

ESHB 3178 - S COMM AMD  
By Committee on Ways & Means

ADOPTED AS AMENDED 03/10/2010

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 43.105  
4 RCW to read as follows:

5 (1) The legislature finds that the provision of information  
6 technology in state government lacks strategic coordination,  
7 transparency, and meaningful enterprise-wide direction and oversight.  
8 It is no longer economically sustainable or technically feasible for  
9 state agencies to obtain and provide large-scale, commonly utilized  
10 information technology products and services on an individual, agency-  
11 by-agency basis without coordination. Instead, the state needs a  
12 strong, enterprise-based information technology strategy to ensure the  
13 public's needs are being met and the state is receiving the highest  
14 quality information technology products and services at the best price  
15 from public or private providers. Developing a strong enterprise-wide  
16 strategy also includes establishing clear lines of authority and  
17 accountability within state agencies so that those services unique to  
18 individual agencies receive the support required to effectively and  
19 efficiently provide services to citizens. To accomplish these  
20 objectives, the state needs to develop an open, transparent process for  
21 determining the total cost of ownership for the information technology  
22 products and services it provides, and to provide such information in  
23 an easily accessible, public fashion. It is in the state's interest to  
24 ensure that the wide range of disparate networks, systems, services,  
25 and structures across state government become more closely coordinated,  
26 organized, and structured. This type of coordinating effort is already  
27 underway in the area of higher education through the efforts of the  
28 higher education technology transformation task force and informally  
29 within other areas. When more transparent technical and financial  
30 information is readily available, the state can make sound policy

1 decisions about what information technology services should be provided  
2 centrally on a shared services basis, and what products and services  
3 may be best suited for either contracting with private providers or for  
4 maintenance at the agency level. Furthermore, if attractive pricing  
5 models and service level agreements are developed for enterprise-based  
6 information technology services, the legislative and judicial branches  
7 will have an incentive to participate in those services as well.

8 (2) It is the intent of the legislature to organize, consolidate,  
9 and, where appropriate, contract with private providers for technology  
10 systems and resources in a strategic fashion that is based upon sound,  
11 objective, nonpolitical, and independent technical and financial  
12 criteria. The state needs to develop a clear, enterprise-based  
13 statewide strategy for information technology to ensure that there is  
14 transparency and accountability regarding how information technology  
15 resources are being allocated, how decisions are being made, and who is  
16 accountable for on-time, on-budget delivery.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.105 RCW  
18 to read as follows:

19 (1) State agencies that are purchasing wireless devices or services  
20 must make such purchases through the state master contract, unless the  
21 state agency provides to the office of financial management evidence  
22 that the state agency is securing its wireless devices or services from  
23 another source for a lower cost than through participation in the state  
24 master contract.

25 (2) For the purposes of this section, "state agency" means any  
26 office, department, board, commission, or other unit of state  
27 government, but does not include a unit of state government headed by  
28 a statewide elected official, an institution of higher education as  
29 defined in RCW 28B.10.016, the higher education coordinating board, the  
30 state board for community and technical colleges, or agencies of the  
31 legislative or judicial branches of state government.

32 **Sec. 3.** RCW 43.105.190 and 2005 c 319 s 111 are each amended to  
33 read as follows:

34 (1) The department, with the approval of the board, shall establish  
35 standards and policies governing the planning, implementation, and  
36 evaluation of major information technology projects, including those

1 proposed by the superintendent of public instruction, in conjunction  
2 with educational service districts, or statewide or regional providers  
3 of K-12 education information technology services. The standards and  
4 policies shall:

5 (a) Establish criteria to identify projects which are subject to  
6 this section. Such criteria shall include, but not be limited to,  
7 significant anticipated cost, complexity, or statewide significance of  
8 the project; and

9 (b) Establish a model process and procedures which agencies shall  
10 follow in developing and implementing projects within their information  
11 technology portfolios. Agencies may propose, for approval by the  
12 department, a process and procedures unique to the agency. The  
13 department may accept or require modification of such agency proposals  
14 or the department may reject such agency proposals and require use of  
15 the model process and procedures established under this subsection.  
16 Any process and procedures developed under this subsection shall  
17 require (i) distinct and identifiable phases upon which funding may be  
18 based, (ii) user validation of products through system demonstrations  
19 and testing of prototypes and deliverables, and (iii) other elements  
20 identified by the board.

