1	HOUSE OF REPRESENTATIVES - FLOOR VERSION
2	STATE OF OKLAHOMA
3	1st Session of the 56th Legislature (2017)
4	COMMITTEE SUBSTITUTE FOR ENGROSSED
5	SENATE BILL NO. 105 By: Thompson of the Senate
6	and
7	Osborn (Leslie) of the House
8	
9	
10	
11	COMMITTEE SUBSTITUTE
12	[ state information technology - Chief Information
13	Officer - noncodification - effective date -
14	emergency ]
15	
16	
17	BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
18	SECTION 1. NEW LAW A new section of law not to be
19	codified in the Oklahoma Statutes reads as follows:
20	It is the intent of the Legislature to streamline the
21	acquisition of certain information technology and telecommunication
22	products by state agencies while maintaining adherence to state
23	architectural and data security standards and while ensuring
24	

supportable information technology and telecommunication solutions
 are acquired by state agency.

3 SECTION 2. AMENDATORY 62 O.S. 2011, Section 34.11.1, as 4 last amended by Section 6, Chapter 358, O.S.L. 2013 (62 O.S. Supp. 5 2016, Section 34.11.1), is amended to read as follows:

6 Section 34.11.1 A. There is hereby created the position of 7 Chief Information Officer who shall be appointed by the Governor. The Chief Information Officer, in addition to having authority over 8 9 the Information Services Division of the Office of Management and 10 Enterprise Services, shall also serve as Secretary of Information 11 Technology and Telecommunications or successor cabinet position and 12 shall have jurisdictional areas of responsibility related to 13 information technology and telecommunications systems of all state 14 agencies as provided for in state law. The salary of the Chief 15 Information Officer shall not be less than One Hundred Thirty 16 Thousand Dollars (\$130,000.00) or more than One Hundred Sixty 17 Thousand Dollars (\$160,000.00).

B. Any person appointed to the position of Chief Information
Officer shall meet the following eligibility requirements:

A baccalaureate degree in Computer Information Systems,
 Information Systems or Technology Management, Business
 Administration, Finance, or other similar degree;

23 2. A minimum of ten (10) years of professional experience with 24 responsibilities for management and support of information systems

1 and information technology, including seven (7) years of direct management of a major information technology operation; 2 3 3. Familiarity with local and wide-area network design, 4 implementation, and operation; 5 4. Experience with data and voice convergence service offerings; 6 7 5. Experience in developing technology budgets; 6. Experience in developing requests for proposal and 8 9 administering the bid process; 10 7. Experience managing professional staff, teams, and 11 consultants; Knowledge of telecommunications operations; 12 8. 13 9. Ability to develop and set strategic direction for 14 information technology and telecommunications and to manage daily 15 development and operations functions; 16 10. An effective communicator who is able to build consensus; 17 Ability to analyze and resolve complex issues, both logical 11. 18 and interpersonal; 19 Effective verbal and written communications skills and 12. 20 effective presentation skills, geared toward coordination and 21 education; 22 Ability to negotiate and defuse conflict; and 13. 23 A self-motivator, independent, cooperative, flexible and 14. 24 creative.

1 C. The salary and any other expenses for the Chief Information 2 Officer shall be budgeted as a separate line item through the Office 3 of Management and Enterprise Services. The operating expenses of the Information Services Division shall be set by the Chief 4 5 Information Officer and shall be budgeted as a separate line item 6 through the Office of Management and Enterprise Services. The 7 Office of Management and Enterprise Services shall provide adequate 8 office space, equipment and support necessary to enable the Chief 9 Information Officer to carry out the information technology and 10 telecommunications duties and responsibilities of the Chief 11 Information Officer and the Information Services Division.

