

SHB 3178 - H AMD 1297

By Representative Carlyle

ADOPTED AS AMENDED 03/03/2010

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 43.105
4 RCW to read as follows:

5 (1) The legislature finds that the provision of information
6 technology in state government lacks strategic coordination,
7 transparency, and meaningful enterprise-wide direction and oversight.
8 It is no longer economically sustainable or technically feasible for
9 state agencies to obtain and provide large-scale, commonly utilized
10 information technology products and services on an individual, agency-
11 by-agency basis without coordination. Instead, the state needs a
12 strong, enterprise-based information technology strategy to ensure the
13 public's needs are being met and the state is receiving the highest
14 quality information technology products and services at the best price
15 from public or private providers. Developing a strong enterprise-wide
16 strategy also includes establishing clear lines of authority and
17 accountability within state agencies so that those services unique to
18 individual agencies receive the support required to effectively and
19 efficiently provide services to citizens. To accomplish these
20 objectives, the state needs to develop an open, transparent process for
21 determining the total cost of ownership for the information technology
22 products and services it provides, and to provide such information in
23 an easily accessible, public fashion. It is in the state's interest to
24 ensure that the wide range of disparate networks, systems, services,
25 and structures across state government become more closely coordinated,
26 organized, and structured. This type of coordinating effort is already
27 underway in the area of higher education through the efforts of the
28 higher education technology transformation task force and informally
29 within other areas. When more transparent technical and financial
30 information is readily available, the state can make sound policy

1 decisions about what information technology services should be provided
2 centrally on a shared services basis, and what products and services
3 may be best suited for either contracting with private providers or for
4 maintenance at the agency level. Furthermore, if attractive pricing
5 models and service level agreements are developed for enterprise-based
6 information technology services, the legislative and judicial branches
7 will have an incentive to participate in those services as well.

8 (2) It is the intent of the legislature to organize, consolidate,
9 and, where appropriate, contract with private providers for technology
10 systems and resources in a strategic fashion that is based upon sound,
11 objective, nonpolitical, and independent technical and financial
12 criteria. The state needs to develop a clear, enterprise-based
13 statewide strategy for information technology to ensure that there is
14 transparency and accountability regarding how information technology
15 resources are being allocated, how decisions are being made, and who is
16 accountable for on-time, on-budget delivery.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.105 RCW
18 to read as follows:

19 (1) State agencies that are purchasing wireless devices or services
20 must make such purchases through the state master contract, unless the
21 state agency provides to the office of financial management evidence
22 that the state agency is securing its wireless devices or services from
23 another source for a lower cost than through participation in the state
24 master contract.

25 (2) For the purposes of this section, "state agency" means any
26 office, department, board, commission, or other unit of state
27 government, but does not include a unit of state government headed by
28 a statewide elected official, an institution of higher education as
29 defined in RCW 28B.10.016, or agencies of the legislative or judicial
30 branches of state government.

31 **Sec. 3.** RCW 43.105.190 and 2005 c 319 s 111 are each amended to
32 read as follows:

33 (1) The department, with the approval of the board, shall establish
34 standards and policies governing the planning, implementation, and
35 evaluation of major information technology projects, including those
36 proposed by the superintendent of public instruction, in conjunction

1 with educational service districts, or statewide or regional providers
2 of K-12 education information technology services. The standards and
3 policies shall:

4 (a) Establish criteria to identify projects which are subject to
5 this section. Such criteria shall include, but not be limited to,
6 significant anticipated cost, complexity, or statewide significance of
7 the project; and

8 (b) Establish a model process and procedures which agencies shall
9 follow in developing and implementing projects within their information
10 technology portfolios. Agencies may propose, for approval by the
11 department, a process and procedures unique to the agency. The
12 department may accept or require modification of such agency proposals
13 or the department may reject such agency proposals and require use of
14 the model process and procedures established under this subsection.
15 Any process and procedures developed under this subsection shall
16 require (i) distinct and identifiable phases upon which funding may be
17 based, (ii) user validation of products through system demonstrations
18 and testing of prototypes and deliverables, and (iii) other elements
19 identified by the board.

20 The director may terminate a major project if the director
21 determines that the project is not meeting or is not expected to meet
22 anticipated performance standards.

