

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

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 19-0555.01 Nicole Myers x4326

SENATE BILL 19-169

SENATE SPONSORSHIP

Tate and Bridges, Gardner, Holbert, Rankin, Woodward

HOUSE SPONSORSHIP

Arndt,

Senate Committees

Business, Labor, & Technology
Appropriations

House Committees

A BILL FOR AN ACT

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

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.

SENATE
Amended 3rd Reading
April 15, 2019

SENATE
Amended 2nd Reading
April 12, 2019

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.

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) and (1)(a.5)(VI) as
4 follows:

5 **24-37-302. Responsibilities of the office of state planning and**

1 **budgeting.** (1) The office of state planning and budgeting shall assist the
2 governor in his or her responsibilities pertaining to the executive budget.
3 Specifically, it shall:

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

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

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

17 (V) A SURVEY OF OTHER STATES THAT HAVE COMPLETED MAJOR
18 INFORMATION TECHNOLOGY PROJECTS WITH SIMILAR GOALS, INCLUDING
19 BUDGET DETAILS, BUSINESS CASES, SOLUTION OPTIONS REVIEWED,
20 PROJECT TIMELINES, AND RESULTS; AND

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

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

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

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

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

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

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

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

16 **SECTION 2. In Colorado Revised Statutes, add 24-37.5-116 as**
17 **follows:**

18 **24-37.5-116. Major information technology projects - project**
19 **management and metrics. (1) (a) THE OFFICE SHALL ENSURE THAT**
20 **EVERY MAJOR INFORMATION TECHNOLOGY PROJECT HAS A PROJECT**
21 **MANAGER IN THE OFFICE. THE OFFICE AND THE STATE AGENCY THAT IS A**
22 **PARTY TO THE CONTRACT FOR THE MAJOR INFORMATION TECHNOLOGY**
23 **PROJECT SHALL ENSURE THAT THE PROJECT MANAGER FROM THE OFFICE**
24 **IS REGULARLY INVOLVED IN THE MANAGEMENT OF THE PROJECT. THE**
25 **PROJECT MANAGER FOR EACH MAJOR INFORMATION TECHNOLOGY PROJECT**
26 **IS REQUIRED TO DEVELOP, IN COORDINATION WITH THE STATE AGENCY**
27 **THAT IS A PARTY TO THE CONTRACT FOR A MAJOR INFORMATION**

1 TECHNOLOGY PROJECT, APPLICABLE PROJECT BASELINE METRICS FOR THE
2 PROJECT AS SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION TO BE USED
3 TO TRACK THE PROGRESS OF THE PROJECT. THE PROJECT MANAGER FOR
4 EACH MAJOR INFORMATION TECHNOLOGY PROJECT SHALL OBTAIN
5 APPROVAL FOR THE PROJECT BASELINE METRICS FROM THE STATE AGENCY
6 THAT IS A PARTY TO THE CONTRACT FOR THE MAJOR INFORMATION
7 TECHNOLOGY PROJECT. THE OFFICE SHALL ENSURE THAT THE
8 CONTRACTOR DOES NOT BEGIN WORK ON A MAJOR INFORMATION
9 TECHNOLOGY PROJECT UNTIL THE PROJECT MANAGER HAS DEVELOPED THE
10 BASELINE METRICS FOR THE PROJECT AND THE BASELINE METRICS HAVE
11 BEEN APPROVED BY THE STATE AGENCY THAT IS A PARTY TO THE
12 CONTRACT FOR THE PROJECT.

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

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

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

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

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

24 (2) (a) THE OFFICE SHALL DEVELOP, IN COOPERATION WITH THE
25 STATE AGENCY THAT IS A PARTY TO THE CONTRACT FOR A MAJOR
26 INFORMATION TECHNOLOGY PROJECT, PERFORMANCE INDICATORS FOR THE
27 PROJECT TO BE USED TO MONITOR THE PROJECT. THE PERFORMANCE

1 INDICATORS SHALL INCLUDE QUANTITATIVE METRICS TO ASSESS
2 VARIATIONS IN THE BASELINE METRICS FOR A PROJECT, SUCH AS A
3 SCHEDULE AND COST PERFORMANCE MEASUREMENTS. THE OFFICE, IN
4 COORDINATION WITH THE STATE AGENCY THAT IS A PARTY TO THE
5 CONTRACT FOR A MAJOR INFORMATION TECHNOLOGY PROJECT, SHALL
6 ALSO ESTABLISH QUANTITATIVE CRITICAL SUCCESS FACTORS TO TRACK
7 THE SUCCESS OF EACH MAJOR INFORMATION TECHNOLOGY PROJECT.