21 The director may terminate a major project if the director  
22 determines that the project is not meeting or is not expected to meet  
23 anticipated performance standards.

24 (2) The office of financial management shall establish policies and  
25 standards consistent with portfolio-based information technology  
26 management to govern the funding of projects developed under this  
27 section. The policies and standards shall provide for:

28 (a) Funding of a project under terms and conditions mutually agreed  
29 to by the director, the director of financial management, and the head  
30 of the agency proposing the project. However, the office of financial  
31 management may require incremental funding of a project on a phase-by-  
32 phase basis whereby funds for a given phase of a project may be  
33 released only when the office of financial management determines, with  
34 the advice of the department, that the previous phase is satisfactorily  
35 completed;

36 (b) Acceptance testing of products to assure that products perform  
37 satisfactorily before they are accepted and final payment is made; and

1 (c) Other elements deemed necessary by the office of financial  
2 management.

3 (3)(a) The department shall evaluate projects based on the  
4 demonstrated business needs and benefits; cost; technology scope and  
5 feasibility; impact on the agency's information technology portfolio  
6 and on the statewide infrastructure; and final project implementation  
7 plan based upon available funding.

8 (b) Copies of project evaluations conducted under this subsection  
9 shall be submitted to the office of financial management and the  
10 chairs, ranking minority members, and staff coordinators of the  
11 appropriations committees of the senate and house of representatives.

12 (c) If there are projects that receive funding from a  
13 transportation fund or account, copies of those projects' evaluations  
14 conducted under this subsection must be submitted to the chairs and  
15 ranking minority members of the transportation committees of the senate  
16 and the house of representatives.

17 (4) For the 2009-2011 biennium, the following limitations are  
18 established upon information technology procurement:

19 (a) Except as provided in (c) of this subsection, state agencies  
20 are not permitted to purchase or implement new information technology  
21 projects without securing prior authorization from the office of  
22 financial management. The office of financial management may only  
23 approve information technology projects that contribute towards an  
24 enterprise strategy or meet a critical, localized need of the  
25 requesting agency.

26 (b) Except as provided in (c) of this subsection, state agencies  
27 are not permitted to purchase servers, virtualization software, data  
28 storage, or related software through their operational funds or through  
29 a separate information technology budget item without securing prior  
30 authorization from the office of financial management. The office of  
31 financial management shall grant approval only if the purchase is  
32 consistent with the state's overall migration strategy to the state  
33 data center and critical to the operation of the agency.

34 (c) State agencies may purchase new information technology projects  
35 or servers without securing prior authorization from the office of  
36 financial management if the purchase by the agency is needed to address  
37 an immediate and compelling threat to public safety.

1        (d) For the purposes of this subsection (4), "state agency" means  
2 any office, department, board, commission, or other unit of state  
3 government, but does not include a unit of state government headed by  
4 a statewide elected official, an institution of higher education as  
5 defined in RCW 28B.10.016, the higher education coordinating board, the  
6 state board for community and technical colleges, or agencies of the  
7 legislative or judicial branches of state government.

8        NEW SECTION. Sec. 4. A new section is added to chapter 43.88 RCW  
9 to read as follows:

10        (1) As part of the biennial budget process, the office of financial  
11 management shall collect from agencies, and agencies shall provide,  
12 information to produce reports, summaries, and budget detail sufficient  
13 to allow review, analysis, and documentation of all current and  
14 proposed expenditures for information technology by state agencies.  
15 Information technology budget detail must be included as part of the  
16 budget submittal documentation required pursuant to RCW 43.88.030.

17        (2) The office of financial management must collect, and present as  
18 part of the biennial budget documentation, information for all existing  
19 information technology projects as defined by information services  
20 board policy. The office of financial management must work with the  
21 department of information services to maximize the ability to draw this  
22 information from the information technology portfolio management data  
23 collected by the department of information services pursuant to RCW  
24 43.105.170. Connecting project information collected through the  
25 portfolio management process with financial data developed under  
26 subsection (1) of this section provides transparency regarding  
27 expenditure data for existing technology projects.