23 (2) The office of financial management shall establish policies and
24 standards consistent with portfolio-based information technology
25 management to govern the funding of projects developed under this
26 section. The policies and standards shall provide for:

27 (a) Funding of a project under terms and conditions mutually agreed
28 to by the director, the director of financial management, and the head
29 of the agency proposing the project. However, the office of financial
30 management may require incremental funding of a project on a phase-by-
31 phase basis whereby funds for a given phase of a project may be
32 released only when the office of financial management determines, with
33 the advice of the department, that the previous phase is satisfactorily
34 completed;

35 (b) Acceptance testing of products to assure that products perform
36 satisfactorily before they are accepted and final payment is made; and

37 (c) Other elements deemed necessary by the office of financial
38 management.

1 (3)(a) The department shall evaluate projects based on the
2 demonstrated business needs and benefits; cost; technology scope and
3 feasibility; impact on the agency's information technology portfolio
4 and on the statewide infrastructure; and final project implementation
5 plan based upon available funding.

6 (b) Copies of project evaluations conducted under this subsection
7 shall be submitted to the office of financial management and the
8 chairs, ranking minority members, and staff coordinators of the
9 appropriations committees of the senate and house of representatives.

10 (c) If there are projects that receive funding from a
11 transportation fund or account, copies of those projects' evaluations
12 conducted under this subsection must be submitted to the chairs and
13 ranking minority members of the transportation committees of the senate
14 and the house of representatives.

15 (4) For the 2009-2011 biennium, the following limitations are
16 established upon information technology procurement:

17 (a) Except as provided in (c) of this subsection, state agencies
18 are not permitted to purchase or implement new information technology
19 projects without securing prior authorization from the office of
20 financial management. The office of financial management may only
21 approve information technology projects that contribute towards an
22 enterprise strategy or meet a critical, localized need of the
23 requesting agency.

24 (b) Except as provided in (c) of this subsection, state agencies
25 are not permitted to purchase servers, virtualization software, data
26 storage, or related software through their operational funds or through
27 a separate information technology budget item without securing prior
28 authorization from the office of financial management. The office of
29 financial management shall grant approval only if the purchase is
30 consistent with the state's overall migration strategy to the state
31 data center and critical to the operation of the agency.

32 (c) State agencies may purchase new information technology projects
33 or servers without securing prior authorization from the office of
34 financial management if the purchase by the agency is needed to address
35 an immediate and compelling threat to public safety.

36 (d) For the purposes of this subsection (4), "state agency" means
37 any office, department, board, commission, or other unit of state
38 government, but does not include a unit of state government headed by

1 a statewide elected official, an institution of higher education as
2 defined in RCW 28B.10.016, or agencies of the legislative or judicial
3 branches of state government.

4 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.88 RCW
5 to read as follows:

6 (1) As part of the biennial budget process, the office of financial
7 management shall collect from agencies, and agencies shall provide,
8 information to produce reports, summaries, and budget detail sufficient
9 to allow review, analysis, and documentation of all current and
10 proposed expenditures for information technology by state agencies.
11 Information technology budget detail must be included as part of the
12 budget submittal documentation required pursuant to RCW 43.88.030.

13 (2) The office of financial management must collect, and present as
14 part of the biennial budget documentation, information for all existing
15 information technology projects as defined by information services
16 board policy. The office of financial management must work with the
17 department of information services to maximize the ability to draw this
18 information from the information technology portfolio management data
19 collected by the department of information services pursuant to RCW
20 43.105.170. Connecting project information collected through the
21 portfolio management process with financial data developed under
22 subsection (1) of this section provides transparency regarding
23 expenditure data for existing technology projects.

24 (3) The biennial budget documentation submitted by the office of
25 financial management pursuant to RCW 43.88.030 must include an
26 information technology plan identifying proposed large information
27 technology projects. This plan must be presented using a method
28 similar to the capital budget, identifying project costs through stages
29 of the project and across fiscal periods and biennia from project
30 initiation to implementation. This information must be submitted
31 electronically, in a format to be determined by the office of financial
32 management and the legislative evaluation and accountability program
33 committee.

34 (4) The office of financial management shall also institute a
35 method of accounting for information technology-related expenditures,
36 including creating common definitions for what constitutes an
37 information technology investment.

