
25 a procurement or set of related procurements:

26 “(i) New hardware, software or services for data processing, office automation or telecommuni-  
27 cations;

28 “(ii) An overhaul, upgrade or replacement of a substantial portion of the hardware or software  
29 in an existing data processing, office automation or telecommunications system; or

30 “(iii) A substantial expansion of existing data processing, office automation or telecommuni-  
31 cations services.

32 “(B) ‘Information technology initiative’ does not include:

33 “(i) A procurement for preliminary quality assurance services or quality management services;

34 “(ii) A routine update to or purchase of hardware or software within an existing data process-  
35 ing, office automation or telecommunications system;

1 “(iii) A renewal of an existing contract for data processing, office automation or telecommuni-  
2 cations services under terms and conditions that are substantially the same as in the existing con-  
3 tract; or

4 “(iv) A replacement of a component of an existing data processing, office automation or tele-  
5 communications system that is not essential for the system to function as designed or that occurs  
6 at the end of the component’s anticipated life cycle.

7 “(b) ‘Preliminary quality assurance services’ means a set of services in which a contractor pro-  
8 vides an independent and objective review of a state contracting agency’s or a public corporation’s  
9 plans, specifications, estimates, documentation, available resources and overall purpose for an in-  
10 formation technology initiative, including services in which the contractor evaluates a proposed in-  
11 formation technology initiative against applicable quality standards and best practices from private  
12 industry and other sources.

13 “(c) ‘Procurement’ has the meaning given that term in ORS 279A.010.

14 “(d)(A) ‘Public corporation’ means a corporation:

15 “(i) The operations of which are subject to control by this state or by an agency or  
16 instrumentality of this state, or by officers of this state or of an agency or instrumentality of this  
17 state;

18 “(ii) That is organized, at least in part, to serve a public purpose; and

19 “(iii) That receives public funds or other support from an entity described in sub-subparagraph  
20 (i) of this subparagraph.

21 “(B) ‘Public corporation’ does not include:

22 “(i) A person or entity described in ORS 174.108 (3);

23 “(ii) A city, county, local service district, school district, education service district, community  
24 college district or community college service district or a university with a governing board listed  
25 in ORS 352.054; or

26 “(iii) An administrative subdivision of an entity described in sub-subparagraph (ii) of this sub-  
27 paragraph.

28 “(e) ‘Quality management services’ means a set of services in which a contractor provides an  
29 independent and objective review and evaluation of a state contracting agency’s, a public  
30 corporation’s or another contractor’s performance with respect to an information technology initi-  
31 ative, such as services in which the contractor:

32 “(A) Identifies quality standards that apply or should apply to the information technology initi-  
33 ative;

34 “(B) Suggests methods and means by which the state contracting agency, the public corporation  
35 or the other contractor may meet quality standards identified in subparagraph (A) of this paragraph;

36 “(C) Reviews and evaluates the state contracting agency’s, the public corporation’s or the other  
37 contractor’s performance regularly as the information technology initiative progresses from start to  
38 finish;

39 “(D) Identifies omissions or gaps in the state contracting agency’s, the public corporation’s or  
40 the other contractor’s planning, execution, control, methodology, communication or reporting as the  
41 information technology initiative progresses from start to finish;

42 “(E) Identifies risks in the state contracting agency’s, the public corporation’s or the other  
43 contractor’s plans or approach to designing, developing or implementing the information technology  
44 initiative and suggests methods to reduce, mitigate or eliminate the risks;

45 “(F) Assists the state contracting agency or the public corporation in testing or otherwise

1 evaluating the hardware, software or services that are developed, provided or obtained as part of  
2 an information technology initiative to determine whether the hardware, software or services con-  
3 form with the quality standards identified in subparagraph (A) of this paragraph;

4 “(G) Advises the state contracting agency or the public corporation as to whether the hardware,  
5 software or services that are developed, provided or obtained as part of an information technology  
6 initiative meet the contracting agency’s or the public corporation’s needs, specifications or expect-  
7 ations and otherwise enable the state contracting agency or the public corporation to achieve the  
8 objectives for the information technology initiative; or

9 “(H) Identifies unsatisfactory performance and suggests methods the state contracting agency,  
10 the public corporation or the other contractor might use to eliminate the causes of unsatisfactory  
11 performance.

12 “(f) ‘State contracting agency’ has the meaning given that term in ORS 279A.010.

13 “(2)(a) A state contracting agency or a public corporation that implements an information  
14 technology initiative shall obtain quality management services from a qualified contractor if the  
15 value of the information technology initiative exceeds \$5 million or if the information technology  
16 initiative meets criteria or standards that the State Chief Information Officer or the Director of the  
17 Oregon Department of Administrative Services specifies by rule or policy.

18 “(b) A state contracting agency or public corporation may, subject to ORS 279B.040, procure  
19 preliminary quality assurance services from a contractor if the information technology initiative  
20 meets the standards set forth in paragraph (a) of this subsection or if the state contracting agency  
21 or public corporation otherwise believes that the preliminary quality assurance services will enable  
22 the contracting agency or public corporation to implement an information technology initiative  
23 successfully.

24 “(3) A state contracting agency or public corporation may not artificially divide or fragment an  
25 information technology initiative so as to avoid the application of this section.

26 “(4)(a) Notwithstanding any procurement authority that a state contracting agency or a public  
27 corporation has that is not subject to the authority of the Director of the Oregon Department of  
28 Administrative Services under ORS 279A.050 (2) or (7), the state contracting agency or public cor-  
29 poration is subject to the provisions of subsection (2) of this section and shall consult with and fol-  
30 low the rules, policies and procedures of the State Chief Information Officer and the Oregon  
31 Department of Administrative Services in determining the extent of preliminary quality assurance  
32 services or quality management services that the state contracting agency or public corporation will  
33 require for an information technology initiative.

34 “(b) [*Notwithstanding the Oregon Health Authority’s exemption in ORS 279A.050 (7) from the au-*  
35 *thority that the Oregon Department of Administrative Services has over all state agency information*  
36 *technology procurements,*] The Oregon Health Authority shall consult with and follow the rules,  
37 policies and procedures of the State Chief Information Officer and the Oregon Department of Ad-  
38 ministrative Services in determining the extent of preliminary quality assurance services or quality  
39 management services that the state contracting agency or public corporation will require for an  
40 information technology initiative.

41 “(5)(a) If a state contracting agency or a public corporation awards a contract for preliminary  
42 quality assurance services or quality management services, the contract must provide that at the  
43 same time a contractor provides a preliminary or final report to the contract administrator, the  
44 contractor shall also provide a copy of the report to:

45 “(A) The State Chief Information Officer;

1       “(B) The Director of the Oregon Department of Administrative Services; and  
2       “(C) As appropriate for the specific information technology initiative, to:  
3       “(i) The director of the state contracting agency or, if a board or commission sets policy for the  
4 state contracting agency, to the board or commission; or  
5       “(ii) The governing body of the public corporation.  
6       “(b) The state contracting agency or public corporation shall provide the contractor with names,  
7 addresses and other contact information the contractor needs to comply with paragraph (a) of this  
8 subsection.  
9       “(6) This section does not apply to the Secretary of State or the State Treasurer.”  
10       In line 18, delete “413.450,” and after “475.225” insert “and section 1, chapter 77, Oregon Laws  
11 2014,”.  
12       In line 22, delete “413.450,” and after “475.225” insert “and section 1, chapter 77, Oregon Laws  
13 2014,”.  
14       In line 28, delete “413.450,”.  
15       In line 29, after “475.225” insert “and section 1, chapter 77, Oregon Laws 2014,”.  
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