28        (3) The biennial budget documentation submitted by the office of  
29 financial management pursuant to RCW 43.88.030 must include an  
30 information technology plan identifying proposed large information  
31 technology projects. This plan must be presented using a method  
32 similar to the capital budget, identifying project costs through stages  
33 of the project and across fiscal periods and biennia from project  
34 initiation to implementation. This information must be submitted  
35 electronically, in a format to be determined by the office of financial  
36 management and the legislative evaluation and accountability program  
37 committee.

1 (4) The office of financial management shall also institute a  
2 method of accounting for information technology-related expenditures,  
3 including creating common definitions for what constitutes an  
4 information technology investment.

5 **Sec. 5.** RCW 43.88.560 and 1992 c 20 s 7 are each amended to read  
6 as follows:

7 The director of financial management shall establish policies and  
8 standards governing the funding of major information technology  
9 projects as required under RCW 43.105.190(2). The director of  
10 financial management shall also direct the collection of additional  
11 information on information technology projects and submit an  
12 information technology plan as required under section 4 of this act.

13 **Sec. 6.** RCW 43.105.041 and 2009 c 486 s 13 are each amended to  
14 read as follows:

15 (1) The board shall have the following powers and duties related to  
16 information services:

17 (a) To develop standards and procedures governing the acquisition  
18 and disposition of equipment, proprietary software and purchased  
19 services, licensing of the radio spectrum by or on behalf of state  
20 agencies, and confidentiality of computerized data. The board shall  
21 coordinate with the office of financial management to develop  
22 contracting standards for information technology acquisition and  
23 purchased services and must work with state agencies to ensure  
24 deployment of standardized contracts;

25 (b) To purchase, lease, rent, or otherwise acquire, dispose of, and  
26 maintain equipment, proprietary software, and purchased services, or to  
27 delegate to other agencies and institutions of state government, under  
28 appropriate standards, the authority to purchase, lease, rent, or  
29 otherwise acquire, dispose of, and maintain equipment, proprietary  
30 software, and purchased services: PROVIDED, That, agencies and  
31 institutions of state government are expressly prohibited from  
32 acquiring or disposing of equipment, proprietary software, and  
33 purchased services without such delegation of authority. The  
34 acquisition and disposition of equipment, proprietary software, and  
35 purchased services is exempt from RCW 43.19.1919 and, as provided in  
36 RCW 43.19.1901, from the provisions of RCW 43.19.190 through 43.19.200,

1 except that the board, the department, and state agencies, as  
2 delegated, must post notices of technology procurement bids on the  
3 state's common vendor registration and bid notification system. This  
4 subsection (1)(b) does not apply to the legislative branch;

5 (c) To develop statewide or interagency technical policies,  
6 standards, and procedures;

7 (d) To review and approve standards and common specifications for  
8 new or expanded telecommunications networks proposed by agencies,  
9 public postsecondary education institutions, educational service  
10 districts, or statewide or regional providers of K-12 information  
11 technology services, and to assure the cost-effective development and  
12 incremental implementation of a statewide video telecommunications  
13 system to serve: Public schools; educational service districts;  
14 vocational-technical institutes; community colleges; colleges and  
15 universities; state and local government; and the general public  
16 through public affairs programming;

17 (e) To provide direction concerning strategic planning goals and  
18 objectives for the state. The board shall seek input from the  
19 legislature and the judiciary;

20 (f) To develop and implement a process for the resolution of  
21 appeals by:

22 (i) Vendors concerning the conduct of an acquisition process by an  
23 agency or the department; or

24 (ii) A customer agency concerning the provision of services by the  
25 department or by other state agency providers;

26 (g) To establish policies for the periodic review by the department  
27 of agency performance which may include but are not limited to analysis  
28 of:

29 (i) Planning, management, control, and use of information services;

30 (ii) Training and education; and

31 (iii) Project management;

32 (h) To set its meeting schedules and convene at scheduled times, or  
33 meet at the request of a majority of its members, the chair, or the  
34 director;

35 (i) To review and approve that portion of the ((department's))  
36 budget ((requests)) that ((provides for)) may provide independent,  
37 technical staff support to the board; and

1 (j) To develop procurement policies and procedures, such as  
2 unbundled contracting and subcontracting, that encourage and facilitate  
3 the purchase of products and services by state agencies and  
4 institutions from Washington small businesses to the maximum extent  
5 practicable and consistent with international trade agreement  
6 commitments.