1 **Sec. 5.** RCW 43.88.560 and 1992 c 20 s 7 are each amended to read
2 as follows:

3 The director of financial management shall establish policies and
4 standards governing the funding of major information technology
5 projects as required under RCW 43.105.190(2). The director of
6 financial management shall also direct the collection of additional
7 information on information technology projects and submit an
8 information technology plan as required under section 4 of this act.

9 **Sec. 6.** RCW 43.105.041 and 2009 c 486 s 13 are each amended to
10 read as follows:

11 (1) The board shall have the following powers and duties related to
12 information services:

13 (a) To develop standards and procedures governing the acquisition
14 and disposition of equipment, proprietary software and purchased
15 services, licensing of the radio spectrum by or on behalf of state
16 agencies, and confidentiality of computerized data. The board shall
17 coordinate with the office of financial management to develop
18 contracting standards for information technology acquisition and
19 purchased services and must work with state agencies to ensure
20 deployment of standardized contracts;

21 (b) To purchase, lease, rent, or otherwise acquire, dispose of, and
22 maintain equipment, proprietary software, and purchased services, or to
23 delegate to other agencies and institutions of state government, under
24 appropriate standards, the authority to purchase, lease, rent, or
25 otherwise acquire, dispose of, and maintain equipment, proprietary
26 software, and purchased services: PROVIDED, That, agencies and
27 institutions of state government are expressly prohibited from
28 acquiring or disposing of equipment, proprietary software, and
29 purchased services without such delegation of authority. The
30 acquisition and disposition of equipment, proprietary software, and
31 purchased services is exempt from RCW 43.19.1919 and, as provided in
32 RCW 43.19.1901, from the provisions of RCW 43.19.190 through 43.19.200,
33 except that the board, the department, and state agencies, as
34 delegated, must post notices of technology procurement bids on the
35 state's common vendor registration and bid notification system. This
36 subsection (1)(b) does not apply to the legislative branch;

1 (c) To develop statewide or interagency technical policies,
2 standards, and procedures;

3 (d) To review and approve standards and common specifications for
4 new or expanded telecommunications networks proposed by agencies,
5 public postsecondary education institutions, educational service
6 districts, or statewide or regional providers of K-12 information
7 technology services, and to assure the cost-effective development and
8 incremental implementation of a statewide video telecommunications
9 system to serve: Public schools; educational service districts;
10 vocational-technical institutes; community colleges; colleges and
11 universities; state and local government; and the general public
12 through public affairs programming;

13 (e) To provide direction concerning strategic planning goals and
14 objectives for the state. The board shall seek input from the
15 legislature and the judiciary;

16 (f) To develop and implement a process for the resolution of
17 appeals by:

18 (i) Vendors concerning the conduct of an acquisition process by an
19 agency or the department; or

20 (ii) A customer agency concerning the provision of services by the
21 department or by other state agency providers;

22 (g) To establish policies for the periodic review by the department
23 of agency performance which may include but are not limited to analysis
24 of:

25 (i) Planning, management, control, and use of information services;
26 (ii) Training and education; and
27 (iii) Project management;

28 (h) To set its meeting schedules and convene at scheduled times, or
29 meet at the request of a majority of its members, the chair, or the
30 director;

31 (i) To review and approve that portion of the ((department's))
32 budget ((requests)) that ((provides for)) may provide independent,
33 technical staff support to the board; and

34 (j) To develop procurement policies and procedures, such as
35 unbundled contracting and subcontracting, that encourage and facilitate
36 the purchase of products and services by state agencies and
37 institutions from Washington small businesses to the maximum extent

1 practicable and consistent with international trade agreement
2 commitments.

3 (2) Statewide technical standards to promote and facilitate
4 electronic information sharing and access are an essential component of
5 acceptable and reliable public access service and complement content-
6 related standards designed to meet those goals. The board shall:

7 (a) Establish technical standards to facilitate electronic access
8 to government information and interoperability of information systems,
9 including wireless communications systems. Local governments are
10 strongly encouraged to follow the standards established by the board;
11 and

12 (b) Require agencies to consider electronic public access needs
13 when planning new information systems or major upgrades of systems.

14 In developing these standards, the board is encouraged to include
15 the state library, state archives, and appropriate representatives of
16 state and local government.

