
SENATE BILL 6845

State of Washington

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By Senators Fraser and Swecker

Read first time 02/04/10. Referred to Committee on Ways & Means.

1 AN ACT Relating to information technology projects; amending RCW
2 43.88.560, 43.105.041, 43.105.180, and 43.105.190; and adding a new
3 section to chapter 43.88 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.88 RCW
6 to read as follows:

7 (1) The office of financial management's operating budget
8 instructions to agencies must include collecting additional information
9 for proposed information technology projects. Agencies must submit the
10 following information about specific projects:

11 (a) Estimated project implementation costs by staffing, contracted
12 services, hardware purchase and maintenance, software license purchase
13 and maintenance, hardware lease or finance, maintenance and operations,
14 training, and travel;

15 (b) Estimated project maintenance costs by staffing, contracted
16 services, hardware purchase and maintenance, software license purchase
17 and maintenance, hardware lease or finance, maintenance and operations,
18 training, and travel;

19 (c) All project expenditures in previous biennia;

1 (d) Oversight level as determined by the information services
2 board, if available;

3 (e) Estimated project duration and start date;

4 (f) Estimated ongoing operating savings or other benefits resulting
5 from the project;

6 (g) An explanation of the purpose and benefits of the project; and

7 (h) An explanation of reengineering and streamlining of the
8 underlying business process, if pursuing the development or purchase of
9 new software. An explanation of efforts to gather business and
10 technical requirements must also be provided.

11 (2) The governor's budget must include an information technology
12 plan which will include a list of all the proposed projects, their next
13 biennium costs by funding source, projected costs over the two biennia
14 succeeding the next biennium by funding source, and a statement of the
15 purpose of the project.

16 (3) The office of financial management shall also institute a
17 method of accounting for information technology-related expenditures,
18 including creating common definitions for what constitutes an
19 information technology investment. The director of financial
20 management shall report total state expenditures on information
21 technology by funding source and by object of expenditure to the
22 chairs, ranking minority members, and staff coordinators of the
23 appropriations committees of the senate and house of representatives
24 for each biennium. The first report is due by January 15, 2013.

25 **Sec. 2.** RCW 43.88.560 and 1992 c 20 s 7 are each amended to read
26 as follows:

27 The director of financial management shall establish policies and
28 standards governing the funding of major information technology
29 projects as required under RCW 43.105.190(2). The director of
30 financial management shall also direct the collection of additional
31 information on information technology projects and submit an
32 information technology plan as required under section 1 of this act.

33 **Sec. 3.** RCW 43.105.041 and 2009 c 486 s 13 are each amended to
34 read as follows:

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

1 (a) To develop standards and procedures governing the acquisition
2 and disposition of equipment, proprietary software and purchased
3 services, licensing of the radio spectrum by or on behalf of state
4 agencies, and confidentiality of computerized data. The board shall
5 coordinate with the office of financial management to develop
6 contracting standards for information technology acquisition and
7 purchased services and will work with state agencies to ensure
8 deployment of standardized contracts;

9 (b) To purchase, lease, rent, or otherwise acquire, dispose of, and
10 maintain equipment, proprietary software, and purchased services, or to
11 delegate to other agencies and institutions of state government, under
12 appropriate standards, the authority to purchase, lease, rent, or
13 otherwise acquire, dispose of, and maintain equipment, proprietary
14 software, and purchased services: PROVIDED, That, agencies and
15 institutions of state government are expressly prohibited from
16 acquiring or disposing of equipment, proprietary software, and
17 purchased services without such delegation of authority. The
18 acquisition and disposition of equipment, proprietary software, and
19 purchased services is exempt from RCW 43.19.1919 and, as provided in
20 RCW 43.19.1901, from the provisions of RCW 43.19.190 through 43.19.200,
21 except that the board, the department, and state agencies, as
22 delegated, must post notices of technology procurement bids on the
23 state's common vendor registration and bid notification system. This
24 subsection (1)(b) does not apply to the legislative branch;

25 (c) To develop statewide or interagency technical policies,
26 standards, and procedures;

27 (d) To review and approve standards and common specifications for
28 new or expanded telecommunications networks proposed by agencies,
29 public postsecondary education institutions, educational service
30 districts, or statewide or regional providers of K-12 information
31 technology services, and to assure the cost-effective development and
32 incremental implementation of a statewide video telecommunications
33 system to serve: Public schools; educational service districts;
34 vocational-technical institutes; community colleges; colleges and
35 universities; state and local government; and the general public
36 through public affairs programming;

37 (e) To provide direction concerning strategic planning goals and

1 objectives for the state. The board shall seek input from the
2 legislature and the judiciary;

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

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

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

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

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

13 (ii) Training and education; and

14 (iii) Project management;

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

18 (i) To review and approve that portion of the department's budget
19 requests that provides for support to the board; and

20 (j) To develop procurement policies and procedures, such as
21 unbundled contracting and subcontracting, that encourage and facilitate
22 the purchase of products and services by state agencies and
23 institutions from Washington small businesses to the maximum extent
24 practicable and consistent with international trade agreement
25 commitments.

