

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1704 Session of 2017

INTRODUCED BY GROVE, PHILLIPS-HILL, ORTITAY, CUTLER, BAKER, SAYLOR, ENGLISH, MILLARD, BLOOM, WHEELAND, A. HARRIS, WATSON, PICKETT, B. MILLER, COX, RYAN AND KEEFER, AUGUST 16, 2017

AS REPORTED FROM COMMITTEE ON STATE GOVERNMENT, HOUSE OF REPRESENTATIVES, AS AMENDED, OCTOBER 9, 2018

AN ACT

1 Amending Title 71 (State Government) of the Pennsylvania
2 Consolidated Statutes, providing for information technology;
3 establishing the Office of Information Technology and the
4 Information Technology Fund; providing for administrative and
5 procurement procedures and for the Legislative JOINT
6 Cybersecurity Oversight Committee; and imposing penalties. <--

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Part V of Title 71 of the Pennsylvania
10 Consolidated Statutes is amended by adding a chapter to read:

CHAPTER 43

INFORMATION TECHNOLOGY

Subchapter

- A. General Provisions
B. Office of Information Technology
C. Procurement and Business Operations
D. Security
E. Enforcement and Penalties

SUBCHAPTER A

1 analytics capabilities.

2 § 4303. Definitions.

3 The following words and phrases when used in this chapter
4 shall have the meanings given to them in this section unless the
5 context clearly indicates otherwise:

6 "Director." The administrative head of the office.

7 "Distributed information technology assets." Hardware,
8 software and communications equipment not classified as
9 traditional mainframe-based items, including, but not limited
10 to, personal computers, local area networks, servers, mobile
11 computers, peripheral equipment and other related hardware and
12 software items.

13 "Electronic bidding." The electronic solicitation and
14 receipt of offers to contract.

15 "Fund." The Information Technology Fund established under
16 section 4316 (relating to Information Technology Fund).

17 "Independent agency." A board, commission, authority or
18 other agency of the Commonwealth that is not subject to the
19 policy supervision and control of the Governor. The term does
20 not include:

21 (1) a court or agency of the unified judicial system; or

22 (2) the General Assembly or an agency of the General
23 Assembly.

24 "Independent department." Any of the following:

25 (1) The Department of the Auditor General.

26 (2) The Treasury Department.

27 (3) The Office of Attorney General.

28 (4) A board or commission of an entity under paragraph
29 (1), (2) or (3).

30 "Information technology." Hardware, software and

1 telecommunications equipment, including, but not limited to, the
2 following:

3 (1) Personal computers.

4 (2) Servers.

5 (3) Mainframes.

6 (4) Wired or wireless wide and local area networks.

7 (5) Broadband.

8 (6) Mobile or portable computers.

9 (7) Peripheral equipment.

10 (8) Telephones.

11 (9) Wireless communications.

12 (10) Handheld devices.

13 (11) Public safety radio services.

14 (12) Facsimile machines.

15 (13) Technology facilities, including, but not limited
16 to, data centers, dedicated training facilities or switching
17 facilities.

18 (13.1) ELECTRONIC PAYMENT PROCESSING SERVICES. <--

19 (14) Other relevant hardware and software items or
20 personnel tasked with the planning, implementation or support
21 of technology, including hosting or vendor-managed service
22 solutions.

23 "Information technology security incident." A computer-based
24 activity, network-based activity or paper-based activity which
25 results directly or indirectly in misuse, damage, denial of
26 service, compromise of integrity or loss of confidentiality of a
27 network, a computer, an application or data.

28 "Office." The Office of Information Technology established
29 under Subchapter B (relating to Office of Information
30 Technology).

1 "Reverse auction." A real-time purchasing process in which
2 vendors compete to provide goods or services at the lowest
3 selling price in an open and interactive electronic environment.

4 "Secretary." The Secretary of Administration.

5 "State agency." Any of the following:

6 (1) The Governor's Office.

7 (2) A department, board, commission, authority or other
8 agency of the Commonwealth that is subject to the policy
9 supervision and control of the Governor.

10 (3) The office of Lieutenant Governor.

11 (4) An independent agency.

12 SUBCHAPTER B

13 OFFICE OF INFORMATION TECHNOLOGY

14 Sec.

15 4311. Establishment of office.

16 4312. Duties of office.

17 4313. Transfer of duties.

18 4314. Director.

19 4315. Planning and financing information technology resources.

20 4316. Information Technology Fund.

21 ~~4317. Information technology reports.~~ <--

22 ~~4318~~ 4317. Financial reporting and accountability AND <--

23 INFORMATION TECHNOLOGY.

24 ~~4319~~ 4318. Statewide electronic portal and annual report. <--

25 ~~4320~~ 4319. Budget for information technology. <--

26 ~~4321~~ 4320. Commonwealth portal. <--

27 ~~4322~~ 4321. Information technology request. <--

28 4322. STATUS OF INFORMATION TECHNOLOGY PROJECTS AND CORRECTIVE <--

29 ACTION PLANS.

30 § 4311. Establishment of office.