7 (2) Statewide technical standards to promote and facilitate  
8 electronic information sharing and access are an essential component of  
9 acceptable and reliable public access service and complement content-  
10 related standards designed to meet those goals. The board shall:

11 (a) Establish technical standards to facilitate electronic access  
12 to government information and interoperability of information systems,  
13 including wireless communications systems. Local governments are  
14 strongly encouraged to follow the standards established by the board;  
15 and

16 (b) Require agencies to consider electronic public access needs  
17 when planning new information systems or major upgrades of systems.

18 In developing these standards, the board is encouraged to include  
19 the state library, state archives, and appropriate representatives of  
20 state and local government.

21 (3)(a) The board, in consultation with the K-20 board, has the duty  
22 to govern, operate, and oversee the technical design, implementation,  
23 and operation of the K-20 network including, but not limited to, the  
24 following duties: Establishment and implementation of K-20 network  
25 technical policy, including technical standards and conditions of use;  
26 review and approval of network design; procurement of shared network  
27 services and equipment; and resolving user/provider disputes concerning  
28 technical matters. The board shall delegate general operational and  
29 technical oversight to the K-20 network technical steering committee as  
30 appropriate.

31 (b) The board has the authority to adopt rules under chapter 34.05  
32 RCW to implement the provisions regarding the technical operations and  
33 conditions of use of the K-20 network.

34 (4) The board shall review all information technology efforts under  
35 its purview based on independent technical and financial information,  
36 regardless of whether the projects or services are being provided by  
37 public or private providers. This review must be conducted by



1 independent, technical staff support, subject to funds appropriated for  
2 this specific purpose.

3 (5) In reviewing these efforts, the board, in consultation with the  
4 office of financial management, shall review state agency information  
5 technology budgets. The board may acquire project management  
6 assistance to assist in its efforts under this act.

7 **Sec. 7.** RCW 43.105.180 and 1999 c 80 s 11 are each amended to read  
8 as follows:

9 ~~((Upon request of the office of financial management,))~~ (1) The  
10 department, in coordination with the information services board and the  
11 office of financial management, shall evaluate agency budget requests  
12 for major information technology projects identified under RCW  
13 43.105.190, including those proposed by the superintendent of public  
14 instruction, in conjunction with educational service districts, or  
15 statewide or regional providers of K-12 education information  
16 technology services. The department shall submit recommendations for  
17 funding all or part of such requests to the office of financial  
18 management and to the chairs, ranking minority members, and staff  
19 coordinators of the appropriations committees of the senate and house  
20 of representatives. The department shall also submit recommendations  
21 regarding consolidation of similar proposals or other efficiencies it  
22 finds in reviewing proposals.

23 (2) The department, with the advice and approval of the office of  
24 financial management and the information services board, shall  
25 establish criteria, consistent with portfolio-based information  
26 technology management, for the evaluation of agency budget requests  
27 under this section. These budget requests shall be made in the context  
28 of an agency's information technology portfolio; technology initiatives  
29 underlying budget requests are subject to board review. Criteria shall  
30 include, but not be limited to: Feasibility of the proposed projects,  
31 consistency with the state strategic information technology plan,  
32 consistency with information technology portfolios, appropriate  
33 provision for public electronic access to information, evidence of  
34 business process streamlining and gathering of business and technical  
35 requirements, and services, costs, and benefits.

36 (3) For the purposes of this section, "state agency" includes every

1 state office, department, division, bureau, board, commission, or other  
2 state agency, including offices headed by a statewide elected official.

3 NEW SECTION. **Sec. 8.** A new section is added to chapter 2.68 RCW  
4 to read as follows:

5 The administrative office of the courts, under the direction of the  
6 judicial information system committee, shall:

7 (1) Develop a judicial information system information technology  
8 portfolio consistent with the provisions of RCW 43.105.172;

9 (2) Participate in the development of an enterprise-based statewide  
10 information technology strategy as defined in section 11 of this act;

11 (3) Ensure the judicial information system information technology  
12 portfolio is organized and structured to clearly indicate participation  
13 in and use of enterprise-wide information technology strategies;

14 (4) As part of the biennial budget process, submit the judicial  
15 information system information technology portfolio to the chair and  
16 ranking member of the ways and means committees of the house of  
17 representatives and the senate, the office of financial management, and  
18 the department of information services.

