

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

CONFERENCE COMMITTEE SUBSTITUTE
FOR ENGROSSED

SENATE BILL NO. 105

By: Thompson of the Senate

and

Osborn (Leslie) of the
House

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to state information technology;
stating intent; amending 62 O.S. 2011, Section
34.11.1, as last amended by Section 6, Chapter 358,
O.S.L. 2013 (62 O.S. Supp. 2016, Section 34.11.1),
which relates to the Chief Information Officer;
modifying certain duties; amending 62 O.S. 2011,
Section 34.12, as last amended by Section 11, Chapter
358, O.S.L. 2013 (62 O.S. Supp. 2016, Section 34.12),
which relates to the Information Services Division of
the Office of Management and Enterprise Services;
modifying certain purchasing procedures; amending 62
O.S. 2011, Section 35.4, as amended by Section 21,
Chapter 358, O.S.L. 2013 (62 O.S. Supp. 2016, Section
35.4), which relates to the purchasing of information
technology assets; modifying certain purchasing
procedures; providing for noncodification; providing
an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law not to be
codified in the Oklahoma Statutes reads as follows:

1 It is the intent of the Legislature to streamline the
2 acquisition of certain information technology and telecommunication
3 products by state agencies while maintaining adherence to state
4 architectural and data security standards and while ensuring
5 supportable information technology and telecommunication solutions
6 are acquired by state agencies.

7 SECTION 2. AMENDATORY 62 O.S. 2011, Section 34.11.1, as
8 last amended by Section 6, Chapter 358, O.S.L. 2013 (62 O.S. Supp.
9 2016, Section 34.11.1), is amended to read as follows:

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

22 B. Any person appointed to the position of Chief Information
23 Officer shall meet the following eligibility requirements:
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1 1. A baccalaureate degree in Computer Information Systems,
2 Information Systems or Technology Management, Business
3 Administration, Finance, or other similar degree;

4 2. A minimum of ten (10) years of professional experience with
5 responsibilities for management and support of information systems
6 and information technology, including seven (7) years of direct
7 management of a major information technology operation;

8 3. Familiarity with local and wide-area network design,
9 implementation, and operation;

10 4. Experience with data and voice convergence service
11 offerings;

12 5. Experience in developing technology budgets;

13 6. Experience in developing requests for proposal and
14 administering the bid process;

15 7. Experience managing professional staff, teams, and
16 consultants;

17 8. Knowledge of telecommunications operations;

18 9. Ability to develop and set strategic direction for
19 information technology and telecommunications and to manage daily
20 development and operations functions;

21 10. An effective communicator who is able to build consensus;

22 11. Ability to analyze and resolve complex issues, both logical
23 and interpersonal;

1 12. Effective verbal and written communications skills and
2 effective presentation skills, geared toward coordination and
3 education;

4 13. Ability to negotiate and defuse conflict; and

5 14. A self-motivator, independent, cooperative, flexible and
6 creative.

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

18 D. 1. Within twelve (12) months of appointment, the first
19 Chief Information Officer shall complete an assessment, which shall
20 be modified annually pursuant to Section 35.5 of this title, of the
21 implementation of the transfer, coordination, and modernization of
22 all information technology and telecommunication systems of all
23 state agencies in the state as provided for in the Oklahoma
24 Information Services Act. The assessment shall include the

1 information technology and telecommunications systems of all
2 institutions within The Oklahoma State System of Higher Education,
3 the Oklahoma State Regents for Higher Education and the
4 telecommunications network known as OneNet as assembled and
5 submitted by the Oklahoma Higher Education Chief Information
6 Officer, as designated by the Oklahoma State Regents for Higher
7 Education.

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

- 11 a. define the shared service model organization structure
12 and the reporting relationship of the recommended
13 organization,
- 14 b. the implementation of an information technology and
15 telecommunications shared services model that defines
16 the statewide infrastructure environment needed by
17 most state agencies that is not specific to individual
18 agencies and the shared applications that are utilized
19 across multiple agencies,
- 20 c. define the services that shall be in the shared
21 services model under the control of the Information
22 Services Division of the Office of Management and
23 Enterprise Services,

- 1 d. define the roadmap to implement the proposed shared
2 services model. The roadmap shall include
3 recommendations on the transfer, coordination, and
4 modernization of all information technology and
5 telecommunication systems of all the state agencies in
6 the state,
- 7 e. recommendations on the reallocation of information
8 technology and telecommunication resources and
9 personnel,
- 10 f. a cost benefit analysis to support the recommendations
11 on the reallocation of information technology and
12 telecommunication resources and personnel,
- 13 g. a calculation of the net savings realized through the
14 reallocation and consolidation of information
15 technology and telecommunication resources and
16 personnel after compensating for the cost of
17 contracting with a private consultant as authorized in
18 paragraph 4 of this subsection, implementing the plan
19 of action, and ongoing costs of the Information
20 Services Division of the Office of Management and
21 Enterprise Services, and
- 22 h. the information required in subsection B of Section
23 35.5 of this title.
- 24

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

4 4. The Chief Information Officer may contract with a private
5 consultant or consultants to assist in the assessment and
6 development of the plan of action report as required in this
7 subsection.