1. Within twelve (12) months of appointment, the first 12 D. 13 Chief Information Officer shall complete an assessment, which shall 14 be modified annually pursuant to Section 35.5 of this title, of the 15 implementation of the transfer, coordination, and modernization of 16 all information technology and telecommunication systems of all 17 state agencies in the state as provided for in the Oklahoma 18 Information Services Act. The assessment shall include the 19 information technology and telecommunications systems of all 20 institutions within The Oklahoma State System of Higher Education, 21 the Oklahoma State Regents for Higher Education and the 22 telecommunications network known as OneNet as assembled and 23 submitted by the Oklahoma Higher Education Chief Information

24

Page 4

Officer, as designated by the Oklahoma State Regents for Higher
 Education.

3 2. Within twelve (12) months of appointment, the first Chief 4 Information Officer shall issue a report setting out a plan of 5 action which will include the following:

- a. define the shared service model organization structure
  and the reporting relationship of the recommended
  organization,
- b. the implementation of an information technology and
  telecommunications shared services model that defines
  the statewide infrastructure environment needed by
  most state agencies that is not specific to individual
  agencies and the shared applications that are utilized
  across multiple agencies,
- c. define the services that shall be in the shared
  services model under the control of the Information
  Services Division of the Office of Management and
  Enterprise Services,
- 19d.define the roadmap to implement the proposed shared20services model. The roadmap shall include21recommendations on the transfer, coordination, and22modernization of all information technology and23telecommunication systems of all the state agencies in24the state,

- e. recommendations on the reallocation of information
   technology and telecommunication resources and
   personnel,
- f. a cost benefit analysis to support the recommendations
  on the reallocation of information technology and
  telecommunication resources and personnel,
- 7 a calculation of the net savings realized through the g. reallocation and consolidation of information 8 9 technology and telecommunication resources and 10 personnel after compensating for the cost of 11 contracting with a private consultant as authorized in 12 paragraph 4 of this subsection, implementing the plan 13 of action, and ongoing costs of the Information 14 Services Division of the Office of Management and 15 Enterprise Services, and
- h. the information required in subsection B of Section
  35.5 of this title.

3. The plan of action report shall be presented to the
Governor, Speaker of the House of Representatives, and the President
Pro Tempore of the State Senate.

4. The Chief Information Officer may contract with a private consultant or consultants to assist in the assessment and development of the plan of action report as required in this subsection. E. The Chief Information Officer shall be authorized to employ personnel, fix the duties and compensation of the personnel, not otherwise prescribed by law, and otherwise direct the work of the personnel in performing the function and accomplishing the purposes of the Information Services Division of the Office of Management and Enterprise Services.

F. The Information Services Division of the Office of
Management and Enterprise Services shall be responsible for the
following duties:

Formulate and implement the information technology strategy
 for all state agencies;

Define, design, and implement a shared services statewide
 infrastructure and application environment for information
 technology and telecommunications for all state agencies;

15 3. Direct the development and operation of a scalable 16 telecommunications infrastructure that supports data and voice 17 communications reliability, integrity, and security;

Supervise the applications development process for those
 applications that are utilized across multiple agencies;

20 5. Provide direction for the professional development of
21 information technology staff of state agencies and oversee the
22 professional development of the staff of the Information Services
23 Division of the Office of Management and Enterprise Services;

24

Page 7

Evaluate all technology and telecommunication investment
 choices for all state agencies;

3 7. Create a plan to ensure alignment of current systems, tools, 4 and processes with the strategic information technology plan for all 5 state agencies;

8. Set direction and provide oversight for the support and
continuous upgrading of the current information technology and
telecommunication infrastructure in the state in support of enhanced
reliability, user service levels, and security;

9. Direct the development, implementation, and management of
 appropriate standards, policies and procedures to ensure the success
 of state information technology and telecommunication initiatives;

13 10. Recruit, hire and transfer the required technical staff in
14 the Information Services Division of the Office of Management and
15 Enterprise Services to support the services provided by the Division
16 and the execution of the strategic information technology plan;

