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HOUSE BILL 3178

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State of Washington

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**By** Representatives Carlyle, Anderson, Hunter, Rolfes, Eddy, Takko, Probst, Wallace, Maxwell, Van De Wege, Kelley, Green, Sullivan, Hudgins, Hope, Morrell, Springer, Ericks, Hunt, Goodman, Jacks, and Finn

Read first time 02/08/10. Referred to Committee on Ways & Means.

1 AN ACT Relating to creating efficiencies in the use of technology  
2 in state government; amending RCW 43.105.052 and 43.105.190; adding new  
3 sections to chapter 43.105 RCW; creating a new section; and repealing  
4 RCW 43.105.017.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that the provision  
7 of information technology in state government lacks strategic  
8 coordination, transparency, and meaningful enterprise-wide oversight.  
9 It is no longer economically sustainable or feasible for state agencies  
10 to obtain and provide large-scale, commonly utilized information  
11 technology products and services on an individual, agency-by-agency  
12 basis. Instead, the state needs a strong, enterprise-based information  
13 technology strategy that ensures 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

1 objectives, the state needs to develop an open, transparent process for  
2 determining the total cost of ownership for the information technology  
3 products and services it provides to state agencies, and to provide  
4 such information in an easily accessible, public fashion. It is in the  
5 state's interest to ensure that the wide range of disparate networks,  
6 systems, services, and structures across state government be closely  
7 coordinated. When more transparent technical and financial information  
8 is available, the state can make sound policy decisions about what  
9 information technology services should be provided centrally on a  
10 shared services basis, and what products and services may be best  
11 suited for either outsourcing or for maintenance at the agency level.  
12 Furthermore, if attractive pricing models and service level agreements  
13 are developed for enterprise-based information technology services, the  
14 legislative and judicial branches will have an incentive to participate  
15 in those services as well.

16 (2) It is the intent of the legislature to organize, consolidate,  
17 and, where appropriate, outsource information technology systems and  
18 resources in a strategic fashion that is based upon sound, objective,  
19 nonpolitical, and independent technical and financial criteria. The  
20 state needs to develop a clear, enterprise-based statewide strategy for  
21 information technology to ensure that there is transparency and  
22 accountability regarding how information technology resources are being  
23 allocated, how decisions are being made, and who is accountable for on-  
24 time, on-budget delivery.

25 **Sec. 2.** RCW 43.105.052 and 2000 c 180 s 1 are each amended to read  
26 as follows:

27 The department shall:

28 (1) Perform all duties and responsibilities the board delegates to  
29 the department, including but not limited to:

30 (a) The review of agency information technology portfolios and  
31 related requests; and

32 (b) Implementation of statewide and interagency policies,  
33 standards, and guidelines;

34 (2) Make available information services to state agencies and local  
35 governments and public benefit nonprofit corporations on a ((full))  
36 cost-recovery basis. For the purposes of this section "public benefit  
37 nonprofit corporation" means a public benefit nonprofit corporation as

1 defined in RCW 24.03.005 that is receiving local, state, or federal  
2 funds either directly or through a public agency other than an Indian  
3 tribe or political subdivision of another state. These services may  
4 include, but are not limited to:

5 (a) Telecommunications services for voice, data, and video;

6 (b) (~~Mainframe computing services~~) Procurement and maintenance of  
7 mainframe and personal computers, servers, and virtualization services;

8 (c) (~~Support for departmental and microcomputer evaluation,~~  
9 ~~installation, and use~~) Data storage services;

10 (d) Equipment acquisition assistance, including leasing, brokering,  
11 and establishing master contracts;

12 (e) Facilities management services for information technology  
13 equipment, equipment repair, and maintenance service;

14 (f) Negotiation with local cable companies and local governments to  
15 provide for connection to local cable services to allow for access to  
16 these public and educational channels in the state;

17 (g) Office automation services;

18 (h) System development services; and

19 (i) Training(~~(-~~

20 ~~These services are for discretionary use by customers and customers~~  
21 ~~may elect other alternatives for service if those alternatives are more~~  
22 ~~cost-effective or provide better service. Agencies may be required to~~  
23 ~~use the backbone network portions of the telecommunications services~~  
24 ~~during an initial start-up period not to exceed three years));~~

