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SENATE BILL 19-169

BY SENATOR(S) Tate and Bridges, Gardner, Holbert, Rankin, Woodward;
also REPRESENTATIVE(S) Arndt and Titone, Bockenfeld, Duran,
Hansen, Mullica.

CONCERNING PROJECT MANAGEMENT COMPETENCIES FOR CERTAIN STATE
CONTRACTS.

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

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

24-37-302. Responsibilities of the office of state planning and budgeting. (1) The office of state planning and budgeting shall assist the governor in his or her responsibilities pertaining to the executive budget. Specifically, it shall:

(a.5) Design and prepare, in coordination with the staff of the joint technology committee of the general assembly, the forms and instructions to be used in preparation of all budget requests and supplemental budget requests submitted to the joint technology committee pursuant to section 24-37-304 (1)(c.5). The staff of the joint technology committee shall make

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

recommendations to the joint technology committee regarding such forms and instructions for the committee's approval. The forms and instructions shall require that budget requests submitted to the joint technology committee include:

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

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

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

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

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

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

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

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

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

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

SECTION 2. In Colorado Revised Statutes, **add 24-37.5-118** as follows:

24-37.5-118. Major information technology projects - project management and metrics. (1) (a) THE OFFICE SHALL ENSURE THAT EVERY MAJOR INFORMATION TECHNOLOGY PROJECT HAS A PROJECT MANAGER IN THE OFFICE. THE OFFICE AND THE STATE AGENCY THAT IS A PARTY TO THE CONTRACT FOR THE MAJOR INFORMATION TECHNOLOGY PROJECT SHALL ENSURE THAT THE PROJECT MANAGER FROM THE OFFICE IS REGULARLY INVOLVED IN THE MANAGEMENT OF THE PROJECT. THE PROJECT MANAGER FOR EACH MAJOR INFORMATION TECHNOLOGY PROJECT IS REQUIRED TO DEVELOP, IN COORDINATION WITH THE STATE AGENCY THAT IS A PARTY TO THE CONTRACT FOR A MAJOR INFORMATION TECHNOLOGY PROJECT, APPLICABLE PROJECT BASELINE METRICS FOR THE PROJECT AS SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION TO BE USED TO TRACK THE PROGRESS OF THE PROJECT. THE PROJECT MANAGER FOR EACH MAJOR INFORMATION TECHNOLOGY PROJECT SHALL OBTAIN APPROVAL FOR THE PROJECT BASELINE METRICS FROM THE STATE AGENCY THAT IS A PARTY TO THE CONTRACT FOR THE MAJOR INFORMATION TECHNOLOGY PROJECT. THE OFFICE SHALL ENSURE THAT THE CONTRACTOR DOES NOT BEGIN WORK ON A MAJOR INFORMATION TECHNOLOGY PROJECT UNTIL THE PROJECT MANAGER HAS DEVELOPED THE BASELINE METRICS FOR THE PROJECT AND THE BASELINE METRICS HAVE BEEN APPROVED BY THE STATE AGENCY THAT IS A PARTY TO THE CONTRACT FOR THE PROJECT.

(b) THE PROJECT MANAGER FOR A MAJOR INFORMATION TECHNOLOGY PROJECT IS REQUIRED TO DEVELOP BASELINE METRICS FOR THE PROJECT THAT INCLUDE, BUT NEED NOT BE LIMITED TO:

(I) THE PROJECT SCOPE, INCLUDING A STATEMENT OF THE PRODUCTS, SERVICES, AND RESULTS THAT A PROJECT IS REQUIRED TO DELIVER;

(II) THE PROJECT SCHEDULE, INCLUDING THE PLANNED DATES FOR SIGNIFICANT MILESTONES FOR A PROJECT;

(III) THE PROJECT BUDGET, INCLUDING THE AUTHORIZED ESTIMATED BUDGET FOR ALL PHASES OF THE PROJECT; AND

(IV) THE EXPECTED AND ACCEPTABLE QUALITY OF THE PROJECT.