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

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

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

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

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

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

1 (b) IF A PROJECT MANAGER FOR A MAJOR INFORMATION
2 TECHNOLOGY PROJECT MODIFIES THE PERFORMANCE INDICATORS FOR THE
3 PROJECT DURING THE DURATION OF THE PROJECT, THE PROJECT MANAGER
4 SHALL NOTIFY THE JOINT TECHNOLOGY COMMITTEE OF THE CHANGE AND
5 SHALL PROVIDE THE UPDATED PERFORMANCE INDICATORS TO THE
6 COMMITTEE.

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

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

25 (c) IN THE COURSE OF MONITORING MAJOR INFORMATION
26 TECHNOLOGY PROJECTS THE OFFICE SHALL DETERMINE WHETHER THERE
27 IS A NEED FOR CORRECTIVE ACTION FOR THE PROJECT. IF THE OFFICE

1 DETERMINES THAT THE PROJECT IS NOT IN COMPLIANCE WITH THE
2 ESTABLISHED BASELINE METRICS FOR THE PROJECT, THAT THE VARIANCES
3 IN THE ESTABLISHED PERFORMANCE INDICATORS OR SUCCESS FACTORS
4 ESTABLISHED FOR THE PROJECT ARE INTOLERABLE, OR THAT THE PROJECT
5 IS OTHERWISE IN NEED OF CORRECTIVE ACTION, THE OFFICE SHALL NOTIFY
6 THE STATE AGENCY THAT IS A PARTY TO THE CONTRACT FOR THE PROJECT
7 OF THE OFFICE'S RECOMMENDED CORRECTIVE ACTION FOR THE PROJECT.

8 **SECTION 3.** In Colorado Revised Statutes, **add 24-103-405**
9 as follows:

10
11 **24-103-405. Major information technology projects -**

12 **accountability - change management - process improvement -**
13 **legislative declaration - definition.** (1) (a) THE GENERAL ASSEMBLY
14 FINDS AND DECLARES THAT:

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

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

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

27 (IV) LEADING PRIVATE BUSINESSES HAVE GROWN AND REGULARLY

1 UTILIZE CHANGE MANAGEMENT SERVICES TO ENSURE THAT
2 TECHNOLOGICAL, ORGANIZATIONAL, AND OTHER CHANGES ARE
3 EFFECTIVELY IMPLEMENTED.

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

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

12 (3) (a) FOR MAJOR INFORMATION TECHNOLOGY PROJECTS THAT
13 ARE PROPOSED TO THE JOINT BUDGET COMMITTEE FOR FUNDING IN THE
14 2020-2021 STATE FISCAL YEAR, OR ANY STATE FISCAL YEAR THEREAFTER,
15 A GOVERNMENTAL BODY SHALL INCLUDE A CHANGE MANAGEMENT PLAN
16 AND RESOURCES NECESSARY FOR THE EXECUTION OF THE CHANGE
17 MANAGEMENT PLAN FOR MAJOR INFORMATION TECHNOLOGY PROJECTS. AT
18 A MINIMUM, A CHANGE MANAGEMENT PLAN AND EXECUTION SHALL
19 INCORPORATE THE FOLLOWING:

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

24 (II) A CHANGE RISK ASSESSMENT;

25 (III) PRIMARY SPONSORS FOR THE CHANGE PROGRAM;

26 (IV) A CHANGE MANAGEMENT PROGRAM APPROACH; AND

27 (V) A CHANGE MANAGEMENT WORK PLAN FOR COMMUNICATION,

1 COACHING, TRAINING, SPONSORSHIP, AND RESISTANCE MANAGEMENT.

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

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

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