

**First Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 19-0555.01 Nicole Myers x4326

**SENATE BILL 19-169**

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**SENATE SPONSORSHIP**

**Tate and Bridges,**

**HOUSE SPONSORSHIP**

**Arndt,**

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**Senate Committees**

Business, Labor, & Technology

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING PROJECT MANAGEMENT COMPETENCIES FOR CERTAIN**  
102 **STATE CONTRACTS.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

**Section 1:** Currently, the office of state planning and budgeting is required to prepare the forms and instructions to be used in preparation of all budget requests and supplemental budget requests submitted to the joint technology committee (JTC). For a budget request for a major information technology project (major IT project) submitted to the JTC for funding in the 2020-2021 state fiscal year or any state fiscal year

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

thereafter, the bill requires the forms and instructions to include the submission of a written business case specifying certain information about the major IT project.

**Section 2:** Beginning July 1, 2019, if a governmental body enters into a contract pursuant to the "Procurement Code" that is reasonably expected to cost at least \$1 million and that requires the contractor or any subcontractor to perform work on a computer, then the governmental body shall ensure that the contract requires the contractor to use qualified software to verify that the hours billed on the contract are valid and fulfill the purpose of the contract. The governmental body shall also ensure that the contract specifies that the governmental body will not pay the contractor for hours worked on a computer unless the hours can be verified by the use of qualified software.

A contractor required to use qualified software pursuant to a contract with a governmental body is required to store, or contract with another entity to store, data collected by the qualified software for 7 years after the governmental body has paid the contractor for work performed pursuant to the contract. The contractor is required to retrieve data upon request of the governmental body in the format requested by the governmental body.

A governmental body is prohibited from paying a contractor's costs associated with the contractor's use of qualified software and is prohibited from paying a contractor for retrieval of data collected by the qualified software.

**Section 3:** For budget requests for a major IT project submitted to the JTC for funding in the 2020-2021 state fiscal year or any state fiscal year thereafter, a governmental body is required to provide for a change management plan, including specified information and the resources necessary for the execution of the change management plan. Governmental bodies are required to seek best practices with private- or public-sector experts when appropriate to develop and implement change management plans and are required to provide written change management plans to the JTC and the office of state planning and budgeting.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, 24-37-302, **amend**  
3 (1)(a.5)(III) and (1)(a.5)(IV); and **add** (1)(a.5)(V) as follows:

4           **24-37-302. Responsibilities of the office of state planning and**  
5 **budgeting.** (1) The office of state planning and budgeting shall assist the

1 governor in his or her responsibilities pertaining to the executive budget.

2 Specifically, it shall:

3 (a.5) Design and prepare, in coordination with the staff of the joint  
4 technology committee of the general assembly, the forms and instructions  
5 to be used in preparation of all budget requests and supplemental budget  
6 requests submitted to the joint technology committee pursuant to section  
7 24-37-304 (1)(c.5). The staff of the joint technology committee shall  
8 make recommendations to the joint technology committee regarding such  
9 forms and instructions for the committee's approval. The forms and  
10 instructions shall require that budget requests submitted to the joint  
11 technology committee include:

12 (III) A range of options for completing the project, including the  
13 estimated costs for such options; ~~and~~

14 (IV) Any other available and relevant information obtained from  
15 the market research related to the information technology budget request;  
16 AND

17 (V) FOR A MAJOR INFORMATION TECHNOLOGY PROJECT, AS  
18 DEFINED IN SECTION 24-37.5-102 (2.6), SUBMITTED TO THE JOINT  
19 TECHNOLOGY COMMITTEE FOR FUNDING IN THE 2020-2021 STATE FISCAL  
20 YEAR OR ANY STATE FISCAL YEAR THEREAFTER, A WRITTEN BUSINESS CASE  
21 THAT INCLUDES AT A MINIMUM:

22 (A) A DESCRIPTION OF THE BUSINESS NEED FOR THE MAJOR  
23 INFORMATION TECHNOLOGY PROJECT;

24 (B) A BUDGET FOR THE MAJOR INFORMATION TECHNOLOGY  
25 PROJECT;