17 (3)(a) The board, in consultation with the K-20 board, has the duty
18 to govern, operate, and oversee the technical design, implementation,
19 and operation of the K-20 network including, but not limited to, the
20 following duties: Establishment and implementation of K-20 network
21 technical policy, including technical standards and conditions of use;
22 review and approval of network design; procurement of shared network
23 services and equipment; and resolving user/provider disputes concerning
24 technical matters. The board shall delegate general operational and
25 technical oversight to the K-20 network technical steering committee as
26 appropriate.

27 (b) The board has the authority to adopt rules under chapter 34.05
28 RCW to implement the provisions regarding the technical operations and
29 conditions of use of the K-20 network.

30 (4) The board shall review all information technology efforts under
31 its purview based on independent technical and financial information,
32 regardless of whether the projects or services are being provided by
33 public or private providers. This review must be conducted by
34 independent, technical staff support, subject to funds appropriated for
35 this specific purpose.

36 (5) In reviewing these efforts, the board, in consultation with the
37 office of financial management, shall review state agency information

1 technology budgets. The board may acquire project management
2 assistance to assist in its efforts under this act.

3 **Sec. 7.** RCW 43.105.180 and 1999 c 80 s 11 are each amended to read
4 as follows:

5 ~~((Upon request of the office of financial management,))~~ (1) The
6 department, in coordination with the information services board and the
7 office of financial management, shall evaluate agency budget requests
8 for major information technology projects identified under RCW
9 43.105.190, including those proposed by the superintendent of public
10 instruction, in conjunction with educational service districts, or
11 statewide or regional providers of K-12 education information
12 technology services. The department shall submit recommendations for
13 funding all or part of such requests to the office of financial
14 management and to the chairs, ranking minority members, and staff
15 coordinators of the appropriations committees of the senate and house
16 of representatives. The department shall also submit recommendations
17 regarding consolidation of similar proposals or other efficiencies it
18 finds in reviewing proposals.

19 (2) The department, with the advice and approval of the office of
20 financial management and the information services board, shall
21 establish criteria, consistent with portfolio-based information
22 technology management, for the evaluation of agency budget requests
23 under this section. These budget requests shall be made in the context
24 of an agency's information technology portfolio; technology initiatives
25 underlying budget requests are subject to board review. Criteria shall
26 include, but not be limited to: Feasibility of the proposed projects,
27 consistency with the state strategic information technology plan,
28 consistency with information technology portfolios, appropriate
29 provision for public electronic access to information, evidence of
30 business process streamlining and gathering of business and technical
31 requirements, and services, costs, and benefits.

32 (3) For the purposes of this section, "state agency" includes every
33 state office, department, division, bureau, board, commission, or other
34 state agency, including offices headed by a statewide elected official,
35 and offices in the legislative and judicial branches of state
36 government, notwithstanding the provisions of RCW 44.68.105.

1 **Sec. 8.** RCW 43.105.160 and 2005 c 319 s 110 are each amended to
2 read as follows:

3 (1) The department shall prepare a state strategic information
4 technology plan which shall establish a statewide mission, goals, and
5 objectives for the use of information technology, including goals for
6 electronic access to government records, information, and services.
7 The plan shall be developed in accordance with the standards and
8 policies established by the board and shall be submitted to the board
9 for review, modification as necessary, and approval. The department
10 shall seek the advice of the board in the development of this plan.

11 The plan approved under this section shall be updated as necessary
12 and submitted to the governor and the chairs and ranking minority
13 members of the appropriations committees of the senate and the house of
14 representatives.

15 (2) The department shall prepare a biennial state performance
16 report on information technology based on agency performance reports
17 required under RCW 43.105.170 and other information deemed appropriate
18 by the department. The report shall include, but not be limited to:

19 (a) An analysis, based upon agency portfolios, of the state's
20 information technology infrastructure, including its value, condition,
21 and capacity;

22 (b) An evaluation of performance relating to information
23 technology;

24 (c) An assessment of progress made toward implementing the state
25 strategic information technology plan, including progress toward
26 electronic access to public information and enabling citizens to have
27 two-way access to public records, information, and services;

28 (d) An analysis of the success or failure, feasibility, progress,
29 costs, and timeliness of implementation of major information technology
30 projects under RCW 43.105.190. At a minimum, the portion of the report
31 regarding major technology projects must include:

32 (i) Final total cost of ownership budget data for the entire life-
33 cycle of the project, including capital and operational costs, broken
34 down by staffing costs, contracted service, hardware purchase or lease,
35 software purchase or lease, travel, and training. The original budget
36 must also be shown for comparison;

