

**PROPOSED AMENDMENTS TO
SENATE BILL 7**

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

3 On page 3, line 14, delete the first comma and insert “or” and before
4 “personal” insert “including”.

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

6 Delete lines 22 through 26 and insert:

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

12 After line 32, insert:

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

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

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

20 Delete lines 30 through 45.

21 On page 5, delete lines 1 through 8.

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

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

2 On page 6, after line 17, insert:

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

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

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

10 “(i) New hardware, software or services for data processing, office auto-
11 mation or telecommunications;

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

15 “(iii) A substantial expansion of existing data processing, office auto-
16 mation or telecommunications services.

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

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

20 “(ii) A routine update to or purchase of hardware or software within an
21 existing data processing, office automation or telecommunications system;

22 “(iii) A renewal of an existing contract for data processing, office auto-
23 mation or telecommunications services under terms and conditions that are
24 substantially the same as in the existing contract; or

25 “(iv) A replacement of a component of an existing data processing, office
26 automation or telecommunications system that is not essential for the system
27 to function as designed or that occurs at the end of the component’s antic-
28 ipated life cycle.

29 “(b) ‘Preliminary quality assurance services’ means a set of services in
30 which a contractor provides an independent and objective review of a state

1 contracting agency's or a public corporation's plans, specifications, esti-
2 mates, documentation, available resources and overall purpose for an infor-
3 mation technology initiative, including services in which the contractor
4 evaluates a proposed information technology initiative against applicable
5 quality standards and best practices from private industry and other sources.

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

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

8 “(i) The operations of which are subject to control by this state or by an
9 agency or instrumentality of this state, or by officers of this state or of an
10 agency or instrumentality of this state;

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

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

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

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

16 “(ii) A city, county, local service district, school district, education ser-
17 vice district, community college district or community college service district
18 or a university with a governing board listed in ORS 352.054; or

19 “(iii) An administrative subdivision of an entity described in sub-
20 subparagraph (ii) of this subparagraph.

21 “(e) ‘Quality management services’ means a set of services in which a
22 contractor provides an independent and objective review and evaluation of
23 a state contracting agency's, a public corporation's or another contractor's
24 performance with respect to an information technology initiative, such as
25 services in which the contractor:

26 “(A) Identifies quality standards that apply or should apply to the infor-
27 mation technology initiative;

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

1 “(C) Reviews and evaluates the state contracting agency’s, the public
2 corporation’s or the other contractor’s performance regularly as the infor-
3 mation technology initiative progresses from start to finish;

4 “(D) Identifies omissions or gaps in the state contracting agency’s, the
5 public corporation’s or the other contractor’s planning, execution, control,
6 methodology, communication or reporting as the information technology in-
7 itiative progresses from start to finish;

8 “(E) Identifies risks in the state contracting agency’s, the public
9 corporation’s or the other contractor’s plans or approach to designing, de-
10 veloping or implementing the information technology initiative and suggests
11 methods to reduce, mitigate or eliminate the risks;

12 “(F) Assists the state contracting agency or the public corporation in
13 testing or otherwise evaluating the hardware, software or services that are
14 developed, provided or obtained as part of an information technology initi-
15 ative to determine whether the hardware, software or services conform with
16 the quality standards identified in subparagraph (A) of this paragraph;

17 “(G) Advises the state contracting agency or the public corporation as to
18 whether the hardware, software or services that are developed, provided or
19 obtained as part of an information technology initiative meet the contracting
20 agency’s or the public corporation’s needs, specifications or expectations and
21 otherwise enable the state contracting agency or the public corporation to
22 achieve the objectives for the information technology initiative; or

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

26 “(f) ‘State contracting agency’ has the meaning given that term in ORS
27 279A.010.

28 “(2)(a) A state contracting agency or a public corporation that implements
29 an information technology initiative shall obtain quality management ser-
30 vices from a qualified contractor if the value of the information technology

1 initiative exceeds \$5 million or if the information technology initiative meets
2 criteria or standards that the State Chief Information Officer or the Director
3 of the Oregon Department of Administrative Services specifies by rule or
4 policy.

5 “(b) A state contracting agency or public corporation may, subject to ORS
6 279B.040, procure preliminary quality assurance services from a contractor
7 if the information technology initiative meets the standards set forth in
8 paragraph (a) of this subsection or if the state contracting agency or public
9 corporation otherwise believes that the preliminary quality assurance ser-
10 vices will enable the contracting agency or public corporation to implement
11 an information technology initiative successfully.

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

15 “(4)(a) Notwithstanding any procurement authority that a state contract-
16 ing agency or a public corporation has that is not subject to the authority
17 of the Director of the Oregon Department of Administrative Services under
18 ORS 279A.050 (2) or (7), the state contracting agency or public corporation
19 is subject to the provisions of subsection (2) of this section and shall consult
20 with and follow the rules, policies and procedures of the State Chief Infor-
21 mation Officer and the Oregon Department of Administrative Services in
22 determining the extent of preliminary quality assurance services or quality
23 management services that the state contracting agency or public corporation
24 will require for an information technology initiative.

25 “(b) [*Notwithstanding the Oregon Health Authority’s exemption in ORS*
26 *279A.050 (7) from the authority that the Oregon Department of Administrative*
27 *Services has over all state agency information technology procurements,]* The
28 Oregon Health Authority shall consult with and follow the rules, policies
29 and procedures of the State Chief Information Officer and the Oregon De-
30 partment of Administrative Services in determining the extent of preliminary

1 quality assurance services or quality management services that the state
2 contracting agency or public corporation will require for an information
3 technology initiative.

4 “(5)(a) If a state contracting agency or a public corporation awards a
5 contract for preliminary quality assurance services or quality management
6 services, the contract must provide that at the same time a contractor pro-
7 vides a preliminary or final report to the contract administrator, the con-
8 tractor shall also provide a copy of the report to:

9 “(A) The State Chief Information Officer;

10 “(B) The Director of the Oregon Department of Administrative Services;
11 and

12 “(C) As appropriate for the specific information technology initiative, to:

13 “(i) The director of the state contracting agency or, if a board or com-
14 mission sets policy for the state contracting agency, to the board or com-
15 mission; or

16 “(ii) The governing body of the public corporation.

17 “(b) The state contracting agency or public corporation shall provide the
18 contractor with names, addresses and other contact information the con-
19 tractor needs to comply with paragraph (a) of this subsection.

20 “(6) This section does not apply to the Secretary of State or the State
21 Treasurer.”.

22 In line 18, delete “413.450,” and after “475.225” insert “and section 1,
23 chapter 77, Oregon Laws 2014,”.

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25 chapter 77, Oregon Laws 2014,”.

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