8 E. The Chief Information Officer shall be authorized to employ
9 personnel, fix the duties and compensation of the personnel, not
10 otherwise prescribed by law, and otherwise direct the work of the
11 personnel in performing the function and accomplishing the purposes
12 of the Information Services Division of the Office of Management and
13 Enterprise Services.

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

17 1. Formulate and implement the information technology strategy
18 for all state agencies;

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

22 3. Direct the development and operation of a scalable
23 telecommunications infrastructure that supports data and voice
24 communications reliability, integrity, and security;

1 4. Supervise the applications development process for those
2 applications that are utilized across multiple agencies;

3 5. Provide direction for the professional development of
4 information technology staff of state agencies and oversee the
5 professional development of the staff of the Information Services
6 Division of the Office of Management and Enterprise Services;

7 6. Evaluate all technology and telecommunication investment
8 choices for all state agencies;

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

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

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

19 10. Recruit, hire and transfer the required technical staff in
20 the Information Services Division of the Office of Management and
21 Enterprise Services to support the services provided by the Division
22 and the execution of the strategic information technology plan;

23 11. Establish, maintain, and enforce information technology and
24 telecommunication standards;

1 12. Delegate, coordinate, and review all work to ensure quality
2 and efficient operation of the Information Services Division of the
3 Office of Management and Enterprise Services;

4 13. Create and implement a communication plan that disseminates
5 pertinent information to state agencies on standards, policies,
6 procedures, service levels, project status, and other important
7 information to customers of the Information Services Division of the
8 Office of Management and Enterprise Services and provide for agency
9 feedback and performance evaluation by customers of the Division;

10 14. Develop and implement training programs for state agencies
11 using the shared services of the Information Services Division of
12 the Office of Management and Enterprise Services and recommend
13 training programs to state agencies on information technology and
14 telecommunication systems, products and procedures;

15 15. Provide counseling, performance evaluation, training,
16 motivation, discipline, and assign duties for employees of the
17 Information Services Division of the Office of Management and
18 Enterprise Services;

19 16. ~~Approve~~ For all state agencies, approve the purchasing of
20 all information technology and telecommunication services and
21 approve the purchase of any information technology and
22 telecommunication ~~products and services for all state agencies~~
23 product except the following:
24

- 1 a. a purchase less than or equal to Five Thousand Dollars
2 (\$5,000.00) if such product is purchased using a state
3 purchase card and the product is listed on either the
4 Approved Hardware or Approved Software list located on
5 the Office of Management and Enterprise Services
6 website, or
- 7 b. a purchase over Five Thousand Dollars (\$5,000.00) and
8 less than or equal to Twenty-five Thousand Dollars
9 (\$25,000.00) if such product is purchased using a
10 state purchase card, the product is listed on an
11 information technology or telecommunications statewide
12 contract, and the product is listed on either the
13 Approved Hardware or Approved Software list located on
14 the Office of Management and Enterprise Services
15 website;

16 17. Develop and enforce an overall infrastructure architecture
17 strategy and associated roadmaps for desktop, network, server,
18 storage, and statewide management systems for state agencies;

19 18. Effectively manage the design, implementation and support
20 of complex, highly available infrastructure to ensure optimal
21 performance, on-time delivery of features, and new products, and
22 scalable growth;
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24

1 19. Define and implement a governance model for requesting
2 services and monitoring service level metrics for all shared
3 services; and

4 20. Create the budget for the Information Services Division of
5 the Office of Management and Enterprise Services to be submitted to
6 the Legislature each year.

7 G. The State Governmental Technology Applications Review Board
8 shall provide ongoing oversight of the implementation of the plan of
9 action required in subsection D of this section. Any proposed
10 amendments to the plan of action shall be approved by the Board
11 prior to adoption.

12 H. 1. The Chief Information Officer shall act as the
13 Information Technology and Telecommunications Purchasing Director
14 for all state agencies and shall be responsible for the procurement
15 of all information technology and telecommunication software,
16 hardware, equipment, peripheral devices, maintenance, consulting
17 services, high technology systems, and other related information
18 technology, data processing, telecommunication and related
19 peripherals and services for all state agencies. The Chief
20 Information Officer shall establish, implement, and enforce policies
21 and procedures for the procurement of information technology and
22 telecommunication software, hardware, equipment, peripheral devices,
23 maintenance, consulting services, high technology systems, and other
24 related information technology, data processing, telecommunication

1 and related peripherals and services by purchase, lease-purchase,
2 lease with option to purchase, lease and rental for all state
3 agencies. The procurement policies and procedures established by
4 the Chief Information Officer shall be consistent with The Oklahoma
5 Central Purchasing Act.

