SENATE No. 1986

Senate, July 23, 2015 – Text of the Senate Bill relative to innovative communities (Senate, No. 1986) (being the text of Senate, No. 1982, printed as amended)

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court (2015-2016)

An Act relative to innovative communities.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 SECTION 1. Chapter 23A of the General Laws is hereby amended by adding the
- 2 following section:-
- 3 Section 66. (a) As used in this section, the following words shall have the following
- 4 meanings unless the context clearly requires otherwise:
- 5 "Participant", a municipality seeking to utilize an innovative technology solution or a
- 6 startup.
- 7 "Startup", a corporation, partnership, limited liability company, sole proprietorship or
- 8 organization seeking to bring innovative technology to the market including, but not limited to, a
- 9 company that is seeking a first or early-customer to validate the commercial readiness of the
- 10 company's technology.
- 11 (b) There shall be within the executive office of housing and economic development an
- 12 innovative communities office to serve as a common place of access, education and point of

connection for startups and municipalities seeking innovative technology solutions. The office shall implement an innovative communities program to support the introduction of cutting-edge technologies into the marketplace and incentivize the adoption of these technologies by municipalities.

17 The office shall be under the supervision and control of an executive director, appointed by the secretary of housing and economic development, who shall have experience in business, 18 19 including experience with companies specializing in new and innovative technologies. The executive director may appoint and remove, subject to appropriation, agents and subordinate 20 officers and employees as the executive director considers necessary and may establish 21 22 subdivisions as the executive director considers appropriate to carry out the objectives of the office. The executive director may, subject to appropriation and the approbation of the secretary 23 and in conjunction with the laws and regulations relating to the employment of consultants, 25 employ consultants as the executive director considers necessary.

To implement the innovative communities program, the executive director shall enter into interagency service agreements or other contracts with state agencies, state authorities, business associations and other entities including, but not limited to: the Massachusetts office of information technology; the operational services division; the Massachusetts clean energy technology center; the Massachusetts e-Health Institute; the office of inspector general; and regional planning organizations. The interagency service agreements and contracts shall be designed to support municipalities seeking to utilize innovative technology and startups.

33 (c) The executive director shall establish a process to certify innovative communities. To 34 qualify as an innovative community, a municipality shall: (i) pass a resolution, upon the vote of

(A) the board of selectmen in the case of a town, (B) the city council, with the mayor's approval if required by law, in the case of a city, (C) the town council in the case of a municipality having 36 a town council form of government and (D) in all other towns, a vote of town meeting, which 37 accepts the principles described in this section; (ii) make electronically available to the public 38 39 municipal data sets maintained by the municipality using, to the extent possible, the data 40 standards developed under clause (xiii) of subsection (d), excluding any data set containing information that identifies individual persons or is protected by law; (iii) attend not less than 1 41 technology marketing event or exposition organized by the the executive director; (iv) conduct 42 43 beta testing on not less than 1 technology annually that has been vetted and approved by the executive director; and (v) share the results of the trial with other municipalities participating in the innovative communities program using, to the extent possible, the data standards developed 45 under said clause (xiii) of said subsection (d). A municipality that meets the requirements of this 46 subsection shall be designated by the executive director as an innovative community and shall be 47 eligible for the assistance provided for in clause (vii) of said subsection (d). 48

- 49 (d) In addition to certifying innovative communities under subsection (c), the executive 50 director shall:
- (i) develop, in consultation with the inspector general, an education program for municipalities regarding purchasing innovative technology from startups under chapter 7 and chapter 30B, including purchasing under subsection (c) of section 4 of said chapter 30B;
- (ii) develop, in consultation with the inspector general, an education program for startups that includes methods to understand the municipal purchasing process and the requirements and standards that shall be fulfilled by startups in order to sell to municipalities, including

- 57 opportunities to participate in the commonwealth's efforts to coordinate purchasing for 58 government entities;
- (iii) create, in consultation with the inspector general, a plain language summary and other standardized informational materials to explain how the procurement process operates for contracts negotiated by municipalities under sections 22A and 22B of said chapter 7 and said chapter 30B in order to ensure uniform practices in the commonwealth;
- (iv) organize marketing events and expositions for (A) startups to showcase their technology and conduct statewide innovation competitions to solicit proposals for innovative uses of technology that allow municipalities to better serve their residents or promote efficient use of resources; and (B) participating municipalities to make known to startups municipal technology needs and to share the results of the beta test required under clause (iv) of subsection (c);
- 69 (v) engage municipalities and startups through marketing and outreach to promote the 70 benefits of participating in the innovative communities program, including soliciting 71 entrepreneurial proposals for reshaping government services through various platforms and 72 encouraging participation from women-owned, minority-owned and veteran-owned startups;
- (vi) implement pilot programs in innovative communities annually, subject to
 appropriation, for the most market-ready technologies presented at the technology marketing
 events, expositions and innovation competitions;
- (vii) establish a grant program, subject to appropriation, for innovative communities to finance all or a portion of the costs associated with the adoption of a innovative technology approved by the innovative communities program;