1 The Office of Information Technology is established within
2 the Governor's Office of Administration.

3 § 4312. Duties of office.

4 (a) Duties generally.--The office shall:

5 (1) Consolidate information technology functions,
6 powers, duties, obligations infrastructure and support
7 services vested in State agencies.

8 (2) Direct the management and operations of information
9 technology services for each State agency, including, but not
10 limited to, the following:

11 (i) The development of priorities and strategic
12 plans.

13 (ii) The management of information technology
14 investments, procurement and policy.

15 (iii) Oversight of each State agency to ensure
16 compliance with the provisions of this chapter.

17 (3) Recommend any changes to staffing or operations
18 regarding information technology.

19 (b) Specific duties.--As part of the general duties under
20 subsection (a), the office shall:

21 (1) Assist in developing annual information technology
22 strategic plans for each State agency that include
23 priorities, coordination and monitoring of resource use and
24 expenditures, performance review measures, procurement and
25 other governance and planning measures.

26 (2) Review and approve the information technology plans
27 for each State agency.

28 (3) Consult with the Governor's Office of the Budget on
29 budgetary matters regarding information technology planning
30 and procurement.

1 (4) Create an advisory structure to advise on matters
2 involving overall technology and data governance.

3 (5) Establish and maintain an information technology
4 portfolio management process for overall monitoring of
5 information technology program objectives, alignment with
6 priorities, budgets and expenditures.

7 (6) Identify common information technology business
8 functions within each State agency.

9 (7) Make recommendations for consolidation, integration
10 and investment.

11 (8) Facilitate the use of common technology, as
12 appropriate.

13 (9) Expand the use of project management methodologies
14 and principles on information technology projects, including
15 measures to review project delivery and quality.

16 (10) Ensure compliance by each State agency with
17 required business process reviews.

18 (11) Maintain a central procurement organization.

19 (12) Procure or supervise the procurement of all
20 information technology.

21 (13) Oversee information technology contract issues,
22 monitoring and compliance.

23 (14) Serve as a liaison between State agencies and
24 contracted information technology vendors.

25 (15) Align the appropriate technology and procurement
26 methods with the service strategy.

27 (16) Establish an information technology architecture
28 framework that governs information technology investments.
29 This architecture framework shall include the following, as
30 appropriate:

1 (i) The development of standards, policies,
2 processes and strategic technology roadmaps.

3 (ii) The performance of technical reviews and
4 capability assessments of services, technologies and
5 State agency systems.

6 (iii) The evaluation of requests for information
7 technology policy exceptions.

8 (17) Develop and implement efforts to standardize data
9 elements and determine data ownership assignments.

10 (18) Develop and maintain a comprehensive information
11 technology inventory.

12 (19) Monitor compliance with information technology
13 policy and standards through an architectural review process.

14 (20) Maintain and strengthen the Commonwealth's
15 cybersecurity posture through security governance.

16 (21) Develop security solutions, services and programs
17 to protect data and infrastructure.

18 (22) Identify and remediate security risks and maintain
19 citizen trust in securing computerized personal information.

20 (23) Implement programs, processes and solutions to
21 maintain cybersecurity situational awareness and effectively
22 respond to cybersecurity attacks and information technology
23 security incidents.

24 (24) Foster a culture of situational and risk awareness.

25 (25) Conduct evaluations and compliance audits of State
26 agency security infrastructure.

27 (26) Recommend and conduct the consolidation of State
28 agency information technology services, including, but not
29 limited to, infrastructure, personnel, investments,
30 operations and support services.

1 (27) Establish and facilitate a process for the
2 identification, evaluation and optimization of information
3 technology shared services.

4 (28) Establish, maintain and communicate service level
5 agreements for shared services.

6 (29) Establish a process for:

7 (i) the development and implementation of
8 telecommunications policies, services and infrastructure;
9 and

10 (ii) reviewing and authorizing State agency requests
11 for enhanced services.

12 (30) Identify opportunities for convergence and
13 leveraging existing assets to reduce or eliminate duplicative
14 telecommunication networks.

15 (31) Establish and maintain an information technology
16 service management process library to govern the services
17 provided to each State agency.

18 (32) Establish a formal governance body to evaluate the
19 introduction of new information technology services and the
20 retiring of existing information technology services.

21 (33) Establish metrics to monitor the health of the
22 services provided and make appropriate corrections as
23 necessary.

24 (34) Establish information technology data management
25 and development policy frameworks for each State agency that
26 include policies, processes and standards that adhere to
27 commonly-accepted principles for, among other things, data
28 governance, data development and the quality, sourcing, use,
29 accessibility, content, ownership and licensing of open data.

