

SB 87 A STAFF MEASURE SUMMARY

Joint Committee On Information Management and Technology

Action Date: 04/13/17

Action: Do pass with amendments. Refer to Ways and Means by prior reference. (Printed A-Eng).

Senate Vote

Yeas: 3 - DeBoer, Linthicum, Riley

House Vote

Yeas: 2 - Nathanson, Nearman

Exc: 1 - Clem

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Sean McSpaden, Committee Coordinator

WHAT THE MEASURE DOES:

Allows State Chief Information Officer (CIO) to relieve state contracting agencies and public corporations from obligation to obtain quality management services when implementing information technology initiatives in excess of \$5 million, and permits State CIO to require such services for information technology initiatives under \$5 million. Requires State CIO to submit a report to Legislative Fiscal Officer by December 31 of each year that identifies information technology initiatives for which the value exceeds \$5 million and State CIO determines that quality management services are not necessary. Applicable to advertised information technology initiatives, and to unadvertised information technology initiatives implemented on or after the effective date.

ISSUES DISCUSSED:

- Ability of State CIO to build capability to provide quality management services via internal staff within the office of the State CIO.
- Need for state agencies to adapt agency business processes to conform to capabilities available within commercially available Off the Shelf software products.
- Cost of independent quality management services; potential to lower overall costs of information technology initiatives if internal staff provide quality management services for lower risk initiatives.
- Importance of independent quality management services and the need to build internal capacity to provide quality management services for certain lower risk initiatives.
- Impact of the measure on the time it may take to obtain quality management services (internal vs. contractor) for lower risk initiatives.

EFFECT OF AMENDMENT:

Requires State Chief Information Officer to submit a report to the Legislative Fiscal Officer by December 31 of each year that identifies information technology initiatives for which the value exceeds \$5 million and State CIO determines that quality management services are not necessary.

BACKGROUND:

Current law, ORS 291.035, requires state contracting agencies and public corporations to obtain quality management services from qualified contractors when they implement information technology initiatives in excess of \$5 million, or that meet standards set by the State Chief Information Officer. Some information technology initiatives in excess of \$5 million are lower risk initiatives that could be overseen effectively by internal staff within the office of the State CIO at lower cost. Conversely, some information technology initiatives with estimated costs under \$5 million have higher risks that may warrant the use of independent quality management services. SB 87 permits the State Chief Information Officer to exercise discretion, to relieve entities from obtaining quality management services for initiatives in excess of \$5 million, or to require such services for initiatives under \$5 million.