

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 317

Short Title: Amend Law Re: State Info. Technology Services. (Public)

Sponsors: Senators Brunstetter; and Pate.

Referred to: Judiciary I.

March 14, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE LAWS RELATING TO STATE INFORMATION
3 TECHNOLOGY SERVICES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 147-33.72B(c) reads as rewritten:

6 "(c) Each executive agency shall biennially develop an agency information technology
7 plan that includes the information required under subsection (b) of this section. The plan must
8 include all new information technology requirements that the agency plans to develop. The
9 Office of Information Technology Services shall consult with and assist agencies in the
10 preparation of these plans. Each agency shall submit its plan to the State Chief Information
11 Officer by October 1 of each even-numbered year."

12 **SECTION 2.** G.S. 147-33.72C reads as rewritten:

13 "**§ 147-33.72C. Project approval standards.**

14 (a) Project Review and Approval. – The State Chief Information Officer shall:

15 (1) Review all State agency information technology projects that cost or are
16 expected to cost more than five hundred thousand dollars (\$500,000),
17 whether the project is undertaken in a single phase or component or in
18 multiple phases or components. If the State Chief Information Officer
19 determines a project meets the quality assurance requirements established
20 under this Article, the State Chief Information Officer shall approve the
21 project.

22 (2) Establish thresholds for determining which information technology projects
23 costing or expected to cost five hundred thousand dollars (\$500,000) or less
24 shall be subject to review and approval under subdivision (a)(1) of this
25 section. When establishing the thresholds, the State Chief Information
26 Officer shall consider factors such as project cost, potential project risk,
27 agency size, and projected budget.

28 (3) Ensure that a request for approval of a new project includes a valid business
29 case for the project. The State Chief Information Officer must validate the
30 business case in writing before approving the project.

31 (4) Disapprove any projects that duplicate existing applications and work with
32 the agencies to determine how best to make the existing applications
33 available to the requesting agency.

34 (b) Project Implementation. – No State agency shall proceed with an information
35 technology project that is subject to review and approval under subsection (a) of this section
36 until the State CIO approves the project. If a project is not approved, the State CIO shall



1 specify in writing to the agency the grounds for denying the approval. The State CIO shall
2 provide this information to the agency within five business days of the denial.

3 (c) Suspension of Approval. – The State Chief Information Officer shall suspend any
4 information technology project that is not meeting its business case. The State Chief
5 Information Officer may suspend the approval of any information technology project that does
6 not continue to meet the applicable quality assurance standards. This authority extends to any
7 information technology project that costs more than five hundred thousand dollars (\$500,000)
8 to implement regardless of whether the project was originally subject to review and approval
9 under subsection (a) of this section. If the State CIO suspends approval of a project, the State
10 CIO shall specify in writing to the agency the grounds for suspending the approval. The State
11 CIO shall provide this information to the agency within five business days of the suspension.

12 The Office of Information Technology Services shall report any suspension immediately to
13 the Office of the State Controller and the Office of State Budget and Management. The Office
14 of State Budget and Management shall not allow any additional expenditure of funds for a
15 project that is no longer approved by the State Chief Information Officer.

16 (d) General Quality Assurance. – Information technology projects that are not subject to
17 review and approval under subsection (a) of this section shall meet all other standards
18 established under this Article.

19 (e) Performance Contracting. – All contracts between a State agency and a private party
20 for information technology projects shall include provisions for vendor performance review
21 and accountability. The State CIO may require that these contract provisions include monetary
22 penalties for projects that are not completed within the specified time period or that involve
23 costs in excess of those specified in the contract. The State CIO may require contract provisions
24 requiring a vendor to provide a performance bond."

25 **SECTION 3.** G.S. 147-33.72E reads as rewritten:

26 "**§ 147-33.72E. Project management standards.**

27 (a) Agency Responsibilities. –

28 (1) Each agency shall provide for one or more project managers who meet the
29 applicable quality assurance standards for each information technology
30 project that is subject to approval under G.S. 143-33.72C(a). Each project
31 manager shall be subject to the review and approval of the State Chief
32 Information Officer.

33 (2) Each agency project manager shall provide periodic reports to the project
34 management assistant assigned to the project by the State CIO under
35 subsection (b) of this section. The reports shall include information
36 regarding project costs, issues related to hardware, software, or training,
37 projected and actual completion dates, and any other information related to
38 the implementation of the information technology project.

39 (3) Each agency initiating a new information technology project costing or
40 expected to cost more than ten million dollars (\$10,000,000), whether the
41 project is undertaken in a single phase or component or in multiple phases or
42 components, shall engage private counsel with appropriate expertise to assist
43 in developing requests for proposals, reviewing submitted proposals, and
44 negotiating with the vendor. The requirements of G.S. 114-2.3 do not apply
45 to this subsection.

46 (4) Each agency initiating a new information technology project costing or
47 expected to cost ten million dollars (\$10,000,000) or less shall use the
48 services of the Attorney General's office to assist in developing requests for
49 proposals, reviewing submitted proposals, and negotiating with the vendor.

1 (5) Each agency shall obtain the approval of the General Assembly prior to
2 initiating a new information technology project costing or expected to cost
3 five million dollars (\$5,000,000) or more.

4 (b) State Chief Information Officer Responsibilities. – The State Chief Information
5 Officer shall designate a project management assistant from the Office of Information
6 Technology Services for any project that receives approval under G.S. 147-33.72C(a) if the
7 project costs or is expected to cost more than one million dollars (\$1,000,000), whether the
8 project is undertaken in single or multiple phases or components. The State Chief Information
9 Officer may designate a project management assistant for any other information technology
10 project.

11 The project management assistant shall advise the agency with the initial planning of a
12 project, the content and design of any request for proposals, contract development,
13 procurement, and architectural and other technical reviews. The project management assistant
14 shall also monitor agency progress in the development and implementation of the project and
15 shall provide status reports to the State Chief Information Officer, including recommendations
16 regarding continued approval of the project.

17 The State Chief Information Officer shall report monthly to the General Assembly on
18 projects that are behind their original schedule or exceeding their original budget. The report
19 shall include a plan for addressing the issues identified in it."

20 **SECTION 4.** The Attorney General shall provide training for selected deputy or
21 assistant attorneys general on issues related to information technology contract review and
22 negotiation.

23 **SECTION 5.** This act is effective when it becomes law.