30 (35) Create and maintain a comprehensive open data

1 portal for public accessibility.

2 (36) Provide guidance regarding the procurement of
3 supplies and services related to the subject matter of this
4 chapter.

5 (37) Facilitate communication with the public by
6 publishing open data plans and policies and by soliciting or
7 allowing for public input on the subject matter of this
8 chapter.

9 (38) Ensure the internal examination of Commonwealth
10 data sets for business, confidentiality, privacy and security
11 issues and the reasonable mitigation of those issues, prior
12 to the data's release for open data purposes.

13 (39) Develop and facilitate the engagement with private
14 and other public stakeholders, including, but not limited to,
15 arranging for and expediting data-sharing agreements and
16 encouraging and facilitating cooperation and substantive and
17 administrative efficiencies.

18 (40) Develop and facilitate data sharing and data
19 analytics.

20 (41) Oversee and manage the information technology
21 contracts of each State agency. The following shall apply:

22 (i) The office shall obtain, review and maintain, on
23 an ongoing basis, records of the appropriations,
24 allotments, expenditures and revenues of each State
25 agency for information technology.

26 (ii) The office shall not manage but shall
27 coordinate efforts as necessary and appropriate regarding
28 the information technology contracts of an independent
29 department, the General Assembly and its agencies or the
30 agencies of the judicial branch.

1 § 4313. Transfer of duties.

2 Upon the effective date of this chapter, information
3 technology functions, powers, duties, obligations and services
4 shall be transferred to and vested in the office. The following
5 shall apply:

6 (1) The chief information officer of each State agency
7 shall:

8 (i) Report directly to the director.

9 (ii) Work within the chief information officer's
10 respective State agency on behalf of the office as an
11 employee of the office.

12 (2) The salary and costs related to the chief
13 information officer of each State agency shall be paid by the
14 chief information officer's respective State agency from
15 funds appropriated for general government operations.

16 (3) The following shall apply for an employee of a State
17 agency who handles or otherwise has responsibility for the
18 State agency's information technology services:

19 (i) Except as provided in subparagraph (ii), the
20 employee shall be transferred to the office as an
21 employee of the State agency and operate in the physical
22 location of the State agency, but the employee shall
23 report matters to the office and be supervised by the
24 office.

25 (ii) Subparagraph (i) shall not apply to an employee
26 who handles proprietary information technology programs.
27 The employee shall remain an employee of the State agency
28 and shall coordinate with the office.

29 § 4314. Director.

30 (a) Appointment and salary.--The secretary shall appoint the

1 director and set the salary of the director.

2 (b) Qualifications.--The director shall be qualified by
3 education and experience for the office.

4 (c) Duties.--In addition to other duties specified under
5 this chapter, the director shall manage the operations of the
6 office and do all of the following:

7 (1) Develop and administer a comprehensive long-range
8 plan to ensure the proper management of the Commonwealth's
9 information technology resources.

10 (2) Set technical standards for information technology
11 and review and approve information technology projects and
12 budgets.

13 (3) Establish information technology security standards.

14 (4) Provide for the procurement of information
15 technology resources.

16 (5) Develop a schedule for the replacement or
17 modification of information technology systems.

18 (6) Require and review reports by each State agency
19 concerning information technology assets, systems, personnel
20 and projects and prescribe the form of the reports.

21 (7) Prescribe the manner in which information technology
22 assets, systems and personnel shall be provided and
23 distributed among State agencies.

24 (8) Prescribe the manner of inspecting or testing
25 information technology assets, systems or personnel to
26 determine compliance with information technology plans,
27 specifications and requirements.

28 (9) Hire personnel as necessary to perform the functions
29 of the office.

30 § 4315. Planning and financing information technology

1 resources.

2 (a) Development of policies.--The director shall develop
3 necessary policies for State agency information technology
4 planning and financing to achieve the purposes of this chapter.

5 (b) Development of plan.--

6 (1) The director shall analyze the information
7 technology systems and develop a plan to ascertain the needs,
8 costs and time frame required for State agencies to
9 efficiently use information technology systems, resources,
10 security and data management to achieve the purposes of this
11 chapter. The plan may include current applications and
12 infrastructure, migration from current environments and other
13 information necessary for fiscal or technology planning.

14 (2) The director shall develop strategic plans for
15 information technology as necessary.

16 (c) Consultation and cooperation.--

17 (1) In determining whether a strategic plan is necessary
18 for a State agency, the director shall consider the State
19 agency's operational needs, functions and performance
20 capabilities.

21 (2) The director shall consult with and assist State
22 agencies in the preparation of plans under this subsection.