37 (ii) The original proposed project schedule and the final actual
38 project schedule;

1 (iii) Data regarding progress towards meeting the original goals
2 and performance measures of the project, particularly as it relates to
3 operating budget savings;

4 (iv) Discussion of lessons learned on the project, performance of
5 any contractors used, and reasons for project delays or cost increases;
6 and

7 ~~((e))~~ (v) Identification of benefits, cost avoidance, and cost
8 savings generated by major information technology projects developed
9 under RCW 43.105.190; and

10 ~~((f))~~ (e) An inventory of state information services, equipment,
11 and proprietary software.

12 Copies of the report shall be distributed biennially to the
13 governor and the chairs and ranking minority members of the
14 appropriations committees of the senate and the house of
15 representatives. The major technology section of the report must
16 examine major information technology projects completed in the previous
17 biennium to determine the performance of the implementing agency, cost
18 and value effectiveness, and timeliness and other performance metrics
19 necessary to assess the quality and value of the investment. The
20 report must also examine projects two years after completion for
21 progress toward meeting performance goals and operating budget savings.
22 The first report is due December 15, 2011, and every two years
23 thereafter.

24 (3) The legislative and judicial branches are encouraged to develop
25 information technology portfolios consistent with the provisions of RCW
26 43.105.172 and to prepare and submit to the department a biennial
27 performance report consistent with the provisions of RCW 43.105.170.

28 NEW SECTION. Sec. 9. A new section is added to chapter 43.105 RCW
29 to read as follows:

30 (1) The board, in consultation with the department and the office
31 of financial management, shall develop an enterprise-based strategy for
32 information technology in state government informed by information
33 technology expenditure information collected from state agencies
34 pursuant to section 4 of this act.

35 (2) In developing an enterprise-based strategy for the state, the
36 board is encouraged to consider the following strategies as possible
37 opportunities for achieving greater efficiency:

1 (a) Developing personal computer replacement policies for the
2 state, with consideration given to alternative models of personal
3 computer usage for state government use, such as thin client, software
4 as a service, browser-based functionality, mobile computing, and other
5 models that are less dependent upon traditional computing;

6 (b) Pursuing shared services initiatives across functional areas,
7 which may include services such as e-mail, telephony, and data storage;

8 (c) Pursuing pilot programs, such as a pilot to demonstrate the
9 value of application management services, to identify opportunities to
10 achieve operational efficiencies;

11 (d) Developing data storage policies and record retention
12 requirements and schedules for state agencies, in consultation with the
13 office of the secretary of state, the state archivist, and the state
14 records committee, where appropriate;

15 (e) Reviewing existing software maintenance contracts to identify
16 opportunities to renegotiate the price of those contracts or the level
17 of service; and

18 (f) Partnering with private providers for commonly utilized
19 information technology products and services.

20 (3) The legislative and judicial branches are encouraged to
21 coordinate with, and participate in, shared services initiatives, pilot
22 programs, and development of the enterprise-based strategy, where
23 appropriate.

24 NEW SECTION. **Sec. 10.** (1) The office of financial management,
25 with the assistance of the department of information services, must
26 identify areas of potential savings that will achieve the savings
27 identified in the omnibus appropriations act. These areas shall
28 include, but not be limited to, wireless service, telephony, desktop
29 computers, electronic mail services, and data storage.

30 (2) The office of financial management shall work with the
31 appropriate state agencies, including the department of information
32 services, to generate savings that arise pursuant to this act from the
33 improved acquisition and delivery of information technology products
34 and services. To accomplish this objective, state agencies must
35 provide timely, accurate total cost of ownership data to the office of
36 financial management upon request regarding information technology
37 products and services. The savings must be at least equal to those

1 specified in the omnibus appropriations act. The office of financial
2 management shall reduce agency allotments by the amounts specified in
3 the omnibus appropriations act to reflect these savings. The allotment
4 reductions shall be placed in unallotted status and remain unexpended.

5 (3) For the purposes of this section, "state agency" means any
6 office, department, board, commission, or other unit of state
7 government, but does not include a unit of state government headed by
8 a statewide elected official, an institution of higher education as
9 defined in RCW 28B.10.016, or agencies of the legislative or judicial
10 branches of state government.