6 2. The Chief Information Officer, or any employee or agent of
7 the Chief Information Officer acting within the scope of delegated
8 authority, shall have the same power and authority regarding the
9 procurement of all information technology and telecommunication
10 products and services as outlined in paragraph 1 of this subsection
11 for all state agencies as the State Purchasing Director has for all
12 acquisitions used or consumed by state agencies as established in
13 The Oklahoma Central Purchasing Act. Such authority shall,
14 consistent with the authority granted to the State Purchasing
15 Director pursuant to Section 85.10 of Title 74 of the Oklahoma
16 Statutes, include the power to designate financial or proprietary
17 information submitted by a bidder confidential and reject all
18 requests to disclose the information so designated, if the Chief
19 Information Officer requires the bidder to submit the financial or
20 proprietary information with a bid, proposal, or quotation.

21 I. The Information Services Division of the Office of
22 Management and Enterprise Services and the Chief Information Officer
23 shall be subject to The Oklahoma Central Purchasing Act for the
24 approval and purchase of equipment and products not related to

1 information and telecommunications technology, equipment, software,
2 products and related peripherals and services and shall also be
3 subject to the requirements of the Public Competitive Bidding Act of
4 1974, the Oklahoma Lighting Energy Conservation Act and the Public
5 Building Construction and Planning Act when procuring data
6 processing, information technology, telecommunication, and related
7 peripherals and services and when constructing information
8 technology and telecommunication facilities, telecommunication
9 networks and supporting infrastructure. The Chief Information
10 Officer shall be authorized to delegate all or some of the
11 procurement of information technology and telecommunication products
12 and services and construction of facilities and telecommunication
13 networks to another state entity if the Chief Information Officer
14 determines it to be cost-effective and in the best interest of the
15 state. The Chief Information Officer shall have authority to
16 designate information technology and telecommunication contracts as
17 statewide contracts and mandatory statewide contracts pursuant to
18 Section 85.5 of Title 74 of the Oklahoma Statutes and to negotiate
19 consolidation contracts, enterprise agreements and high technology
20 systems contracts in accordance with the procedures outlined in
21 Section 85.9D of Title 74 of the Oklahoma Statutes. Any contract
22 entered into by a state agency for which the Chief Information
23 Officer has not acted as the Information Technology and
24 Telecommunications Purchasing Director as required in this

1 subsection or subsection H of this section, shall be deemed to be
2 unenforceable and the Office of Management and Enterprise Services
3 shall not process any claim associated with the provisions thereof.

4 J. The Chief Information Officer shall establish, implement,
5 and enforce policies and procedure for the development and
6 procurement of an interoperable radio communications system for
7 state agencies. The Chief Information Officer shall work with local
8 governmental entities in developing the interoperable radio
9 communications system.

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

14 L. All state agencies and authorities of this state and all
15 officers and employees of those entities shall work and cooperate
16 with and lend assistance to the Chief Information Officer and the
17 Information Services Division of the Office of Management and
18 Enterprise Services and provide any and all information requested by
19 the Chief Information Officer.

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

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

12 O. As used in this section:

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

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

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

SECTION 3. AMENDATORY 62 O.S. 2011, Section 34.12, as last amended by Section 11, Chapter 358, O.S.L. 2013 (62 O.S. Supp. 2016, Section 34.12), is amended to read as follows:

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

1. Coordinate information technology planning through analysis of the long-term information technology plans for each agency;

2. Develop a statewide information technology plan with annual modifications to include, but not be limited to, individual agency plans and information systems plans for the statewide electronic information technology function;

3. Establish and enforce minimum mandatory standards for:

- a. information systems planning,
- b. systems development methodology,
- c. documentation,
- d. hardware requirements and compatibility,
- e. operating systems compatibility,
- f. acquisition of software, hardware and technology-related services,
- g. information security and internal controls,
- h. data base compatibility,
- i. contingency planning and disaster recovery, and
- j. imaging systems, copiers, facsimile systems, printers, scanning systems and any associated supplies.