19 NEW SECTION. **Sec. 9.** A new section is added to chapter 44.68 RCW  
20 to read as follows:

21 The legislative service center, under the direction of the joint  
22 legislative systems committee and the joint legislative systems  
23 administrative committee, shall:

24 (1) Develop a legislative information technology portfolio  
25 consistent with the provisions of RCW 43.105.172;

26 (2) Participate in the development of an enterprise-based statewide  
27 information technology strategy as defined in section 11 of this act;

28 (3) Ensure the legislative information technology portfolio is  
29 organized and structured to clearly indicate participation in and use  
30 of enterprise-wide information technology strategies;

31 (4) As part of the biennial budget process, submit the legislative  
32 information technology portfolio to the chair and ranking member of the  
33 ways and means committees of the house of representatives and the  
34 senate, the office of financial management, and the department of  
35 information services.

1           **Sec. 10.** RCW 43.105.160 and 2005 c 319 s 110 are each amended to  
2 read as follows:

3           (1) The department shall prepare a state strategic information  
4 technology plan which shall establish a statewide mission, goals, and  
5 objectives for the use of information technology, including goals for  
6 electronic access to government records, information, and services.  
7 The plan shall be developed in accordance with the standards and  
8 policies established by the board and shall be submitted to the board  
9 for review, modification as necessary, and approval. The department  
10 shall seek the advice of the board in the development of this plan.

11           The plan approved under this section shall be updated as necessary  
12 and submitted to the governor and the chairs and ranking minority  
13 members of the appropriations committees of the senate and the house of  
14 representatives.

15           (2) The department shall prepare a biennial state performance  
16 report on information technology based on agency performance reports  
17 required under RCW 43.105.170 and other information deemed appropriate  
18 by the department. The report shall include, but not be limited to:

19           (a) An analysis, based upon agency portfolios, of the state's  
20 information technology infrastructure, including its value, condition,  
21 and capacity;

22           (b) An evaluation of performance relating to information  
23 technology;

24           (c) An assessment of progress made toward implementing the state  
25 strategic information technology plan, including progress toward  
26 electronic access to public information and enabling citizens to have  
27 two-way access to public records, information, and services;

28           (d) An analysis of the success or failure, feasibility, progress,  
29 costs, and timeliness of implementation of major information technology  
30 projects under RCW 43.105.190. At a minimum, the portion of the report  
31 regarding major technology projects must include:

32           (i) Final total cost of ownership budget data for the entire life-  
33 cycle of the project, including capital and operational costs, broken  
34 down by staffing costs, contracted service, hardware purchase or lease,  
35 software purchase or lease, travel, and training. The original budget  
36 must also be shown for comparison;

37           (ii) The original proposed project schedule and the final actual  
38 project schedule;

1 (iii) Data regarding progress towards meeting the original goals  
2 and performance measures of the project, particularly as it relates to  
3 operating budget savings;

4 (iv) Discussion of lessons learned on the project, performance of  
5 any contractors used, and reasons for project delays or cost increases;  
6 and

7 ~~((e))~~ (v) Identification of benefits, cost avoidance, and cost  
8 savings generated by major information technology projects developed  
9 under RCW 43.105.190; and

10 ~~((f))~~ (e) An inventory of state information services, equipment,  
11 and proprietary software.

12 Copies of the report shall be distributed biennially to the  
13 governor and the chairs and ranking minority members of the  
14 appropriations committees of the senate and the house of  
15 representatives. The major technology section of the report must  
16 examine major information technology projects completed in the previous  
17 biennium to determine the performance of the implementing agency, cost  
18 and value effectiveness, and timeliness and other performance metrics  
19 necessary to assess the quality and value of the investment. The  
20 report must also examine projects two years after completion for  
21 progress toward meeting performance goals and operating budget savings.  
22 The first report is due December 15, 2011, and every two years  
23 thereafter.

24 NEW SECTION. Sec. 11. A new section is added to chapter 43.105  
25 RCW to read as follows:

26 (1) The board, in consultation with the department and the office  
27 of financial management, shall develop an enterprise-based strategy for  
28 information technology in state government informed by information  
29 technology expenditure information collected from state agencies  
30 pursuant to section 4 of this act.