- (viii) provide municipalities and startups with technical assistance to enter into agreements under said chapter 7 and said chapter 30B that assess the need for and the cost and feasibility of employing the chosen technology;
- 82 (ix) develop a pre-qualification process for participating startups to expedite the purchase 83 of innovative technologies;
- (x) establish collective purchasing under section 22A of said chapter 7 to be updated on a regular basis, but not less often than annually, where municipalities may make purchases of innovative technologies approved by the executive director under this section;
- (xi) establish evaluation, audit and compliance procedures for participating startups,
 including a technology readiness assessment, self-audit and standardized due diligence
 investigation of participating startup business profiles;
- 90 (xii) establish a publicly-available website to publish and regularly update information, 91 events and materials created under this subsection;
- 92 (xiii) develop data standards, in consultation with the Massachusetts office of information 93 technology, that maximize the data sharing capabilities of participating municipalities with other 94 participating municipalities, public agencies and entities and the general public; and
- 95 (xiv) seek and encourage participation from startups that may provide cost-beneficial 96 technologies to municipalities including, but not limited to, off-the-shelf products, services and 97 other technologies requiring little customization.
- 98 (e) There shall be an innovative communities advisory board to: (i) build and maintain 99 relationships between startups and municipalities; (ii) improve the innovative communities

100 program; and (iii) develop recommended guidelines to promote the marketplace participation of women-owned, minority-owned and veteran-owned startups. The advisory board shall be within, but not subject to the control of, the executive office of housing and economic development.

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103 The advisory board shall consist of: the chief information officer of the Massachusetts office of information technology or a designee; the executive director of the Massachusetts 104 Municipal Association, Inc. or a designee; 1 representative of the Massachusetts Association of 105 Public Purchasing Officials; and 12 members to be appointed by the governor, 1 of whom shall 107 be a chief executive officer of a clean energy company or a designee, 1 of whom shall be a chief executive officer of an innovative information technology company or a designee, 1 of whom 108 109 shall be a chief executive officer of an innovative startup company or a designee, 1 of whom 110 shall be an investor in new technology companies, 2 of whom shall be chief executive officers of associations representing emerging technology industries; 2 of whom shall be individuals who 111 have experience with business incubators or shared workspaces; 1 of whom shall be an individual with experience in emerging health care delivery technologies; 1 of whom shall be a 113 mayor or a city manager of a city; 1 of whom shall be a town administrator, manager or 114 executive secretary of a town and 1 of whom shall be a representative of a regional planning 115 organization. The governor shall ensure that at least 2 appointees are representative of 117 organizations representing women or people of color in the technology sector. The governor shall fill any vacancy. The advisory board shall elect a chairperson. The advisory board shall file a report on the activities of the board and any recommendations annually, not later than March 1, 119 120 with the secretary of housing and economic development and the joint committee on economic development and emerging technologies. 121

122 SECTION 2. (a) There shall be a special commission to conduct an investigation into and 123 study potential barriers to the adoption of innovative technologies by state and local governments and entities created by existing procurement laws in the commonwealth. The commission shall 124 consist of the following 23members: 2 members of the senate, 1 of whom shall be the co-chair of 125 126 the joint committee on economic development and emerging technologies or a designee and 1 of 127 whom shall be appointed by the minority leader or a designee; 2 members of the house, 1 of whom shall be the co-chair of the joint committee on economic development and emerging 128 technologies or a designee and 1 of whom shall be appointed by the minority leader or a 129 130 designee; the secretary of administration and finance or a designee; the secretary of housing and economic development or a designee; the assistant secretary for operational services or a 131 designee; the inspector general or a designee; the commissioner of capital asset management and 132 maintenance or a designee; the executive director of the Massachusetts clean energy technology center or a designee; the commissioner of energy resources or a designee; the chief executive 134 officer of Massachusetts Development Finance Agency or a designee; the chief executive officer 135 of the Massachusetts Technology Park Corporation doing business as the Massachusetts Technology Collaborative or a designee; the executive director of the Massachusetts Municipal 138 Association, Inc. or a designee; and 9members to be appointed by the governor, 1 of whom shall be the chief executive officer of a clean energy company or a designee, 1 of whom shall be the 139 chief executive officer of an innovative information technology company or a designee, 1 of 140 141 whom shall be the chief executive officer of an emerging health care delivery technology company or a designee, 1 of whom shall be a mayor or a city manager of a city, 1 of whom shall 143 be a town administrator, manager or executive secretary of a town, 1 of whom shall be the chief executive officer of an innovative startup company or a designee, 1 of whom shall be an investor

in new technology companies and 2 of whom shall be chief executive officers of associations representing emerging technology industries.

- 147 (b) The commission shall examine, but shall not be limited to examining: (i) the ways in which existing procurement rules may unnecessarily exclude less established companies from 148 149 obtaining contracts, particularly innovative startup companies; (ii) opportunities for establishing a method for pre-qualification of companies offering innovative technology solutions; (iii) 150 151 opportunities for statewide programs designed to encourage state or local government procurement of innovative technologies; (iv) opportunities for public-private collaboration; (v) the feasibility of adopting procurement rules that encourage open-source software development, 153 154 such that major technology systems, platforms and products purchased by the commonwealth 155 remain open for the development of third-party end-user software and application designs that improve ease of access and utilization of the major technology systems; and (vi) any regulatory changes which may encourage the adoption of innovative technologies without compromising 157 the competitive bid process. 158
- (c) The commission may hold hearings and invite testimony from experts and the public.
 The commission shall review and identify best practices learned from similar efforts in other
 states.
- (d) The commission shall submit a report, together with drafts of legislation necessary to
 carry out its recommendations, to the clerks of the house of representatives and the senate not
 later than January 1, 2017.
- SECTION 3. All appointments to the innovative communities advisory board established in subsection (e) of section 66 of chapter 23A of the General Laws shall be made not later than

- 30 days after the effective date of this act. The advisory board shall convene its first meeting notlater than 60 days after the effective date of this act.
- SECTION 4. The innovative communities office established in subsection (b) of section
 66 of chapter 23A of the General Laws shall collaborate with the department of higher education
 and the office of access and opportunity to encourage the participation of women, veterans and
 minorities in the innovation sector.