1 The standards shall, upon adoption, be the minimum requirements
2 applicable to all agencies. These standards shall be compatible
3 with the standards established for the Oklahoma Government
4 Telecommunications Network. Individual agency standards may be more
5 specific than statewide requirements but shall in no case be less
6 than the minimum mandatory standards. Where standards required of
7 an individual agency of the state by agencies of the federal
8 government are more strict than the state minimum standards, such
9 federal requirements shall be applicable;

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

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

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

3 7. Assist agencies in the acquisition and utilization of
4 information technology systems and hardware to effectuate the
5 maximum benefit for the provision of services and accomplishment of
6 the duties and responsibilities of agencies of the state;

7 8. Coordinate for the executive branch of state government
8 agency information technology activities, encourage joint projects
9 and common systems, linking of agency systems through the review of
10 agency plans, review and approval of all statewide contracts for
11 software, hardware and information technology consulting services
12 and development of a statewide plan and its integration with the
13 budget process to ensure that developments or acquisitions are
14 consistent with statewide objectives and that proposed systems are
15 justified and cost effective;

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

19 10. Establish operations review procedures for information
20 technology installations operated by agencies of the state for
21 independent assessment of productivity, efficiency, cost
22 effectiveness, and security;

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

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

3 13. In conjunction with the Oklahoma Office of Homeland
4 Security, enforce the minimum information security and internal
5 control standards established by the Information Services Division.
6 An enforcement team consisting of the Chief Information Officer of
7 the Information Services Division or a designee, a representative of
8 the Oklahoma Office of Homeland Security, and a representative of
9 the Oklahoma State Bureau of Investigation shall enforce the minimum
10 information security and internal control standards. If the
11 enforcement team determines that an agency is not in compliance with
12 the minimum information security and internal control standards, the
13 Chief Information Officer shall take immediate action to mitigate
14 the noncompliance, including the removal of the agency from the
15 infrastructure of the state until the agency becomes compliant,
16 taking control of the information technology function of the agency
17 until the agency is compliant, and transferring the administration
18 and management of the information technology function of the agency
19 to the Information Services Division or another state agency.

20 B. No agency of the executive branch of the state shall use
21 state funds for or enter into any agreement for the acquisition of
22 any category of computer hardware, software or any contract for
23 information technology or telecommunication services and equipment,
24 service costs, maintenance costs, or any other costs or fees

1 associated with the acquisition of the services or equipment,
2 without written authorization of the Chief Information Officer or a
3 designee except the following:

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

9 2. A purchase over Five Thousand Dollars (\$5,000.00) and less
10 than or equal to Twenty-five Thousand Dollars (\$25,000.00) if such
11 product is purchased using a state purchase card, the product is
12 listed on an information technology or telecommunications statewide
13 contract, and the product is listed on either the Approved Hardware
14 or Approved Software list located on the Office of Management and
15 Enterprise Services website.

16 If written authorization is not obtained prior to incurring an
17 expenditure or entering into any agreement as required in this
18 subsection or as required in Section 35.4 of this title, the Office
19 of Management and Enterprise Services may not process any claim
20 associated with the expenditure and the provisions of any agreement
21 shall not be enforceable. The provisions of this subsection shall
22 not be applicable to any member of The Oklahoma State System of
23 Higher Education, any public elementary or secondary schools of the
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1 state, any technology center school district as defined in Section
2 14-108 of Title 70 of the Oklahoma Statutes, or CompSource Oklahoma.

3 C. The Chief Information Officer and Information Services
4 Division of the Office of Management and Enterprise Services and all
5 agencies of the executive branch of the state shall not be required
6 to disclose, directly or indirectly, any information of a state
7 agency which is declared to be confidential or privileged by state
8 or federal statute or the disclosure of which is restricted by
9 agreement with the United States or one of its agencies, nor
10 disclose information technology system details that may permit the
11 access to confidential information or any information affecting
12 personal security, personal identity, or physical security of state
13 assets.

14 SECTION 4. AMENDATORY 62 O.S. 2011, Section 35.4, as
15 amended by Section 21, Chapter 358, O.S.L. 2013 (62 O.S. Supp. 2016,
16 Section 35.4), is amended to read as follows:

17 Section 35.4. No state agency shall expend or encumber any
18 funds for the purchase, lease, lease-purchase, lease with option to
19 purchase, rental or other procurement of any information technology
20 assets without the prior written approval of the Chief Information
21 Officer except the following:

22 1. A purchase less than or equal to Five Thousand Dollars
23 (\$5,000.00) if such product is purchased using a state purchase card
24 and the product is listed on either the Approved Hardware or

1 Approved Software list located on the Office of Management and
2 Enterprise Services website; or

3 2. A purchase over Five Thousand Dollars (\$5,000.00) and less
4 than or equal to Twenty-five Thousand Dollars (\$25,000.00) if such
5 product is purchased using a state purchase card, the product is
6 listed on an information technology or telecommunications statewide
7 contract, and the product is listed on either the Approved Hardware
8 or Approved Software list located on the Office of Management and
9 Enterprise Services website.

10 SECTION 5. This act shall become effective July 1, 2017.

11 SECTION 6. It being immediately necessary for the preservation
12 of the public peace, health or safety, an emergency is hereby
13 declared to exist, by reason whereof this act shall take effect and
14 be in full force from and after its passage and approval.

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