17 11. Establish, maintain, and enforce information technology and18 telecommunication standards;

19 12. Delegate, coordinate, and review all work to ensure quality 20 and efficient operation of the Information Services Division of the 21 Office of Management and Enterprise Services;

13. Create and implement a communication plan that disseminates
pertinent information to state agencies on standards, policies,
procedures, service levels, project status, and other important

Page 8

information to customers of the Information Services Division of the
 Office of Management and Enterprise Services and provide for agency
 feedback and performance evaluation by customers of the Division;

4 14. Develop and implement training programs for state agencies
5 using the shared services of the Information Services Division of
6 the Office of Management and Enterprise Services and recommend
7 training programs to state agencies on information technology and
8 telecommunication systems, products and procedures;

9 15. Provide counseling, performance evaluation, training,
10 motivation, discipline, and assign duties for employees of the
11 Information Services Division of the Office of Management and
12 Enterprise Services;

13 16. Approve For all state agencies, approve the purchasing of
14 all information technology and telecommunication services and
15 approve the purchase of any information technology and
16 telecommunication products and services for all state agencies
17 product except the following:

18	<u>a.</u>	a purchase less than or equal to Five Thousand Dollars
19		(\$5,000.00) if such product is purchased using a state
20		purchase card and the product is listed on either the
21		Approved Hardware or Approved Software list located on
22		the Office of Management and Enterprise Services
23		website, or

1	b. a purchase over Five Thousand Dollars (\$5,000.00) and
2	less than or equal to Twenty-five Thousand Dollars
3	(\$25,000.00) if such product is purchased using a
4	state purchase card, the product is listed on an
5	information technology or telecommunications statewide
6	contract, and the product is listed on either the
7	Approved Hardware or Approved Software list located on
8	the Office of Management and Enterprise Services
9	website;
10	17. Develop and enforce an overall infrastructure architecture
11	strategy and associated roadmaps for desktop, network, server,
12	storage, and statewide management systems for state agencies;
13	18. Effectively manage the design, implementation and support
14	of complex, highly available infrastructure to ensure optimal
15	performance, on-time delivery of features, and new products, and
16	scalable growth;
17	19. Define and implement a governance model for requesting
18	services and monitoring service level metrics for all shared
19	services; and
20	20. Create the budget for the Information Services Division of
21	the Office of Management and Enterprise Services to be submitted to
22	the Legislature each year.
23	G. The State Governmental Technology Applications Review Board
24	shall provide ongoing oversight of the implementation of the plan of

action required in subsection D of this section. Any proposed
 amendments to the plan of action shall be approved by the Board
 prior to adoption.

The Chief Information Officer shall act as the 4 Η. 1. 5 Information Technology and Telecommunications Purchasing Director 6 for all state agencies and shall be responsible for the procurement 7 of all information technology and telecommunication software, hardware, equipment, peripheral devices, maintenance, consulting 8 9 services, high technology systems, and other related information 10 technology, data processing, telecommunication and related 11 peripherals and services for all state agencies. The Chief 12 Information Officer shall establish, implement, and enforce policies 13 and procedures for the procurement of information technology and 14 telecommunication software, hardware, equipment, peripheral devices, 15 maintenance, consulting services, high technology systems, and other 16 related information technology, data processing, telecommunication 17 and related peripherals and services by purchase, lease-purchase, 18 lease with option to purchase, lease and rental for all state 19 The procurement policies and procedures established by agencies. 20 the Chief Information Officer shall be consistent with The Oklahoma 21 Central Purchasing Act.

