

[for summary statement, see **Closing**]

We need to ensure that Information Technology projects will be managed better in the future.

This bill puts in place a process so that significant projects will have additional scrutiny – the oversight they need to keep things from going south, or at least make a mid-course correction to straighten it out.

This bill addresses the design and implementation of new IT projects. It adds a layer of **mandatory oversight** that currently doesn't exist, and applies to agencies with delegated authority to do their own purchasing.

Virtually every department of state government has IT projects. Looking at information available from November 2013, we find that the investment value of IT projects on the books at that time had a total value of nearly \$560 M over 17 projects, ranging from about \$2 M for the planning phase of the ODOT DMV Driver License Issuance Replacement (DLIR) Project to ~\$230 M for the State Radio Project that provides communications for law enforcement, transportation, and others throughout the state. ⁱ

There are several distinct elements to our proposal:

1. Define *when* a project must have a separate, third party quality assurance (QA) review.
2. Get copies of the QA report to people in key positions so that someone else will be reading it, someone in a position to do something with it.
3. Keep tax evaders from securing contracts for these projects.

So what is QA for IT? (quality assurance for Information Technology)?

Reading excerpts from a DAS document:

The purpose of the Contractor's work is to assure that appropriate levels of Quality Management activities are performed throughout the Project lifecycle ... These Quality Management activities must be sufficient to assure that the Project satisfies the needs for which it was undertaken and that Project risks are well understood and appropriately mitigated or managed.

"quality standards" shall refer to both Project "process" and "product" quality standards. "Process" quality standards shall cover organizational influences, management support, decision drivers, project management, schedule, resourcing, experience, and others. "Product" quality standards shall cover product content, design, development, deployment, environment, technology, security, maintainability, and others.

QA contracts can be for whole process, or separated by planning and implementation. (\$2m planning, \$40 million implementation.) Example: human resource information

system, in the Business planning stage right now, and there's a QA vendor. If legislature approves moving forward, there will be a new RFP for implementation, choosing a vendor to do the *project*, and a vendor to do *QA* on the project.

What the bill does

This bill doesn't slow down or add cost to routine business; it excludes run of the mill information technology work, but it will sure get at the larger projects: all of those over \$5 M. Or, when a project meets 3 or more of a set of criteria, including:

- Over \$1M ⁱⁱ,
- Mission-critical, like: state police dispatch and records, online applications for licenses and permits, or a new system for child welfare information.
(not mission-critical for access without interruption: systems such as fleet management or the purchasing information system)
- Designed, managed, or used by multiple agencies, like the Business Registry, which is used by Secretary of State, the Departments of Revenue, Employment, and Consumer and Business Services, and the private sector. Or the State Radio network that includes OSP, DOC, DOT, Forestry.
- Or will take more than a year to develop.

This bill also gives rule-making authority to DAS, the Attorney General, and contracting agencies to implement this with additional detail, clarifications and definitions.

Oversight and review

We want to be sure that the QA report is **seen by more eyes**, and they get a copy at the same time, not some later or filtered version. We'll be sure it **goes to more people who can review it and do something about it**, if necessary; not only to the contract manager, but also to state CIO, director of DAS, and as appropriate, an agency director, or a governing board or commission. In other words, we don't want the report to go only to someone who's just going to stick it in the drawer.

Even though this is a short session without sufficient time to work out every possible detail, this bill is an important step. It will make a difference. It expands on administrative rules and puts best practices into statute. Oregonians want, and expect, us to step up ... I ask for your vote.

Closing

With this bill, we are telling state agencies and public corporations covered by this proposed statute: **There will be oversight** through third party quality assurance contracts. We are telling project managers and agencies: **We're watching**. And we'll make sure there will be more eyes on your project. No more glossing over careful review and critical observations. No more ignoring warning signs and hoping for the best. This state will do better.

ⁱ (7 are \$1-\$5M, 10 are >\$5M)

ⁱⁱ Employment department, there have been several projects over \$1M without QA.

In the FY 2012/13, there were 18 projects over \$1M (over \$71M total). For projects that would have met at least two other criteria, there are just 9 contracts- those totaled about \$50 M.