11 (4) This section expires June 30, 2011.

12 NEW SECTION. **Sec. 11.** A new section is added to chapter 43.105
13 RCW to read as follows:

14 (1) The department, in collaboration with state agencies, shall
15 conduct an inventory from existing data sets of information technology
16 assets owned or leased by state agencies. This inventory must be used
17 to inform the development of a state information technology asset
18 management process. Prior to implementation of any state information
19 technology asset management process, the department must submit its
20 recommended approach, including an estimate of the associated
21 implementation costs, to the board for approval.

22 (2) For the purposes of this section, "state agency" includes every
23 state office, department, division, bureau, board, commission, or other
24 state agency, including offices headed by a statewide elected official,
25 and offices in the legislative and judicial branches of state
26 government, notwithstanding the provisions of RCW 44.68.105.

27 NEW SECTION. **Sec. 12.** (1) The office of financial management, in
28 consultation with the department of information services and the
29 information services board, shall develop and execute a pilot program
30 to contract with one or more private providers for the delivery,
31 support, maintenance, and operation of information technology through
32 application managed services or other similar programs across one or
33 more functional areas of information technology, or for the information
34 technology needs of one or more state agencies. In selecting a private
35 provider for the pilot program, the office of financial management must
36 engage in a competitive bid process or request for proposals process.

1 (2) The objective of the pilot program will be to assess: (a) Each
2 agency's information technology application portfolio; (b)
3 opportunities to use best practices and tools; and (c) whether the
4 agency should proceed with application managed services or other
5 similar programs based on the results of the assessment.

6 (3) The department of information services and the office of
7 financial management shall prepare a report of the findings of the
8 pilot assessments by September 1, 2010, and a final report of the pilot
9 results by June 30, 2011. The final report must include the following:
10 Identification of short and long-term costs, risks, benefits, and other
11 organizational impacts of implementing application managed services or
12 other similar programs within the pilot agencies. The final report
13 must also identify opportunities for other state agencies to benefit
14 from application managed services or other similar programs. The
15 results of the pilot program must be provided to the information
16 services board, the governor, the senate committee on ways and means,
17 and the house of representatives committee on ways and means.

18 NEW SECTION. **Sec. 13.** The department of information services
19 shall, by November 1, 2010, report on the efforts to develop a
20 centralized information project management office pursuant to section
21 142, chapter 522, Laws of 2007. The report shall address the current
22 status of the effort, lessons learned, and recommended changes to the
23 program.

24 **Sec. 14.** RCW 43.105.080 and 1999 c 80 s 8 are each amended to read
25 as follows:

26 There is created a revolving fund to be known as the data
27 processing revolving fund in the (~~eustody of the~~) state (~~treasurer~~)
28 treasury. Moneys in the fund may be spent only after appropriation.

29 The revolving fund shall be used for the acquisition of equipment,
30 software, supplies, and services and the payment of salaries, wages,
31 and other costs incidental to the acquisition, development, operation,
32 and administration of information services, telecommunications,
33 systems, software, supplies and equipment, including the payment of
34 principal and interest on bonds issued for capital projects, by the
35 department, (~~Washington State University's computer services center,~~)
36 the department of personnel's personnel information systems division,

1 the office of financial management's financial systems management
2 group, and other users as jointly determined by the department and the
3 office of financial management. (~~The revolving fund is subject to the~~
4 ~~allotment procedure provided under chapter 43.88 RCW. Disbursements~~
5 ~~from the revolving fund for the services component of the department~~
6 ~~are not subject to appropriation. Disbursements for the strategic~~
7 ~~planning and policy component of the department are subject to~~
8 ~~appropriation. All disbursements from the fund are subject to the~~
9 ~~allotment procedures provided under chapter 43.88 RCW.)) The
10 department shall establish and implement a billing structure to assure
11 all agencies pay an equitable share of the costs.~~

12 As used in this section, the word "supplies" shall not be
13 interpreted to delegate or abrogate the division of purchasing's
14 responsibilities and authority to purchase supplies as described in RCW
15 43.19.190 and 43.19.200.

16 NEW SECTION. **Sec. 15.** (1) The office of financial management
17 shall contract with an independent consultant to:

18 (a) Conduct a technical and financial analysis of the state's plan
19 for the consolidated state data center and office building; and

20 (b) Develop a strategic business plan outlining the various options
21 for use of the site that maximize taxpayer value consistent with the
22 terms of the finance lease and related agreements.