23 (3) Each State agency shall actively participate in
24 preparing, testing and implementing an information technology
25 plan as determined by the director. A State agency shall
26 provide all financial information to the director necessary
27 to determine full costs and expenditures for information
28 technology assets, including resources provided by the State
29 agency or through contracts or grants.

30 (4) Each State agency shall prepare and submit plans as

1 required by the director.

2 (5) A plan by a State agency shall be submitted to the
3 director no later than October 1 of each even-numbered year.

4 (d) Biennial plan.--

5 (1) The director shall develop a biennial State
6 Information Technology Plan, which shall be transmitted to
7 the General Assembly in conjunction with the Governor's
8 budget submission that year.

9 (2) The biennial plan shall include the following
10 elements:

11 (i) An inventory of current information technology
12 assets and major projects.

13 (ii) An inventory of significant unmet needs for
14 information technology resources over a five-year time
15 period, along with a ranking of the unmet needs in
16 priority order according to their urgency.

17 (iii) A statement of the financial requirements,
18 together with a recommended funding schedule for major
19 projects in progress or anticipated for approval during
20 the upcoming fiscal biennium.

21 (iv) An analysis of opportunities for Statewide
22 initiatives that would yield significant efficiencies or
23 improve effectiveness in State programs.

24 (3) As used in this subsection, the term "major project"
25 includes a project costing more than \$500,000 to implement.

26 § 4316. Information Technology Fund.

27 (a) Establishment.--A restricted AN account is established <--
28 in the State Treasury GENERAL FUND to be known as the <--
29 Information Technology Fund.

30 (b) Receipt of money.--The fund may receive money for the

1 operations of the office and to fulfill the duties of the office
2 under this chapter by the following methods:

3 (1) The transfer of encumbered funds from each State
4 agency which were designated for information technology
5 purposes prior to the effective date of this section.

6 (2) Transfers as authorized by the General Assembly that
7 are not already provided for under this section.

8 ~~(3) Appropriations from the General Fund.~~ <--

9 ~~(4) (3) The transfer of a portion of a State agency's~~ <--
10 ~~funds regarding general government operations for information~~
11 ~~technology employees.~~

12 (c) Use of fund money.--

13 (1) Subject to paragraph (2), the director shall approve
14 the disbursement of money from the fund, which shall be used
15 for the following purposes and other legitimate purposes:

16 (i) Project management.

17 (ii) Security.

18 (iii) E-mail operations.

19 (iv) State portal operations.

20 (2) Expenditures made from the fund which involve money
21 appropriated from the General Fund shall be approved by the
22 director.

23 ~~§ 4317. Information technology reports.~~ <--

24 ~~(a) Report on office operations. By February 1 of each~~
25 ~~year, the director shall issue an annual report regarding the~~
26 ~~office, which shall, at a minimum, include the following:~~

27 ~~(1) Current cash balances.~~

28 ~~(2) Line item details on expenditures which occurred~~
29 ~~following the previous biennial report.~~

30 ~~(3) Anticipated expenditures and revenues.~~

~~(4) The financial activities of the fund, including fund expenditures, during the immediately prior fiscal year.~~

~~(b) Issuance. A report under subsection (a) shall be submitted to the following:~~

~~(1) The Secretary of the Budget.~~

~~(2) The Independent Fiscal Office.~~

~~(3) The chairperson and minority chairperson of the Appropriations Committee of the Senate.~~

~~(4) The chairperson and minority chairperson of the Appropriations Committee of the House of Representatives.~~

~~§ 4318 4317. Financial reporting and accountability AND~~ <--
~~INFORMATION TECHNOLOGY.~~

~~(a) Development of processes.--The office, along with the Secretary of the Budget and the State Treasurer, shall develop processes for budgeting and accounting of expenditures for information technology operations, services, projects, infrastructure and assets across all State agencies.~~

~~(b) Included information.--The budgeting and accounting processes under subsection (a) may include information regarding the following:~~

~~(1) Hardware.~~

~~(2) Software.~~

~~(3) Personnel.~~

~~(4) Training.~~

~~(5) Contractual services.~~

~~(6) Other items relevant to information technology.~~

~~(c) Reports.--By February 1 of each year, the director shall also report to the General Assembly the following information:~~

~~(1) Services currently provided and associated transaction volumes or other relevant indicators of~~

1 utilization by user type.

2 (2) New services added during the previous year.

3 ~~(3) Services added that are currently available in other~~ <--
4 states.

5 ~~(4) The total amount collected for each service.~~

6 ~~(5) The total amount remitted to the State for each~~
7 service.

8 (3) THE TOTAL APPROPRIATION FOR EACH SERVICE. <--

9 ~~(6) (4) The total amount remitted to the vendor for each~~ <--
10 service.

11 ~~(7) (5) Any other use of State data by the vendor and~~ <--
12 the total amount of revenue collected per use and in total.

