A BILL FOR AN ACT

CONCERNING PROJECT MANAGEMENT COMPETENCIES FOR CERTAIN 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
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.

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) and (1)(a.5)(VI) 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 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;

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

(VI) 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 24-37.5-116 as
follows:

24-37.5-116. 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.
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.

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.

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.

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 24-37.5-804 as follows:

24-37.5-804. 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.