23 (2) The analysis must consist of, at a minimum, an assessment of
24 the following issues:

25 (a) The total capital and operational costs for the proposed data
26 center and office building;

27 (b) The occupancy rate for the consolidated state data center, as
28 compared to total capacity, that will result in revenue exceeding total
29 capital and operating expenses;

30 (c) The potential reallocation of resources that could result from
31 the consolidation of state data centers and office space; and

32 (d) The potential return on investment for the consolidated state
33 data center and office building that may be realized without impairing
34 any existing contractual rights under the terms of the financing lease
35 and related agreements.

36 (3) This review must build upon the analysis and migration strategy

1 for the consolidated state data center being prepared for the
2 department of information services.

3 (4) The strategic plan must be submitted to the governor and the
4 legislature by December 1, 2010.

5 NEW SECTION. **Sec. 16.** (1) The department of information services
6 and the office of financial management shall review existing statutes,
7 procedures, data, and organizational structures to identify
8 opportunities to increase efficiency, customer service, and
9 transparency in information technology. This effort shall include:

10 (a) Identifying and addressing financial data needed to
11 comprehensively evaluate information technology spending from an
12 enterprise perspective;

13 (b) A review of best practices in information technology
14 governance, including private sector practices and lessons learned from
15 other states; and

16 (c) A review of existing statutes regarding information technology
17 governance, standards, and financing to identify inconsistencies
18 between current law and best practices.

19 (2) The department of information services and the office of
20 financial management shall report findings and recommendations to the
21 governor and the appropriate committees of the legislature by December
22 1, 2010.

23 NEW SECTION. **Sec. 17.** RCW 43.105.017 (Legislative intent) and
24 1992 c 20 s 6, 1990 c 208 s 2, & 1987 c 504 s 2 are each repealed."

25 Correct the title.

EFFECT: (1) Removes provisions in the substitute bill pertaining
to personal computer (PC) replacement policies.

(2) Modifies the pilot projects for application managed services
and for the central provision of e-mail and telephony. The agencies
participating in the pilot are not named. The application managed
services pilot or similar program must be conducted for an entire
functional area of information technology (IT) or for one or more
agencies' IT needs. A pilot for the central provision of e-mail and
telephony is not specifically required, but e-mail and telephony are

areas that the department of information services (DIS) and the office of financial management (OFM) must examine in achieving the savings identified in the omnibus appropriations act.

(3) Specifies that the inventory of IT assets conducted by DIS will be accomplished by using existing data sets. Adds that if a state IT asset management project is developed, it must be submitted to the information services board (ISB) for approval.

(4) Requires the OFM, rather than the ISB, to identify areas of potential IT savings to achieve the amount specified in the omnibus appropriations act. Specifies that these areas of potential savings may include wireless service, telephony, e-mail, desktop computers, and data storage.

(5) Adds a requirement that the ISB develop an enterprise-based strategy for state IT.

(6) Removes the restriction in the substitute bill that prohibited state agencies from upgrading existing software without OFM approval.

(7) Removes the requirement that the OFM produce a report to the legislature in 2013 outlining state IT expenditures by funding source and by object of expenditure.

(8) Adds a requirement that the OFM contract with an independent consultant to: (a) Conduct a technical and financial analysis of the state's plan to consolidate state data centers and office space; and (b) develop a strategic business plan outlining options for use of the site that maximize its value consistent with the terms of the finance lease and related agreements.

(9) Requires the DIS and OFM to review: (a) Best practices in IT governance; (b) existing statutes regarding IT governance to identify inconsistencies between current law and best practices; and (c) what financial data is needed to evaluate IT spending from an enterprise view.

(10) Adds definitions for "state agency" throughout the bill. Applies a broad definition of state agency (which includes the legislative and judicial branches, higher education institutions, and offices headed by a statewide elected official) to the sections of the bill pertaining to IT inventorying, IT reporting, and development of a statewide enterprise strategy for IT. Applies a narrower definition of state agency (which applies to executive branch agencies only, excluding those offices headed by a statewide elected official) to the sections of the bill that apply to identifying IT savings, as well as the sections of the bill that pertain to IT spending restrictions and wireless purchasing.

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