

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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SENATE DRS55130-LE-82 (03/08)

Short Title: Amend Law Re: State Info. Technology Services.

(Public)

Sponsors: Senator Brunstetter.

Referred to:

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

The General Assembly of North Carolina enacts:

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

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

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

"§ 147-33.72C. Project approval standards.

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

- (1) Review all State agency information technology projects that cost or are expected to cost more than five hundred thousand dollars (\$500,000), whether the project is undertaken in a single phase or component or in multiple phases or components. If the State Chief Information Officer determines a project meets the quality assurance requirements established under this Article, the State Chief Information Officer shall approve the project.
- (2) Establish thresholds for determining which information technology projects costing or expected to cost five hundred thousand dollars (\$500,000) or less shall be subject to review and approval under subdivision (a)(1) of this section. When establishing the thresholds, the State Chief Information Officer shall consider factors such as project cost, potential project risk, agency size, and projected budget.
- (3) Ensure that a request for approval of a new project includes a valid business case for the project. The State Chief Information Officer must validate the business case in writing before approving the project.
- (4) Disapprove any projects that duplicate existing applications and work with the agencies to determine how best to make the existing applications available to the requesting agency.

(b) Project Implementation. – No State agency shall proceed with an information technology project that is subject to review and approval under subsection (a) of this section



1 until the State CIO approves the project. If a project is not approved, the State CIO shall
2 specify in writing to the agency the grounds for denying the approval. The State CIO shall
3 provide this information to the agency within five business days of the denial.

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

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

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

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

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

27 **"§ 147-33.72E. Project management standards.**

28 (a) Agency Responsibilities. –

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

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

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

47 (4) Each agency initiating a new information technology project costing or
48 expected to cost ten million dollars (\$10,000,000) or less shall use the
49 services of the Attorney General's office to assist in developing requests for
50 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.