25 (3) Establish rates and fees for services provided by the  
26 department to assure that the services component of the department is  
27 self-supporting. A billing rate plan shall be developed for a two-year  
28 period to coincide with the budgeting process. The rate plan shall be  
29 subject to review at least annually by the customer advisory board.  
30 The rate plan shall show the proposed rates by each cost center and  
31 will show the components of the rate structure as mutually determined  
32 by the department and the customer advisory board. The same rate  
33 structure will apply to all user agencies of each cost center. The  
34 rate plan and any adjustments to rates shall be approved by the office  
35 of financial management. The services component shall not subsidize  
36 the operations of the strategic planning and policy component;

37 (4) With the advice of the information services board and agencies,

1 develop a state strategic information technology plan and performance  
2 reports as required under RCW 43.105.160;

3 (5) Develop plans for the department's achievement of statewide  
4 goals and objectives set forth in the state strategic information  
5 technology plan required under RCW 43.105.160. These plans shall  
6 address such services as telecommunications, central and distributed  
7 computing, local area networks, office automation, and end user  
8 computing. The department shall seek the advice of the customer  
9 advisory board and the board in the development of these plans;

10 (6) Under direction of the information services board and in  
11 collaboration with the department of personnel, and other agencies as  
12 may be appropriate, develop training plans and coordinate training  
13 programs that are responsive to the needs of agencies;

14 (7) Identify opportunities for the effective use of information  
15 services and coordinate appropriate responses to those opportunities;

16 (8) Assess agencies' projects, acquisitions, plans, information  
17 technology portfolios, or overall information processing performance as  
18 requested by the board, agencies, the director of financial management,  
19 or the legislature. Agencies may be required to reimburse the  
20 department for agency-requested reviews;

21 (9) Develop planning, budgeting, and expenditure reporting  
22 requirements, in conjunction with the office of financial management,  
23 for agencies to follow;

24 (10) Assist the office of financial management with budgetary and  
25 policy review of agency plans for information services;

26 (11) Provide staff support from the strategic planning and policy  
27 component to the board for:

28 (a) Meeting preparation, notices, and minutes;

29 (b) Promulgation of policies, standards, and guidelines adopted by  
30 the board;

31 (c) Supervision of studies and reports requested by the board;

32 (d) Conducting reviews and assessments as directed by the board;

33 (12) Be the lead agency in coordinating video telecommunications  
34 services for all state agencies and develop, pursuant to board  
35 policies, standards and common specifications for leased and purchased  
36 telecommunications equipment. The department shall not evaluate the  
37 merits of school curriculum, higher education course offerings, or  
38 other education and training programs proposed for transmission and/or

1 reception using video telecommunications resources. Nothing in this  
2 section shall abrogate or abridge the legal responsibilities of  
3 licensees of telecommunications facilities as licensed by the federal  
4 communication commission on March 27, 1990; and

5 (13) Perform all other matters and things necessary to carry out  
6 the purposes and provisions of this chapter.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.105 RCW  
8 to read as follows:

9 (1) Except as provided in subsection (2) of this section, no state  
10 agency is permitted to purchase cellular or mobile phone service except  
11 through participation in the state master contract.

12 (2) State agencies may purchase cellular or mobile phone service  
13 outside of the state master contract if the agency secures a waiver in  
14 advance of the purchase from the office of financial management or the  
15 department.

16 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.105 RCW  
17 to read as follows:

18 (1)(a) The department shall develop a personal computer replacement  
19 policy for all personal computers owned or leased by state agencies.  
20 The personal computer replacement policy must consist, at a minimum, of  
21 a replacement cycle of at least five years. In developing the  
22 replacement policy, the department shall review existing personal  
23 computer lease programs and may discontinue those programs that are not  
24 consistent with a five-year replacement cycle.

25 (b) The department shall revise the state master contract for  
26 personal computers. The state master contract must offer up to three  
27 contractors with up to four models to choose from for each contractor.