13 ~~(8) (6) User satisfaction with each service.~~ <--

14 ~~(9) (7) Any other issues associated with the provision~~ <--
15 of each service.

16 (D) FINANCIAL INFORMATION.--THE DIRECTOR SHALL, AT A <--
17 MINIMUM, INCLUDE IN THE REPORT UNDER SUBSECTION (C) THE
18 FOLLOWING FINANCIAL INFORMATION:

19 (1) CURRENT BUDGETARY BALANCES FOR THE FUND AND EACH
20 INFORMATION TECHNOLOGY PROJECT.

21 (2) LINE-ITEM DETAILS ON EXPENDITURES.

22 (3) ANTICIPATED EXPENDITURES FOR THE NEXT THREE YEARS.

23 (4) THE FINANCIAL ACTIVITIES OF THE FUND, INCLUDING FUND
24 EXPENDITURES, DURING THE IMMEDIATELY PRIOR FISCAL YEAR.

25 (E) ISSUANCE.--IN ADDITION TO THE GENERAL ASSEMBLY, A REPORT
26 UNDER SUBSECTION (C) SHALL BE SUBMITTED TO THE FOLLOWING:

27 (1) THE SECRETARY OF THE BUDGET.

28 (2) THE INDEPENDENT FISCAL OFFICE.

29 (3) THE GENERAL ASSEMBLY.

30 § 4319 4318. Statewide electronic portal and annual report. <--

1 The office shall develop and operate a Statewide electronic
2 portal to increase the convenience of the public in conducting
3 online transactions with and obtaining information from State
4 government. The portal shall be designed to facilitate and
5 improve public interactions along with communications between
6 State agencies.

7 § ~~4320~~ 4319. Budget for information technology. <--

8 The office, along with the Secretary of the Budget, shall
9 develop and implement a plan to manage all information
10 technology funding, including State and other receipts, as soon
11 as practicable. As part of the plan and implementation, the
12 following shall apply:

13 (1) Funding for information technology resources,
14 projects and contracts shall be appropriated to and managed
15 by the office.

16 (2) Funding for the office's information technology
17 shared services and approved contracts shall remain with the
18 State agencies.

19 (3) Information technology budget codes and fund codes
20 shall be created as required.

21 § ~~4321~~ 4320. Commonwealth portal. <--

22 Each State agency shall functionally link its Internet or
23 electronic services to a centralized web portal system
24 established under this chapter.

25 § ~~4322~~ 4321. Information technology request. <--

26 A State agency may request significant resources, as defined
27 by the director, for the purpose of acquiring, operating or
28 maintaining information technology for the State agency. In
29 addition to other information that may be required by the
30 director, the State agency shall submit the following to

1 accompany the request:

2 (1) A statement setting forth the following:

3 (i) The needs of the State agency for information
4 technology and related resources, including expected
5 improvements to programmatic or business operations.

6 (ii) The requirements for State resources, together
7 with an evaluation of those requirements by the chief
8 information officer assigned to the State agency which
9 takes into consideration the following:

10 (A) The State's current technology.

11 (B) The opportunities for technology sharing.

12 (C) Any other factors relevant to the analysis
13 by the director.

14 (2) A review and evaluation of the statement under
15 paragraph (1) which is prepared by the chief information
16 officer assigned to the State agency.

17 (3) In cases of an acquisition, an explanation of the
18 method by which the acquisition is to be financed.

19 (4) A statement by the chief information officer
20 assigned to the State agency which sets forth viable
21 alternatives, if any, for meeting the State agency needs in
22 an economical and efficient manner.

23 § 4322. STATUS OF INFORMATION TECHNOLOGY PROJECTS AND

<--

24 CORRECTIVE ACTION PLANS.

25 (A) PORTAL.--WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THIS
26 ACT, THE DIRECTOR SHALL DEVELOP A WEB-BASED PORTAL DETAILING THE
27 STATUS OF EACH OF THE COMMONWEALTH'S INFORMATION TECHNOLOGY
28 PROJECTS. THE PORTAL SHALL INCLUDE THE FOLLOWING:

29 (1) A BRIEF SUMMARY OF EACH INFORMATION TECHNOLOGY
30 PROJECT.

1 (2) THE APPROVED BUDGET OF EACH PROJECT.

2 (3) THE TOTAL AND PERCENT OF THE PROJECT'S APPROVED
3 BUDGET WHICH HAS BEEN EXPENDED BY THE AGENCY BASED ON THE END
4 BALANCE FROM THE PRIOR BUSINESS DAY, ALONG WITH A COLOR
5 DESIGNATION AS FOLLOWS:

6 (I) IF AN INFORMATION TECHNOLOGY PROJECT IS UNDER
7 THE PROJECT'S APPROVED BUDGET, THE PROJECT SHALL BE
8 DESIGNATED AS THE COLOR GREEN.

