Senator Tate and Bridges, Senate Sponsor;

Representative Arndt, House Sponsor;

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) 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; 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 24-103-405 and 24-103-406 as follows:

24-103-405. Transparent verification of billable hours - definition. (1) As used in this section, "qualified software" means software that is approved by the department, obtained by a contractor, and that:

(a) Permits a governmental body or the office of the state auditor to have real time and retroactive access to data collected or provided by the qualified software;

(b) Automatically captures a screenshot of activity performed pursuant to a contract with a governmental body at least once every three minutes and makes the screenshots available to the governmental body or the office of the state auditor in real-time and retroactively;

(c) Tracks total keystrokes and mouse events frequency of individuals performing work pursuant to a contract and
MAKES THE KEYSTROKES AND MOUSE EVENTS FREQUENCY AVAILABLE TO
THE GOVERNMENTAL BODY OR THE OFFICE OF THE STATE AUDITOR IN
REAL-TIME AND RETROACTIVELY;

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

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

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

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

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

(2) WHEN A GOVERNMENTAL BODY ENTERS INTO A CONTRACT,
PURSUANT TO THE CODE, FOR WHICH THE APPROPRIATION OR EXPENDITURE
OF MONEY IS REASONABLY EXPECTED TO EQUAL OR EXCEED ONE MILLION
Dollars and provides that the contractor or any subcontractor
will 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. THE REQUIREMENTS OF THIS SECTION APPLY TO CONTRACTS FOR WHICH A SOLICITATION WAS ISSUED BY A GOVERNMENTAL BODY ON OR AFTER JULY 1, 2019.

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

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

24-103-406. 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) FOR THE PURPOSE OF THIS SECTION, "MAJOR INFORMATION TECHNOLOGY PROJECTS" HAS THE SAME MEANING AS SET FORTH IN SECTION 24-37.5-102 (2.6).

(3) (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 GOVERNMENTAL BODY 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) GOVERNMENTAL BODIES 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 GOVERNMENTAL BODY SHALL PROVIDE WRITTEN CHANGE MANAGEMENT PLANS TO THE JOINT TECHNOLOGY COMMITTEE AND THE OFFICE OF STATE PLANNING AND BUDGETING.

SECTION 3. 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.