(2) (a) THE OFFICE SHALL DEVELOP, IN COOPERATION WITH THE STATE AGENCY THAT IS A PARTY TO THE CONTRACT FOR A MAJOR INFORMATION TECHNOLOGY PROJECT, PERFORMANCE INDICATORS FOR THE PROJECT TO BE USED TO MONITOR THE PROJECT. THE PERFORMANCE INDICATORS SHALL INCLUDE QUANTITATIVE METRICS TO ASSESS VARIATIONS IN THE BASELINE METRICS FOR A PROJECT, SUCH AS A SCHEDULE AND COST PERFORMANCE MEASUREMENTS. THE OFFICE, IN COORDINATION WITH THE STATE AGENCY THAT IS A PARTY TO THE CONTRACT FOR A MAJOR INFORMATION TECHNOLOGY PROJECT, SHALL ALSO ESTABLISH QUANTITATIVE CRITICAL SUCCESS FACTORS TO TRACK THE SUCCESS OF EACH MAJOR INFORMATION TECHNOLOGY PROJECT.

(b) IF THE OFFICE CHOOSES TO USE COLOR LEVELS AS PERFORMANCE INDICATORS, THE OFFICE SHALL INCLUDE A DEFINITION OF EACH COLOR LEVEL AND SHALL SPECIFY THE PERFORMANCE INDICATOR VALUE USED TO ASSIGN THE COLOR LEVEL.

(c) THE OFFICE SHALL CREATE AND MAINTAIN ON ITS WEBSITE A USER-FRIENDLY, PUBLIC-FACING DATA VISUALIZATION TOOL THAT PROVIDES AN ANALYSIS AND VISUAL REPRESENTATION OF THE PERFORMANCE INDICATORS THAT IT DEVELOPS PURSUANT TO THIS SECTION.

(3)(a) AFTER THE PROJECT MANAGER HAS OBTAINED APPROVAL FOR THE PROJECT BASELINE METRICS FROM THE APPLICABLE STATE AGENCY PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE PROJECT MANAGER SHALL PROVIDE THE FOLLOWING TO THE JOINT TECHNOLOGY COMMITTEE:

(I) THE APPROVED BASELINE METRICS THAT WILL BE USED TO TRACK THE PROGRESS OF THE PROJECT;

(II) THE PERFORMANCE INDICATORS THAT WILL BE USED TO ASSESS VARIATIONS IN THE BASELINE METRICS FOR THE PROJECT; AND

(III) THE QUANTITATIVE CRITICAL SUCCESS FACTORS THAT WILL BE USED TO TRACK THE SUCCESS OF THE PROJECT.

(b) IF A PROJECT MANAGER FOR A MAJOR INFORMATION TECHNOLOGY PROJECT MODIFIES THE PERFORMANCE INDICATORS FOR THE PROJECT DURING THE DURATION OF THE PROJECT, THE PROJECT MANAGER SHALL NOTIFY THE JOINT TECHNOLOGY COMMITTEE OF THE CHANGE AND SHALL PROVIDE THE

UPDATED PERFORMANCE INDICATORS TO THE COMMITTEE.

(4) (a) AFTER THE PROJECT MANAGER HAS PROVIDED THE BASELINE METRICS, PERFORMANCE INDICATORS, AND CRITICAL SUCCESS FACTORS FOR A MAJOR INFORMATION TECHNOLOGY PROJECT TO THE JOINT TECHNOLOGY COMMITTEE PURSUANT TO SUBSECTION (3) OF THIS SECTION, THE OFFICE SHALL CREATE QUARTERLY STATUS REPORTS REGARDING THE MAJOR INFORMATION TECHNOLOGY PROJECT USING THE PERFORMANCE INDICATORS THAT WERE SPECIFIED FOR THE PROJECT BY THE PROJECT MANAGER. THE OFFICE SHALL PROVIDE THE QUARTERLY STATUS REPORT FOR EACH MAJOR INFORMATION PROJECT TO THE JOINT TECHNOLOGY COMMITTEE AND SHALL INCLUDE IN THE REPORT THE BUDGET SPECIFIED IN THE PROJECT BASELINE METRICS, THE COMMITTED BUDGET FOR THE PROJECT TO DATE, AND THE AMOUNT THAT HAS BEEN SPENT ON THE PROJECT TO DATE.