26 (C) AN ESTIMATE OF THE OPERATIONAL IMPACTS OF THE MAJOR  
27 INFORMATION TECHNOLOGY PROJECT;

1 (D) A SCAN OF AVAILABLE OPTIONS TO MEET THE BUSINESS NEED  
2 FOR THE MAJOR INFORMATION TECHNOLOGY PROJECT;

3 (E) AN OUTLINE OF THE BENEFITS TO THE STATE OF A SUCCESSFUL  
4 IMPLEMENTATION OF THE MAJOR INFORMATION TECHNOLOGY PROJECT  
5 AND AN OUTLINE WITH TIME FRAMES OF ANTICIPATED BENEFITS;

6 (F) AN ANALYSIS OF THE RISKS OF NOT PURSUING THE MAJOR  
7 INFORMATION TECHNOLOGY PROJECT AND HOW THE PROPOSED SOLUTIONS  
8 WILL MITIGATE THOSE RISKS; AND

9 (G) AN ASSESSMENT OF BUSINESS PROCESS IMPROVEMENT, THE  
10 NEED FOR PROCESS IMPROVEMENT, AND CORRESPONDING CHANGE  
11 MANAGEMENT FOR THE MAJOR INFORMATION TECHNOLOGY PROJECT.

12 **SECTION 2.** In Colorado Revised Statutes, **add** 24-103-405 and  
13 24-103-406 as follows:

14 **24-103-405. Transparent verification of billable hours -**  
15 **definition.** (1) AS USED IN THIS SECTION, "QUALIFIED SOFTWARE" MEANS  
16 SOFTWARE THAT IS APPROVED BY THE DEPARTMENT, OBTAINED BY A  
17 CONTRACTOR, AND THAT:

18 (a) PERMITS A GOVERNMENTAL BODY OR THE OFFICE OF THE STATE  
19 AUDITOR TO HAVE REAL TIME AND RETROACTIVE ACCESS TO DATA  
20 COLLECTED OR PROVIDED BY THE QUALIFIED SOFTWARE;

21 (b) AUTOMATICALLY CAPTURES A SCREENSHOT OF ACTIVITY  
22 PERFORMED PURSUANT TO A CONTRACT WITH A GOVERNMENTAL BODY AT  
23 LEAST ONCE EVERY THREE MINUTES AND MAKES THE SCREENSHOTS  
24 AVAILABLE TO THE GOVERNMENTAL BODY OR THE OFFICE OF THE STATE  
25 AUDITOR IN REAL-TIME AND RETROACTIVELY;

26 (c) TRACKS TOTAL KEYSTROKES AND MOUSE EVENTS FREQUENCY  
27 OF INDIVIDUALS PERFORMING WORK PURSUANT TO A CONTRACT AND

1 MAKES THE KEYSTROKES AND MOUSE EVENTS FREQUENCY AVAILABLE TO  
2 THE GOVERNMENTAL BODY OR THE OFFICE OF THE STATE AUDITOR IN  
3 REAL-TIME AND RETROACTIVELY;

4 (d) PROVIDES TO THE GOVERNMENTAL BODY OR THE OFFICE OF THE  
5 STATE AUDITOR AUTOMATED REAL-TIME AND RETROACTIVE COST STATUS  
6 OF EACH TASK;

7 (e) PROVIDES TO A GOVERNMENTAL BODY PROFESSIONAL  
8 BIOGRAPHICAL INFORMATION THAT IS NOT PRIVATE OR CONFIDENTIAL  
9 REGARDING EMPLOYEES PERFORMING WORK PURSUANT TO A CONTRACT  
10 WITH THE GOVERNMENTAL BODY;

11 (f) PROTECTS ALL DATA THAT IS PRIVATE OR CONFIDENTIAL  
12 REGARDING EMPLOYEES PERFORMING WORK PURSUANT TO A CONTRACT  
13 WITH THE GOVERNMENTAL BODY CONSISTENT WITH STATE LAW;

14 (g) PERMITS THE GOVERNMENTAL BODY TO PROVIDE IMMEDIATE  
15 FEEDBACK TO THE CONTRACTOR ON WORK PROGRESS; AND

16 (h) IS PROCURED BY THE CONTRACTOR FROM AN INDEPENDENT  
17 ENTITY.