9 (II) IF AN INFORMATION TECHNOLOGY PROJECT IS OVER
10 THE PROJECT'S APPROVED BUDGET, THE PROJECT SHALL BE
11 DESIGNATED AS THE COLOR RED.

12 (4) THE COMPLETION DATE IN THE ORIGINAL CONTRACT ALONG
13 WITH THE TOTAL PERCENT OF WORK FOR THE PROJECT THAT HAS BEEN
14 COMPLETED, ALONG WITH A COLOR DESIGNATION AS FOLLOWS:

15 (I) IF AN INFORMATION TECHNOLOGY PROJECT HAS NOT
16 EXCEEDED THE COMPLETION DATE IN THE ORIGINAL CONTRACT,
17 THE PROJECT SHALL BE DESIGNATED AS GREEN.

18 (II) IF AN INFORMATION TECHNOLOGY PROJECT HAS
19 EXCEEDED THE COMPLETION DATE IN THE ORIGINAL CONTRACT,
20 THE PROJECT SHALL BE DESIGNATED AS RED.

21 (5) A SUMMARY OF THE SCOPE OF WORK, ALONG WITH A COLOR
22 DESIGNATION AS FOLLOWS:

23 (I) IF AN INFORMATION TECHNOLOGY PROJECT IS MEETING
24 THE SCOPE OF WORK IN THE ORIGINAL CONTRACT, THE PROJECT
25 SHALL BE DESIGNATED AS THE COLOR GREEN.

26 (II) IF AN INFORMATION TECHNOLOGY PROJECT IS NOT
27 MEETING THE SCOPE OF WORK IN THE ORIGINAL CONTRACT, THE
28 PROJECT SHALL BE DESIGNATED AS THE COLOR RED.

29 (6) A SUMMARY OF THE PERFORMANCE REQUIREMENTS OF THE
30 CONTRACT, ALONG WITH A COLOR DESIGNATION AS FOLLOWS:

1 4338. Procurement of information technology.
2 4339. CONTRACTOR VERIFICATION. <--
3 ~~4339~~ 4340. Review and approval of contracts. <--
4 ~~4340~~ 4341. Purchase of certain equipment prohibited. <--
5 ~~4341~~ 4342. Refurbished computer equipment purchasing program. <--
6 ~~4342~~ 4343. Data on reliability and other matters. <--
7 § 4331. Reporting requirements regarding procurement.
8 (a) Bids.--A vendor submitting a bid OR PROPOSAL shall <--
9 disclose in a statement, provided contemporaneously with the bid
10 OR PROPOSAL, where services will be performed under the contract <--
11 sought, including any subcontracts, and whether any services
12 under that contract, including any subcontracts, are anticipated
13 to be performed outside the United States.
14 (b) Retention and reports.--The director shall:
15 (1) retain the statements required by this section
16 regardless of the State agency that awards the contract; and
17 (2) report annually to the secretary on the number of
18 contracts.
19 (c) Records of purchases.--Each State agency which makes a
20 direct purchase of information technology through the office <--
21 shall report directly to the director, who shall keep annual
22 records of information technology purchases.
23 (d) Effect of section.--Nothing in this section is intended
24 to contravene any existing treaty, law, agreement or regulation
25 of the United States.
26 § 4332. Business continuity planning.
27 (a) Oversight.--The director shall oversee the manner and
28 means by which information technology business and disaster
29 recovery plans for State agencies are created, reviewed and
30 updated.

1 (b) Disaster recovery planning team.--Each State agency
2 shall establish a disaster recovery planning team to work with
3 the office to develop the disaster recovery plan and administer
4 and implement the plan.

5 (c) Components of plan.--In developing a disaster recovery
6 plan, all of the following shall be completed:

7 (1) Consideration of the organizational, managerial and
8 technical environments in which the plan must be implemented.

9 (2) An assessment of the types and likely parameters of
10 disasters most likely to occur and the resultant impacts on
11 the State agency's ability to perform its mission.

12 (3) The listing of the protective measures to be
13 implemented in anticipation of a natural or manmade disaster.

14 (4) A determination whether the plan is adequate to
15 address information technology security incidents.

16 (d) Submittal.--Each State agency shall submit its disaster
17 recovery plan to the director on an annual basis and as
18 otherwise requested by the director.

19 § 4333. Information technology operations.

20 (a) Functions.--In addition to other functions authorized or
21 required by this chapter, the office shall do the following:

22 ~~(1) Submit all rates and fees for common, shared and~~ <--
23 ~~Statewide information technology services provided by the~~
24 ~~office to the Budget Office for approval.~~

25 ~~(2)~~ (1) Establish and operate centers of expertise for <--
26 specific information technologies and services to serve two
27 or more State agencies on a cost-sharing basis, if the
28 director, after consultation with the Budget Office, decides
29 it is advisable from the standpoint of efficiency and
30 economy to establish these centers and services.