28 (2) The department has full authority over personal computer  
29 purchase, replacement, and inventory for the state. State agencies may  
30 not purchase or replace a personal computer without securing prior  
31 approval from the department. All purchases of personal computers for  
32 use by state agencies must be purchased through participation in the  
33 state master contract.

34 (3) In reviewing requests from state agencies to purchase or  
35 replace personal computers, the department shall grant approval only if

1 the purchase or replacement is consistent with the state's personal  
2 computer replacement policy or if the request is to replace a personal  
3 computer that is necessary and is no longer operational.

4 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.105 RCW  
5 to read as follows:

6 (1) State agencies must develop data storage policies to achieve  
7 greater storage efficiency. In developing data storage policies, state  
8 agencies must review what information currently exists in digital  
9 format, where it is stored, how it is being used, and the business and  
10 legal requirements for retaining the information.

11 (2) The board shall develop a data retention policy for state  
12 agencies. In developing the data retention policy, the board must  
13 consult with all affected state agencies to determine the business,  
14 legal, and storage management needs of the agencies.

15 (3)(a) The department shall offer tiered data storage services to  
16 state agencies. In developing its service offerings for tiered data  
17 storage, the department must consult with state agencies to determine  
18 the storage demands and needs of state agencies.

19 (b) State agencies purchasing additional data storage must purchase  
20 their storage through the department.

21 **Sec. 6.** RCW 43.105.190 and 2005 c 319 s 111 are each amended to  
22 read as follows:

23 (1) The department, with the approval of the board, shall establish  
24 standards and policies governing the planning, implementation, and  
25 evaluation of major information technology projects, including those  
26 proposed by the superintendent of public instruction, in conjunction  
27 with educational service districts, or statewide or regional providers  
28 of K-12 education information technology services. The standards and  
29 policies shall:

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

34 (b) Establish a model process and procedures which agencies shall  
35 follow in developing and implementing projects within their information  
36 technology portfolios. Agencies may propose, for approval by the

1 department, a process and procedures unique to the agency. The  
2 department may accept or require modification of such agency proposals  
3 or the department may reject such agency proposals and require use of  
4 the model process and procedures established under this subsection.  
5 Any process and procedures developed under this subsection shall  
6 require (i) distinct and identifiable phases upon which funding may be  
7 based, (ii) user validation of products through system demonstrations  
8 and testing of prototypes and deliverables, and (iii) other elements  
9 identified by the board.

10 The director may terminate a major project if the director  
11 determines that the project is not meeting or is not expected to meet  
12 anticipated performance standards.

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

17 (a) Funding of a project under terms and conditions mutually agreed  
18 to by the director, the director of financial management, and the head  
19 of the agency proposing the project. However, the office of financial  
20 management may require incremental funding of a project on a phase-by-  
21 phase basis whereby funds for a given phase of a project may be  
22 released only when the office of financial management determines, with  
23 the advice of the department, that the previous phase is satisfactorily  
24 completed;

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

27 (c) Other elements deemed necessary by the office of financial  
28 management.

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

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

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

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

8        (a) State agencies are not permitted to purchase or implement new  
9 information technology projects without securing prior authorization  
10 from the office of financial management. The office of financial  
11 management may only approve information technology projects that  
12 contribute towards an enterprise strategy or meet a critical, localized  
13 need of the requesting agency.

14        (b) State agencies are not permitted to purchase servers,  
15 virtualization, data storage, or related software through their  
16 operational funds or through a separate information technology budget  
17 item without securing prior authorization from the office of financial  
18 management. The office of financial management shall grant approval  
19 only if the purchase is consistent with the state's overall migration  
20 strategy to the state data center and critical to the operation of the  
21 agency.

22        (c) State agencies are not permitted to upgrade existing software  
23 without securing prior approval from the office of financial  
24 management. In reviewing requests from state agencies to upgrade  
25 software, the office of financial management shall grant approval only  
26 if the agency can demonstrate that upgrade of the software is critical  
27 to the operation of the agency.

28        NEW SECTION. Sec. 7. RCW 43.105.017 (Legislative intent) and 1992  
29 c 20 s 6, 1990 c 208 s 2, & 1987 c 504 s 2 are each repealed.

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