18 (2) WHEN A GOVERNMENTAL BODY ENTERS INTO A CONTRACT,  
19 PURSUANT TO THE CODE, FOR WHICH THE APPROPRIATION OR EXPENDITURE  
20 OF MONEY IS REASONABLY EXPECTED TO EQUAL OR EXCEED ONE MILLION  
21 DOLLARS AND PROVIDES THAT THE CONTRACTOR OR ANY SUBCONTRACTOR  
22 WILL PERFORM WORK ON A COMPUTER, THEN THE GOVERNMENTAL BODY  
23 SHALL ENSURE THAT THE CONTRACT REQUIRES THE CONTRACTOR TO USE  
24 QUALIFIED SOFTWARE TO VERIFY THAT THE HOURS BILLED ON THE  
25 CONTRACT ARE VALID AND FULFILL THE PURPOSE OF THE CONTRACT. THE  
26 GOVERNMENTAL BODY SHALL ALSO ENSURE THAT THE CONTRACT  
27 SPECIFIES THAT THE GOVERNMENTAL BODY WILL NOT PAY THE

1 CONTRACTOR FOR HOURS WORKED ON A COMPUTER UNLESS THE HOURS  
2 CAN BE VERIFIED BY THE USE OF QUALIFIED SOFTWARE. THE  
3 REQUIREMENTS OF THIS SECTION APPLY TO CONTRACTS FOR WHICH A  
4 SOLICITATION WAS ISSUED BY A GOVERNMENTAL BODY ON OR AFTER JULY  
5 1, 2019.

6 (3) A CONTRACTOR THAT IS SUBJECT TO THE REQUIREMENTS OF A  
7 CONTRACT SPECIFIED IN SUBSECTION (2) OF THIS SECTION SHALL STORE, OR  
8 CONTRACT WITH ANOTHER INDEPENDENT ENTITY TO STORE, DATA  
9 COLLECTED BY THE QUALIFIED SOFTWARE FOR A PERIOD OF SEVEN YEARS  
10 AFTER THE GOVERNMENTAL BODY HAS REMITTED PAYMENT TO THE  
11 CONTRACTOR FOR THE WORK PERFORMED PURSUANT TO THE CONTRACT.  
12 DATA COLLECTED BY THE QUALIFIED SOFTWARE ARE NOT PUBLIC RECORDS  
13 AS DEFINED IN SECTION 24-72-202 (6). THE CONTRACTOR SHALL RETRIEVE  
14 DATA UPON REQUEST OF THE GOVERNMENTAL BODY THAT WAS A PARTY  
15 TO THE CONTRACT IN THE FORMAT REQUESTED BY THE GOVERNMENTAL  
16 BODY.

17 (4) A GOVERNMENTAL BODY SHALL NOT PAY A CONTRACTOR'S  
18 COSTS ASSOCIATED WITH THE CONTRACTOR'S USE OF QUALIFIED SOFTWARE  
19 AND SHALL NOT PAY THE CONTRACTOR FOR RETRIEVAL OF DATA  
20 COLLECTED BY THE QUALIFIED SOFTWARE WHEN REQUIRED PURSUANT TO  
21 SUBSECTION (3) OF THIS SECTION.

22 **24-103-406. Major information technology projects -**  
23 **accountability - change management - process improvement -**  
24 **legislative declaration - definition.** (1) (a) THE GENERAL ASSEMBLY  
25 FINDS AND DECLARES THAT:

26 (I) AS THE STATE SEEKS TO PROVIDE IMPROVED SERVICE AT A  
27 LOWER COST TO ITS CITIZENS AND AS TECHNOLOGY CONTINUES TO PLAY

1 AN INCREASED ROLE IN SERVICE DELIVERY, THE PACE OF CHANGE FOR  
2 GOVERNMENTAL BODIES WILL CONTINUE TO INCREASE;

3 (II) PROGRAMS THAT INVOLVE SIGNIFICANT EXPENDITURES OR  
4 MAJOR CHANGES FOR LARGE NUMBERS OF STATE RESIDENTS SHOULD EACH  
5 BE BACKED BY A STRONG BUSINESS CASE AT ITS LAUNCH;