1 ~~(3) Charge each State agency for which services are~~ <--
2 ~~performed its proportionate part of the cost of maintaining~~
3 ~~and operating the shared centers and services, subject to~~
4 ~~approval by the Budget Office.~~

5 ~~(4) (2) Require a State agency served to transfer to the~~ <--
6 ~~department ownership, custody or control of information~~
7 ~~processing equipment, supplies and positions required by the~~
8 ~~shared centers and services.~~

9 ~~(5) (3) Adopt plans, policies and procedures for the~~ <--
10 ~~acquisition, management and use of information technology~~
11 ~~resources in State agencies to facilitate more efficient and~~
12 ~~economic use of information technology in the State agencies.~~

13 ~~(6) (4) Develop and promote training programs to~~ <--
14 ~~efficiently implement, use and manage information technology~~
15 ~~resources throughout State government.~~

16 (b) Confidentiality.--No data of a confidential nature shall
17 be entered into or processed through an information technology
18 system or network established under this chapter until
19 appropriate safeguards and other security measures are approved
20 by the director and installed and fully operational.

21 (c) Cost sharing.--Notwithstanding any other provision of
22 law, the office shall provide information technology services on
23 a cost-sharing basis to:

24 (1) An independent department as requested by the head
25 of the independent department.

26 (2) The General Assembly and its agencies as requested
27 by the President pro tempore of the Senate and the Speaker of
28 the House of Representatives.

29 (3) The judicial branch as requested by the Chief
30 Justice.

1 (d) Estimates and actual expenditures.--Each State agency
2 shall furnish to the director upon request and on forms
3 prescribed:

4 (1) estimates of all information technology goods and
5 services needed and required by the State agency; and

6 (2) actual expenditures for all information technology
7 goods and services needed and required by the State agency
8 for the periods after the expenditures have been made.

9 § 4334. Communications services.

10 The director shall exercise authority for telecommunications
11 and other communications included in information technology
12 relating to the internal management and operations of a State
13 agency. In discharging this responsibility, the director shall
14 do the following:

15 (1) Provide for the establishment, management and
16 operation, through State ownership, by contract or through
17 commercial leasing, of the following systems and services as
18 they affect the internal management and operation of State
19 agencies:

20 (i) Central telephone systems and telephone
21 networks, including Voice over Internet Protocol and
22 commercial mobile radio systems.

23 (ii) Satellite services.

24 (iii) Closed-circuit television systems.

25 (iv) Two-way radio systems.

26 (v) Microwave systems.

27 (vi) Related systems based on telecommunication
28 technologies.

29 (vii) Broadband.

30 (2) Coordinate the development of cost-sharing systems

1 for respective State agencies for their proportionate parts
2 of the cost of maintenance and operation of the systems and
3 services listed in this section.

4 (3) Assist in the development of coordinated
5 telecommunications services or systems within and among all
6 State agencies and recommend, where appropriate, cooperative
7 utilization of telecommunication facilities by aggregating
8 users.

9 (4) Perform traffic analysis and engineering for all
10 telecommunications services and systems listed in this
11 section.

12 (5) Establish telecommunications specifications and
13 designs so as to promote and support compatibility of the
14 systems within State agencies.

15 (6) Provide every three years an inventory of
16 telecommunications costs, facilities, systems and personnel
17 within State agencies.

18 (7) Promote, coordinate and assist in the design and
19 engineering of emergency telecommunications systems,
20 including, but not limited to, the 911 emergency telephone
21 number program, emergency medical services, and other
22 emergency telecommunications services.

23 (8) Perform frequency coordination and management for
24 State agencies and municipalities, including all public
25 safety radio service frequencies, in accordance with the
26 rules and regulations of the Federal Communications
27 Commission or any successor Federal agency.

28 (9) Advise all State agencies on telecommunications
29 management planning and related matters and provide
30 opportunities for training to users within State agencies in

1 telecommunications technology and systems.

2 (10) Assist and coordinate the development of policies
3 and long-range plans, consistent with the protection of
4 residents' rights to privacy and access to information, for
5 the acquisition and use of telecommunications systems. All
6 policies and plans shall be based on current information
7 about the Commonwealth's telecommunications activities in
8 relation to the full range of emerging technologies.

9 § 4335. Project approval standards.

10 (a) Review and approval.--The director shall review all
11 PROPOSED information technology projects for each State agency. <--
12 Project approval may be granted upon the director's
13 determination that:

14 (1) the project conforms to project management
15 procedures and policies and to procurement rules and
16 policies; and

17 (2) sufficient funds are available for implementation.