22 2. The Chief Information Officer, or any employee or agent of 23 the Chief Information Officer acting within the scope of delegated 24 authority, shall have the same power and authority regarding the

1 procurement of all information technology and telecommunication 2 products and services as outlined in paragraph 1 of this subsection 3 for all state agencies as the State Purchasing Director has for all 4 acquisitions used or consumed by state agencies as established in 5 The Oklahoma Central Purchasing Act. Such authority shall, consistent with the authority granted to the State Purchasing 6 7 Director pursuant to Section 85.10 of Title 74 of the Oklahoma 8 Statutes, include the power to designate financial or proprietary 9 information submitted by a bidder confidential and reject all 10 requests to disclose the information so designated, if the Chief 11 Information Officer requires the bidder to submit the financial or 12 proprietary information with a bid, proposal, or quotation.

13 Τ. The Information Services Division of the Office of 14 Management and Enterprise Services and the Chief Information Officer 15 shall be subject to The Oklahoma Central Purchasing Act for the 16 approval and purchase of equipment and products not related to 17 information and telecommunications technology, equipment, software, 18 products and related peripherals and services and shall also be 19 subject to the requirements of the Public Competitive Bidding Act of 20 1974, the Oklahoma Lighting Energy Conservation Act and the Public 21 Building Construction and Planning Act when procuring data 22 processing, information technology, telecommunication, and related 23 peripherals and services and when constructing information 24 technology and telecommunication facilities, telecommunication

1 networks and supporting infrastructure. The Chief Information 2 Officer shall be authorized to delegate all or some of the 3 procurement of information technology and telecommunication products and services and construction of facilities and telecommunication 4 5 networks to another state entity if the Chief Information Officer determines it to be cost-effective and in the best interest of the 6 7 The Chief Information Officer shall have authority to state. designate information technology and telecommunication contracts as 8 9 statewide contracts and mandatory statewide contracts pursuant to 10 Section 85.5 of Title 74 of the Oklahoma Statutes and to negotiate 11 consolidation contracts, enterprise agreements and high technology 12 systems contracts in accordance with the procedures outlined in 13 Section 85.9D of Title 74 of the Oklahoma Statutes. Any contract 14 entered into by a state agency for which the Chief Information 15 Officer has not acted as the Information Technology and 16 Telecommunications Purchasing Director as required in this 17 subsection or subsection H of this section, shall be deemed to be 18 unenforceable and the Office of Management and Enterprise Services 19 shall not process any claim associated with the provisions thereof. 20 J. The Chief Information Officer shall establish, implement, 21 and enforce policies and procedure for the development and 22 procurement of an interoperable radio communications system for 23 state agencies. The Chief Information Officer shall work with local

governmental entities in developing the interoperable radio
 communications system.

K. The Chief Information Officer shall develop and implement a
plan to utilize open source technology and products for the
information technology and telecommunication systems of all state
agencies.

7 L. All state agencies and authorities of this state and all 8 officers and employees of those entities shall work and cooperate 9 with and lend assistance to the Chief Information Officer and the 10 Information Services Division of the Office of Management and 11 Enterprise Services and provide any and all information requested by 12 the Chief Information Officer.

M. The Chief Information Officer shall prepare an annual report detailing the ongoing net saving attributable to the reallocation and consolidation of information technology and telecommunication resources and personnel and shall submit the report to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate.

N. For purposes of the Oklahoma Information Services Act, unless otherwise provided for, "state agencies" shall include any office, officer, bureau, board, commission, counsel, unit, division, body, authority or institution of the executive branch of state government, whether elected or appointed; provided, except with respect to the provisions of subsection D of this section, the term "state agencies" shall not include institutions within The Oklahoma
 State System of Higher Education, the Oklahoma State Regents for
 Higher Education and the telecommunications network known as OneNet.

4

O. As used in this section:

5 1. "High technology system" means advanced technological
6 equipment, software, communication lines, and services for the
7 processing, storing, and retrieval of information by a state agency;

8 2. "Consolidation contract" means a contract for several state
9 or public agencies for the purpose of purchasing information
10 technology and telecommunication goods and services; and

3. "Enterprise agreement" means an agreement for information technology or telecommunication goods and services with a supplier who manufactures, develops and designs products and provides services that are used by one or more state agencies.