6 (III) RESEARCH HAS CONSISTENTLY SHOWN THAT PROJECTS WITH  
7 EFFECTIVE CHANGE MANAGEMENT PROGRAMS ARE SIGNIFICANTLY MORE  
8 LIKELY TO BE SUCCESSFUL THAN PROJECTS WITH LITTLE OR NO CHANGE  
9 MANAGEMENT PROGRAMS AND ARE SIGNIFICANTLY MORE LIKELY TO BE  
10 COMPLETED ON TIME AND ON OR UNDER BUDGET; AND

11 (IV) LEADING PRIVATE BUSINESSES HAVE GROWN AND REGULARLY  
12 UTILIZE CHANGE MANAGEMENT SERVICES TO ENSURE THAT  
13 TECHNOLOGICAL, ORGANIZATIONAL, AND OTHER CHANGES ARE  
14 EFFECTIVELY IMPLEMENTED.

15 (b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT  
16 THE INTENT OF THIS SECTION IS TO USE CHANGE MANAGEMENT PROGRAMS  
17 FOR MAJOR INFORMATION TECHNOLOGY PROJECTS IN THE STATE TO  
18 IMPROVE FINAL OUTCOMES AND REDUCE THE OVERALL COST TO THE STATE  
19 FOR MAJOR INFORMATION TECHNOLOGY PROJECTS.

20 (2) FOR THE PURPOSE OF THIS SECTION, "MAJOR INFORMATION  
21 TECHNOLOGY PROJECTS" HAS THE SAME MEANING AS SET FORTH IN  
22 SECTION 24-37.5-102 (2.6).

23 (3) (a) FOR MAJOR INFORMATION TECHNOLOGY PROJECTS THAT  
24 ARE PROPOSED TO THE JOINT BUDGET COMMITTEE FOR FUNDING IN THE  
25 2020-2021 STATE FISCAL YEAR, OR ANY STATE FISCAL YEAR THEREAFTER,  
26 A GOVERNMENTAL BODY SHALL INCLUDE A CHANGE MANAGEMENT PLAN  
27 AND RESOURCES NECESSARY FOR THE EXECUTION OF THE CHANGE

1 MANAGEMENT PLAN FOR MAJOR INFORMATION TECHNOLOGY PROJECTS. AT  
2 A MINIMUM, A CHANGE MANAGEMENT PLAN AND EXECUTION SHALL  
3 INCORPORATE THE FOLLOWING:

4 (I) A STAKEHOLDER ANALYSIS COVERING ALL IMPACTED PARTIES,  
5 INCLUDING IMPACTED GROUPS, NUMBER OF STAKEHOLDERS IMPACTED,  
6 TYPE AND DEGREE OF IMPACT, AND LIKE AREAS AND DEGREE OF  
7 RESISTANCE;

8 (II) A CHANGE RISK ASSESSMENT;

9 (III) PRIMARY SPONSORS FOR THE CHANGE PROGRAM;

10 (IV) A CHANGE MANAGEMENT PROGRAM APPROACH; AND

11 (V) A CHANGE MANAGEMENT WORK PLAN FOR COMMUNICATION,  
12 COACHING, TRAINING, SPONSORSHIP, AND RESISTANCE MANAGEMENT.

13 (b) GOVERNMENTAL BODIES SHALL SEEK BEST PRACTICES WITH  
14 PRIVATE- OR PUBLIC-SECTOR EXPERTS WHEN APPROPRIATE TO DEVELOP  
15 AND IMPLEMENT CHANGE MANAGEMENT PLANS. CHANGE MANAGEMENT  
16 CONSULTING MAY BE INDEPENDENT OF PROJECT IMPLEMENTATION.

17 (c) A GOVERNMENTAL BODY SHALL PROVIDE WRITTEN CHANGE  
18 MANAGEMENT PLANS TO THE JOINT TECHNOLOGY COMMITTEE AND THE  
19 OFFICE OF STATE PLANNING AND BUDGETING.

20 **SECTION 3. Safety clause.** The general assembly hereby finds,  
21 determines, and declares that this act is necessary for the immediate  
22 preservation of the public peace, health, and safety.