(b) IF THE QUARTERLY STATUS REPORT FOR A MAJOR INFORMATION TECHNOLOGY PROJECT INDICATES THAT THE PROJECT IS UNLIKELY TO ACHIEVE THE PERFORMANCE INDICATORS ESTABLISHED FOR THE PROJECT, THE OFFICE SHALL PLACE THE PROJECT ON A LIST FOR MORE INTENSE MONITORING.

(c) IN THE COURSE OF MONITORING MAJOR INFORMATION TECHNOLOGY PROJECTS THE OFFICE SHALL DETERMINE WHETHER THERE IS A NEED FOR CORRECTIVE ACTION FOR THE PROJECT. IF THE OFFICE DETERMINES THAT THE PROJECT IS NOT IN COMPLIANCE WITH THE ESTABLISHED BASELINE METRICS FOR THE PROJECT, THAT THE VARIANCES IN THE ESTABLISHED PERFORMANCE INDICATORS OR SUCCESS FACTORS ESTABLISHED FOR THE PROJECT ARE INTOLERABLE, OR THAT THE PROJECT IS OTHERWISE IN NEED OF CORRECTIVE ACTION, THE OFFICE SHALL NOTIFY THE STATE AGENCY THAT IS A PARTY TO THE CONTRACT FOR THE PROJECT OF THE OFFICE'S RECOMMENDED CORRECTIVE ACTION FOR THE PROJECT.

SECTION 3. In Colorado Revised Statutes, **add 24-37.5-805** as follows:

24-37.5-805. Major information technology projects - accountability - change management - process improvement - legislative declaration - definition. (1) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(I) AS THE STATE SEEKS TO PROVIDE IMPROVED SERVICE AT A LOWER COST TO ITS CITIZENS AND AS TECHNOLOGY CONTINUES TO PLAY AN INCREASED ROLE IN SERVICE DELIVERY, THE PACE OF CHANGE FOR GOVERNMENTAL BODIES WILL CONTINUE TO INCREASE;

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

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

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

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

(2) (a) FOR MAJOR INFORMATION TECHNOLOGY PROJECTS THAT ARE PROPOSED TO THE JOINT BUDGET COMMITTEE FOR FUNDING IN THE 2020-2021 STATE FISCAL YEAR, OR ANY STATE FISCAL YEAR THEREAFTER, A STATE AGENCY SHALL INCLUDE A CHANGE MANAGEMENT PLAN AND RESOURCES NECESSARY FOR THE EXECUTION OF THE CHANGE MANAGEMENT PLAN FOR MAJOR INFORMATION TECHNOLOGY PROJECTS. AT A MINIMUM, A CHANGE MANAGEMENT PLAN AND EXECUTION SHALL INCORPORATE THE FOLLOWING:

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

(II) A CHANGE RISK ASSESSMENT;

(III) PRIMARY SPONSORS FOR THE CHANGE PROGRAM;

(IV) A CHANGE MANAGEMENT PROGRAM APPROACH; AND

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

(b) A STATE AGENCY SHALL SEEK BEST PRACTICES WITH PRIVATE- OR PUBLIC-SECTOR EXPERTS WHEN APPROPRIATE TO DEVELOP AND IMPLEMENT CHANGE MANAGEMENT PLANS. CHANGE MANAGEMENT CONSULTING MAY BE INDEPENDENT OF PROJECT IMPLEMENTATION.

(c) A STATE AGENCY SHALL PROVIDE WRITTEN CHANGE MANAGEMENT PLANS TO THE JOINT TECHNOLOGY COMMITTEE AND THE OFFICE OF STATE PLANNING AND BUDGETING.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Leroy M. Garcia
PRESIDENT OF
THE SENATE

KC Becker
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
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Marilyn Eddins
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APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO