

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

DRAFT
3.16.22

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LLS NO. 22-0706.01 Nicole Myers x4326

COMMITTEE BILL

Joint Technology Committee

BILL TOPIC: "Procurement Of Information Technology Resources"

A BILL FOR AN ACT

101 **CONCERNING THE PROCUREMENT OF INFORMATION TECHNOLOGY**
102 **RESOURCES.**

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/>.)

Joint Technology Committee. Current law states that the office of information technology (office) may initiate the procurement of information technology (IT) resources for state agencies and participate in other activities related to IT procurement on behalf of a state agency. The bill requires the office to initiate the procurement of IT resources and requires the office to participate in other IT procurement-related activities

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

on behalf of a state agency; except that a state agency may initiate solicitations and contracts for IT resources with prior approval of the office.

The bill specifies that the money in the existing technology risk prevention and response fund (fund) is continuously appropriated to the office for the purposes of the fund. The bill allows the office to contribute money to the fund from the operations and maintenance fees associated with the billing practices of the office.

The bill requires any money appropriated from the general fund to the office or a state agency for the procurement of IT resources or projects that is unexpended or unencumbered at the end of a fiscal year as a result of savings achieved in connection with such procurement to be transferred to the fund.

In addition, the bill specifies that a contract for the licensing of software applications that are designed to run on generally available desktop or server hardware cannot limit a governmental body's ability to install or run the software on the hardware of the governmental body's choosing.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-37.5-105, **amend**
3 (6) introductory portion as follows:

4 **24-37.5-105. Office - roles - responsibilities - state search**
5 **interface - rules - legislative declaration - definitions. (6) Technology**
6 **purchasing for enterprises.** The office ~~may~~ SHALL initiate the
7 procurement of information technology resources for state agencies and
8 enter into agreements or contracts on behalf of a state agency, multiple
9 agencies, or the office, or be a party to procurement contracts that are
10 initiated by state agencies. ~~State agency initiated contracts must be done~~
11 ~~in consultation with~~ A STATE AGENCY MAY INITIATE SOLICITATIONS AND
12 CONTRACTS FOR INFORMATION TECHNOLOGY RESOURCES ONLY WITH
13 PRIOR APPROVAL OF THE PROCUREMENT OFFICIAL FOR the office, and must
14 include provisions allowing the office to enforce technology and security
15 standards or conduct due diligence or audits of the contractors. In

1 connection with the procurement of information technology resources, the
2 office shall:

3 **SECTION 2.** In Colorado Revised Statutes, 24-37.5-120, **amend**
4 (2), (4)(a), and (4)(c)(III) introductory portion; and **add** (4)(d) and (6) as
5 follows:

6 **24-37.5-120. Technology risk prevention and response fund -**
7 **creation - definitions.** (2) The technology risk prevention and response
8 fund is hereby created in the state treasury. The fund consists of money
9 that the general assembly may appropriate or transfer to the fund, MONEY
10 CONTRIBUTED TO THE FUND BY THE OFFICE PURSUANT TO SUBSECTION
11 (4)(d) OF THIS SECTION, AND MONEY TRANSFERRED TO THE FUND
12 PURSUANT TO SUBSECTION (6) OF THIS SECTION.

13 (4) (a) ~~Up to fifty percent of the total balance of the fund at the~~
14 ~~beginning of each fiscal year is continuously appropriated to the office.~~
15 THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE OFFICE
16 TO BE USED FOR THE PURPOSES SPECIFIED IN SUBSECTIONS (4)(b) AND
17 (4)(c) OF THIS SECTION.

18 (c) The office shall use the money in the fund for one-time costs
19 associated with:

20 (III) Preventing risk from information technology ~~debt~~ that is:

21 (d) THE OFFICE MAY CONTRIBUTE MONEY TO THE FUND FROM THE
22 OPERATIONS AND MAINTENANCE FEES ASSOCIATED WITH THE BILLING
23 PRACTICES OF THE OFFICE.

24 (6) (a) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
25 CONTRARY, FOR THE 2022-23 STATE FISCAL YEAR AND FOR EACH STATE
26 FISCAL YEAR THEREAFTER, ANY MONEY APPROPRIATED FROM THE
27 GENERAL FUND TO THE OFFICE OR A STATE AGENCY FOR THE

1 PROCUREMENT OF INFORMATION TECHNOLOGY RESOURCES OR PROJECTS
2 THAT IS UNEXPENDED OR UNENCUMBERED AT THE END OF THE FISCAL
3 YEAR AS A RESULT OF SAVINGS ACHIEVED IN CONNECTION WITH SUCH
4 PROCUREMENT, SHALL NOT REVERT TO THE GENERAL FUND.

5 (b) ON JULY 1, 2023, AND ON JULY 1 OF EACH YEAR THEREAFTER,
6 THE STATE TREASURER SHALL TRANSFER FROM THE GENERAL FUND TO THE
7 TECHNOLOGY RISK PREVENTION AND RESPONSE FUND AN AMOUNT EQUAL
8 TO THE AMOUNT OF UNEXPENDED AND UNENCUMBERED MONEY
9 DESCRIBED IN SUBSECTION (6)(a) OF THIS SECTION.

10 **SECTION 3.** In Colorado Revised Statutes, **add** 24-102-208 as
11 follows:

12 **24-102-208. Software application contracts - generally**
13 **available hardware - no limitation.** A CONTRACT FOR THE LICENSING OF
14 SOFTWARE APPLICATIONS THAT ARE DESIGNED TO RUN ON GENERALLY
15 AVAILABLE DESKTOP OR SERVER HARDWARE SHALL NOT LIMIT A
16 GOVERNMENTAL BODY'S ABILITY TO INSTALL OR RUN THE SOFTWARE ON
17 THE HARDWARE OF THE GOVERNMENTAL BODY'S CHOOSING. THIS SECTION
18 APPLIES TO ANY CONTRACT OR ADDENDUM FOR THE LICENSING OF
19 SOFTWARE APPLICATIONS ON OR AFTER THE EFFECTIVE DATE OF THIS
20 SECTION.

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