15SECTION 3.AMENDATORY62 O.S. 2011, Section 34.12, as16last amended by Section 11, Chapter 358, O.S.L. 2013 (62 O.S. Supp.172016, Section 34.12), is amended to read as follows:

18 Section 34.12 A. The Information Services Division of the 19 Office of Management and Enterprise Services shall:

Coordinate information technology planning through analysis
 of the long-term information technology plans for each agency;
 Develop a statewide information technology plan with annual

23 modifications to include, but not be limited to, individual agency

1 plans and information systems plans for the statewide electronic 2 information technology function;

3	3. Establish and enforce minimum mandatory standards for:
4	a. information systems planning,
5	b. systems development methodology,
6	c. documentation,
7	d. hardware requirements and compatibility,
8	e. operating systems compatibility,
9	f. acquisition of software, hardware and technology-
10	related services,
11	g. information security and internal controls,
12	h. data base compatibility,
13	i. contingency planning and disaster recovery, and
14	j. imaging systems, copiers, facsimile systems, printers,
15	scanning systems and any associated supplies.
16	The standards shall, upon adoption, be the minimum requirements
17	applicable to all agencies. These standards shall be compatible
18	with the standards established for the Oklahoma Government
19	Telecommunications Network. Individual agency standards may be more
20	specific than statewide requirements but shall in no case be less
21	than the minimum mandatory standards. Where standards required of
22	an individual agency of the state by agencies of the federal
23	government are more strict than the state minimum standards, such
24	federal requirements shall be applicable;

4. Develop and maintain applications for agencies not having
 2 the capacity to do so;

5. Operate a data service center to provide operations and hardware support for agencies requiring such services and for statewide systems;

6 6. Maintain a directory of the following which have a value of 7 Five Hundred Dollars (\$500.00) or more: application systems, systems software, hardware, internal and external information technology, 8 9 communication or telecommunication equipment owned, leased, or 10 rented for use in communication services for state government, 11 including communication services provided as part of any other total 12 system to be used by the state or any of its agencies, and studies 13 and training courses in use by all agencies of the state; and 14 facilitate the utilization of the resources by any agency having 15 requirements which are found to be available within any agency of 16 the state;

17 7. Assist agencies in the acquisition and utilization of
18 information technology systems and hardware to effectuate the
19 maximum benefit for the provision of services and accomplishment of
20 the duties and responsibilities of agencies of the state;

8. Coordinate for the executive branch of state government
agency information technology activities, encourage joint projects
and common systems, linking of agency systems through the review of
agency plans, review and approval of all statewide contracts for

software, hardware and information technology consulting services and development of a statewide plan and its integration with the budget process to ensure that developments or acquisitions are consistent with statewide objectives and that proposed systems are justified and cost effective;

9. Develop performance reporting guidelines for information
7 technology facilities and conduct an annual review to compare agency
8 plans and budgets with results and expenditures;

9 10. Establish operations review procedures for information 10 technology installations operated by agencies of the state for 11 independent assessment of productivity, efficiency, cost 12 effectiveness, and security;

13 11. Establish data center user charges for billing costs to 14 agencies based on the use of all resources;

15 12. Provide system development and consultant support to state
16 agencies on a contractual, cost reimbursement basis; and

17 13. In conjunction with the Oklahoma Office of Homeland 18 Security, enforce the minimum information security and internal 19 control standards established by the Information Services Division. 20 An enforcement team consisting of the Chief Information Officer of 21 the Information Services Division or a designee, a representative of 22 the Oklahoma Office of Homeland Security, and a representative of 23 the Oklahoma State Bureau of Investigation shall enforce the minimum 24 information security and internal control standards. If the

1 enforcement team determines that an agency is not in compliance with 2 the minimum information security and internal control standards, the Chief Information Officer shall take immediate action to mitigate 3 4 the noncompliance, including the removal of the agency from the 5 infrastructure of the state until the agency becomes compliant, 6 taking control of the information technology function of the agency until the agency is compliant, and transferring the administration 7 8 and management of the information technology function of the agency 9 to the Information Services Division or another state agency. 10 No agency of the executive branch of the state shall use Β.