31 (2) In developing an enterprise-based strategy for the state, the  
32 board is encouraged to consider the following strategies as possible  
33 opportunities for achieving greater efficiency:

34 (a) Developing personal computer replacement policies for the  
35 state, with consideration given to alternative models of personal  
36 computer usage for state government use, such as thin client, software

1 as a service, browser-based functionality, mobile computing, and other  
2 models that are less dependent upon traditional computing;

3 (b) Pursuing shared services initiatives across functional areas,  
4 which may include services such as e-mail, telephony, and data storage;

5 (c) Pursuing pilot programs, such as a pilot to demonstrate the  
6 value of application management services, to identify opportunities to  
7 achieve operational efficiencies;

8 (d) Developing data storage policies and record retention  
9 requirements and schedules for state agencies, in consultation with the  
10 office of the secretary of state, the state archivist, and the state  
11 records committee, where appropriate;

12 (e) Reviewing existing software maintenance contracts to identify  
13 opportunities to renegotiate the price of those contracts or the level  
14 of service; and

15 (f) Partnering with private providers for commonly utilized  
16 information technology products and services.

17 (3) The legislative and judicial branches are encouraged to  
18 coordinate with, and participate in, shared services initiatives, pilot  
19 programs, and development of the enterprise-based strategy, where  
20 appropriate.

21 NEW SECTION. **Sec. 12.** (1) The office of financial management,  
22 with the assistance of the department of information services, must  
23 identify areas of potential savings that will achieve the savings  
24 identified in the omnibus appropriations act. These areas shall  
25 include, but not be limited to, wireless service, telephony, desktop  
26 computers, electronic mail services, and data storage.

27 (2) The office of financial management shall work with the  
28 appropriate state agencies, including the department of information  
29 services, to generate savings that arise pursuant to this act from the  
30 improved acquisition and delivery of information technology products  
31 and services. To accomplish this objective, state agencies must  
32 provide timely, accurate total cost of ownership data to the office of  
33 financial management upon request regarding information technology  
34 products and services. The savings must be at least equal to those  
35 specified in the omnibus appropriations act. The office of financial  
36 management shall reduce agency allotments by the amounts specified in

1 the omnibus appropriations act to reflect these savings. The allotment  
2 reductions shall be placed in unallotted status and remain unexpended.

3 (3) For the purposes of this section, "state agency" means any  
4 office, department, board, commission, or other unit of state  
5 government, but does not include a unit of state government headed by  
6 a statewide elected official, an institution of higher education as  
7 defined in RCW 28B.10.016, the higher education coordinating board, the  
8 state board for community and technical colleges, or agencies of the  
9 legislative or judicial branches of state government.

10 (4) This section expires June 30, 2011.

11 NEW SECTION. **Sec. 13.** A new section is added to chapter 43.105  
12 RCW to read as follows:

13 (1) The department, in collaboration with state agencies, shall  
14 conduct an inventory from existing data sets of information technology  
15 assets owned or leased by state agencies. This inventory must be used  
16 to inform the development of a state information technology asset  
17 management process. Prior to implementation of any state information  
18 technology asset management process, the department must submit its  
19 recommended approach, including an estimate of the associated  
20 implementation costs, to the board for approval.

21 (2) For the purposes of this section, "state agency" includes every  
22 state office, department, division, bureau, board, commission, or other  
23 state agency, including offices headed by a statewide elected official,  
24 and offices in the legislative and judicial branches of state  
25 government, notwithstanding the provisions of RCW 44.68.105.

26 NEW SECTION. **Sec. 14.** (1) The office of financial management, in  
27 consultation with the department of information services and the  
28 information services board, shall develop and execute a pilot program  
29 to contract with one or more private providers for the delivery,  
30 support, maintenance, and operation of information technology through  
31 application managed services or other similar programs across one or  
32 more functional areas of information technology, or for the information  
33 technology needs of one or more state agencies. In selecting a private  
34 provider for the pilot program, the office of financial management must  
35 engage in a competitive bid process or request for proposals process.