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

30 (a) Establish technical standards to facilitate electronic access
31 to government information and interoperability of information systems,
32 including wireless communications systems. Local governments are
33 strongly encouraged to follow the standards established by the board;
34 and

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

37 In developing these standards, the board is encouraged to include

1 the state library, state archives, and appropriate representatives of
2 state and local government.

3 (3)(a) The board, in consultation with the K-20 board, has the duty
4 to govern, operate, and oversee the technical design, implementation,
5 and operation of the K-20 network including, but not limited to, the
6 following duties: Establishment and implementation of K-20 network
7 technical policy, including technical standards and conditions of use;
8 review and approval of network design; procurement of shared network
9 services and equipment; and resolving user/provider disputes concerning
10 technical matters. The board shall delegate general operational and
11 technical oversight to the K-20 network technical steering committee as
12 appropriate.

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

16 **Sec. 4.** RCW 43.105.180 and 1999 c 80 s 11 are each amended to read
17 as follows:

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

32 The department, with the advice and approval of the office of
33 financial management and the information services board, shall
34 establish criteria, consistent with portfolio-based information
35 technology management, for the evaluation of agency budget requests
36 under this section. These budget requests shall be made in the context
37 of an agency's information technology portfolio; technology initiatives

1 underlying budget requests are subject to board review. Criteria shall
2 include, but not be limited to: Feasibility of the proposed projects,
3 consistency with the state strategic information technology plan,
4 consistency with information technology portfolios, appropriate
5 provision for public electronic access to information, evidence of
6 business process streamlining and gathering of business and technical
7 requirements, and services, costs, and benefits.

8 **Sec. 5.** RCW 43.105.190 and 2005 c 319 s 111 are each amended to
9 read as follows:

10 (1) The department, with the approval of the board, shall establish
11 standards and policies governing the planning, implementation, and
12 evaluation of major information technology projects, including those
13 proposed by the superintendent of public instruction, in conjunction
14 with educational service districts, or statewide or regional providers
15 of K-12 education information technology services. The standards and
16 policies shall:

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

21 (b) Establish a model process and procedures which agencies shall
22 follow in developing and implementing projects within their information
23 technology portfolios. Agencies may propose, for approval by the
24 department, a process and procedures unique to the agency. The
25 department may accept or require modification of such agency proposals
26 or the department may reject such agency proposals and require use of
27 the model process and procedures established under this subsection.
28 Any process and procedures developed under this subsection shall
29 require (i) distinct and identifiable phases upon which funding may be
30 based, (ii) user validation of products through system demonstrations
31 and testing of prototypes and deliverables, and (iii) other elements
32 identified by the board.

33 The director may terminate a major project if the director
34 determines that the project is not meeting or is not expected to meet
35 anticipated performance standards.

36 (2) The office of financial management shall establish policies and

1 standards consistent with portfolio-based information technology
2 management to govern the funding of projects developed under this
3 section. The policies and standards shall provide for:

4 (a) Funding of a project under terms and conditions mutually agreed
5 to by the director, the director of financial management, and the head
6 of the agency proposing the project. However, the office of financial
7 management may require incremental funding of a project on a phase-by-
8 phase basis whereby funds for a given phase of a project may be
9 released only when the office of financial management determines, with
10 the advice of the department, that the previous phase is satisfactorily
11 completed;

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

14 (c) Other elements deemed necessary by the office of financial
15 management.

16 (3) The department shall evaluate projects based on the
17 demonstrated business needs and benefits; cost; technology scope and
18 feasibility; impact on the agency's information technology portfolio
19 and on the statewide infrastructure; and final project implementation
20 plan based upon available funding.

21 Copies of project evaluations conducted under this subsection shall
22 be submitted to the office of financial management and the chairs,
23 ranking minority members, and staff coordinators of the appropriations
24 committees of the senate and house of representatives.

25 If there are projects that receive funding from a transportation
26 fund or account, copies of those projects' evaluations conducted under
27 this subsection must be submitted to the chairs and ranking minority
28 members of the transportation committees of the senate and the house of
29 representatives.

30 (4) The department shall submit a major projects report to the
31 office of financial management and the chairs, ranking minority
32 members, and staff coordinators of the appropriations committees of the
33 senate and house of representatives. The report must contain the
34 following information for major information technology projects, as
35 identified in this section:

36 (a) Final budget broken down by staffing costs, contracted service,
37 hardware purchase or lease, software purchase or lease, travel, and
38 training. The original budget must also be shown for comparison.

1 (b) The original proposed project schedule and the final actual
2 project schedule.
3 (c) Data regarding progress towards meeting the original goals and
4 performance measures of the project, particularly as it relates to
5 operating budget savings.
6 (d) Discussion of lessons learned on the project, performance of
7 any contractors used, and reasons for project delays or cost increases.
8 The report must examine major information technology projects
9 completed in the previous biennium. The report must also examine
10 projects two years after completion for progress toward meeting
11 performance goals and operating budget savings. The first report is
12 due December 15, 2011, and every two years thereafter.

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