11 state funds for or enter into any agreement for the acquisition of 12 any category of computer hardware, software or any contract for 13 information technology or telecommunication services and equipment, 14 service costs, maintenance costs, or any other costs or fees 15 associated with the acquisition of the services or equipment, 16 without written authorization of the Chief Information Officer or a 17 designee except the following:

## 17 designee <u>except the following:</u>

A purchase less than or equal to Five Thousand Dollars
 (\$5,000.00) if such product is purchased using a state purchase card
 and the product is listed on either the Approved Hardware or
 Approved Software list located on the Office of Management and
 Enterprise Services website; or
 A purchase over Five Thousand Dollars (\$5,000.00) and less

24 than or equal to Twenty-five Thousand Dollars (\$25,000.00) if such

product is purchased using a state purchase card, the product is
listed on an information technology or telecommunications statewide
contract, and the product is listed on either the Approved Hardware
or Approved Software list located on the Office of Management and
Enterprise Services website.

6 If written authorization is not obtained prior to incurring an 7 expenditure or entering into any agreement as required in this 8 subsection or as required in Section 35.4 of this title, the Office 9 of Management and Enterprise Services may not process any claim 10 associated with the expenditure and the provisions of any agreement 11 shall not be enforceable. The provisions of this subsection shall 12 not be applicable to any member of The Oklahoma State System of 13 Higher Education, any public elementary or secondary schools of the 14 state, any technology center school district as defined in Section 15 14-108 of Title 70 of the Oklahoma Statutes, or CompSource Oklahoma. 16 The Chief Information Officer and Information Services С. 17 Division of the Office of Management and Enterprise Services and all 18 agencies of the executive branch of the state shall not be required 19 to disclose, directly or indirectly, any information of a state 20 agency which is declared to be confidential or privileged by state 21 or federal statute or the disclosure of which is restricted by 22 agreement with the United States or one of its agencies, nor 23 disclose information technology system details that may permit the

24 access to confidential information or any information affecting

1 personal security, personal identity, or physical security of state
2 assets.

3	SECTION 4. AMENDATORY 62 O.S. 2011, Section 35.4, as
4	amended by Section 21, Chapter 358, O.S.L. 2013 (62 O.S. Supp. 2016,
5	Section 35.4), is amended to read as follows:
6	Section 35.4 No state agency shall expend or encumber any funds
7	for the purchase, lease, lease-purchase, lease with option to
8	purchase, rental or other procurement of any information technology
9	assets without the prior written approval of the Chief Information
10	Officer except the following:
11	1. A purchase less than or equal to Five Thousand Dollars
12	(\$5,000.00) if such product is purchased using a state purchase card
13	and the product is listed on either the Approved Hardware or
14	Approved Software list located on the Office of Management and
15	Enterprise Services website; or
16	2. A purchase over Five Thousand Dollars (\$5,000.00) and less
17	than or equal to Twenty-five Thousand Dollars (\$25,000.00) if such
18	product is purchased using a state purchase card, the product is
19	listed on an information technology or telecommunications statewide
20	contract, and the product is listed on either the Approved Hardware
21	or Approved Software list located on the Office of Management and
22	Enterprise Services website.
23	SECTION 5. This act shall become effective July 1, 2017.
24	

1	SECTION 6. It being immediately necessary for the preservation
2	of the public peace, health or safety, an emergency is hereby
3	declared to exist, by reason whereof this act shall take effect and
4	be in full force from and after its passage and approval.
5	
6	COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated 04/11/2017 - DO PASS, As Amended.
7	04/11/2017 DO TASS, AS Amended.
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	