1 (2) The objective of the pilot program will be to assess: (a) Each  
2 agency's information technology application portfolio; (b)  
3 opportunities to use best practices and tools; and (c) whether the  
4 agency should proceed with application managed services or other  
5 similar programs based on the results of the assessment.

6 (3) The department of information services and the office of  
7 financial management shall prepare a report of the findings of the  
8 pilot assessments by September 1, 2010, and a final report of the pilot  
9 results by June 30, 2011. The final report must include the following:  
10 Identification of short and long-term costs, risks, benefits, and other  
11 organizational impacts of implementing application managed services or  
12 other similar programs within the pilot agencies. The final report  
13 must also identify opportunities for other state agencies to benefit  
14 from application managed services or other similar programs. The  
15 results of the pilot program must be provided to the information  
16 services board, the governor, the senate committee on ways and means,  
17 and the house of representatives committee on ways and means.

18 NEW SECTION. **Sec. 15.** The department of information services  
19 shall, by November 1, 2010, report on the efforts to develop a  
20 centralized information project management office pursuant to section  
21 142, chapter 522, Laws of 2007. The report shall address the current  
22 status of the effort, lessons learned, and recommended changes to the  
23 program.

24 NEW SECTION. **Sec. 16.** (1) The office of financial management  
25 shall contract with an independent consultant to:

26 (a) Conduct a technical and financial analysis of the state's plan  
27 for the consolidated state data center and office building; and

28 (b) Develop a strategic business plan outlining the various options  
29 for use of the site that maximize taxpayer value consistent with the  
30 terms of the finance lease and related agreements.

31 (2) The analysis must consist of, at a minimum, an assessment of  
32 the following issues:

33 (a) The total capital and operational costs for the proposed data  
34 center and office building;

35 (b) The occupancy rate for the consolidated state data center, as

1 compared to total capacity, that will result in revenue exceeding total  
2 capital and operating expenses;

3 (c) The potential reallocation of resources that could result from  
4 the consolidation of state data centers and office space; and

5 (d) The potential return on investment for the consolidated state  
6 data center and office building that may be realized without impairing  
7 any existing contractual rights under the terms of the financing lease  
8 and related agreements.

9 (3) This review must build upon the analysis and migration strategy  
10 for the consolidated state data center being prepared for the  
11 department of information services.

12 (4) The strategic plan must be submitted to the governor and the  
13 legislature by December 1, 2010.

14 NEW SECTION. **Sec. 17.** (1) The department of information services  
15 and the office of financial management shall review existing statutes,  
16 procedures, data, and organizational structures to identify  
17 opportunities to increase efficiency, customer service, and  
18 transparency in information technology. This effort shall include:

19 (a) Identifying and addressing financial data needed to  
20 comprehensively evaluate information technology spending from an  
21 enterprise perspective;

22 (b) A review of best practices in information technology  
23 governance, including private sector practices and lessons learned from  
24 other states; and

25 (c) A review of existing statutes regarding information technology  
26 governance, standards, and financing to identify inconsistencies  
27 between current law and best practices.

28 (2) The department of information services and the office of  
29 financial management shall report findings and recommendations to the  
30 governor and the appropriate committees of the legislature by December  
31 1, 2010.

32 NEW SECTION. **Sec. 18.** RCW 43.105.017 (Legislative intent) and  
33 1992 c 20 s 6, 1990 c 208 s 2, & 1987 c 504 s 2 are each repealed.

34 NEW SECTION. **Sec. 19.** If specific funding for the purposes of



1 this act, referencing this act by bill or chapter number, is not  
2 provided by June 30, 2010, in the omnibus appropriations act, this act  
3 is null and void."

**ESHB 3178** - S COMM AMD  
By Committee on Ways & Means

**ADOPTED AS AMENDED 03/10/2010**

4 On page 1, line 2 of the title, after "government;" strike the  
5 remainder of the title and insert "amending RCW 43.105.190, 43.88.560,  
6 43.105.041, 43.105.180, and 43.105.160; adding new sections to chapter  
7 43.105 RCW; adding a new section to chapter 43.88 RCW; adding a new  
8 section to chapter 2.68 RCW; adding a new section to chapter 44.68 RCW;  
9 creating new sections; repealing RCW 43.105.017; and providing an  
10 expiration date."

--- END ---