18 (b) Implementation.--Unless expressly exempt within this
19 chapter, no State agency shall proceed with an information
20 technology project until the director approves the project.

21 (c) Disapproval.--If a project is not approved, the director
22 shall specify in writing the grounds for the disapproval no
23 later than 15 business days after making the determination. The
24 director shall provide notice of the disapproval, along with the
25 grounds for the disapproval, to all of the following:

26 (1) The State agency.

27 (2) The Secretary of the Budget.

28 (3) The Independent Fiscal Office.

29 ~~(4) The chairperson and minority chairperson of the~~ <--
30 ~~Appropriations Committee of the Senate.~~

1 Treasurer may not allow the transfer of money from the State
2 agency to further implement the project unless the director
3 approves an amended version of the plan for the project.

4 (4) If a State agency attempts to continue to implement
5 a project that is no longer approved by the director and
6 expend additional money for the project, the State Treasurer
7 shall prevent the transfer of funds and remit the intended
8 expenditures into the fund. After remitting the unauthorized
9 expenditure, the State Treasurer shall immediately notify the
10 following:

11 (i) The director.

12 ~~(ii) The Secretary of the Budget.~~ <--

13 ~~(iii) The chairperson and minority chairperson of~~
14 ~~the Appropriations Committee of the Senate.~~

15 ~~(iv) The chairperson and minority chairperson of the~~
16 ~~Appropriations Committee of the House of Representatives.~~

17 (II) THE GOVERNOR. <--

18 (III) THE SECRETARY OF THE BUDGET.

19 (IV) THE GENERAL ASSEMBLY.

20 (e) Quality assurance.--Information technology projects
21 authorized under this chapter shall meet all project standards
22 and requirements established under this chapter.

23 (f) Performance contracting.--All contracts between a State
24 agency and a private party for information technology projects
25 shall include provisions for vendor performance review and
26 accountability, contract suspension or termination and
27 termination of funding.

28 (g) Contract provisions.--

29 (1) The director may require the following contract
30 provisions:

1 (i) A performance bond.
2 (ii) Monetary penalties.
3 (iii) Other performance assurance measures for
4 projects that are not completed within the specified time
5 period or that involve costs in excess of those specified
6 in the contract.

7 (2) Notwithstanding the provisions under paragraph (1)
8 which are included in the contract, the director shall have
9 the authority to suspend the project that is the basis of the
10 contract.

11 (h) Cost savings.--The director may utilize cost savings
12 realized on government vendor partnerships as performance
13 incentives for an information technology vendor.

14 (i) Use of experts.--

15 (1) Notwithstanding any other provision of this chapter
16 to the contrary, the director may require a State agency to
17 engage the services of private counsel or other experts with
18 information technology and intellectual property expertise on
19 a particular subject matter if the State agency is developing
20 and implementing an information technology project with a
21 total cost of ownership in excess of \$5,000,000.

22 (2) At the director's discretion, the private counsel or
23 other expert under paragraph (1) may:

24 (i) Review requests for proposals OR INVITATION FOR <--
25 BIDS.

26 (ii) Review and provide advice and assistance during
27 the evaluation of proposals OR BIDS and selection of <--
28 vendors CONTRACTORS. <--

29 (iii) Review and negotiate contracts associated with
30 the development, implementation, operation and

1 maintenance of the project.

2 (3) At the director's discretion, the requirement under
3 paragraph (1) may also apply to information technology
4 programs that are separated into individual projects, if the
5 total cost of ownership for the overall program exceeds
6 \$5,000,000.

7 § 4336. Project management standards.

8 (a) Personnel.--Each State agency shall provide personnel if
9 necessary to participate in project management, implementation,
10 testing and other activities for an information technology
11 project.

12 (b) Policies.--The director shall develop office policies
13 for implementing an approved project, whether the project is
14 undertaken in single or multiple phases or components.

15 (c) Project management assistant.--

16 (1) The director may designate a project management
17 assistant to implement an information technology project of a
18 State agency.

19 (2) A project management assistant for a State agency
20 shall:

21 (i) Advise the State agency regarding the initial
22 planning of an information technology project, the
23 content and design of a request for proposals, contract
24 development, procurement and architectural and other
25 technical reviews.

26 (ii) Monitor progress in the development and
27 implementation of an information technology project.

28 (iii) Provide status reports to the State agency and
29 the director, including recommendations regarding
30 continued approval of an information technology project.

1 (3) Personnel of the State agency to which a project
2 management assistant is designated shall provide periodic
3 reports to the project management assistant regarding an
4 information technology project. Each report shall include
5 information regarding the following:

6 (i) The State agency's business requirements.

7 (ii) Applicable laws and regulations.

8 (iii) Project costs.

9 (iv) Issues related to hardware, software or
10 training.

11 (v) Projected and actual completion dates for the
12 project.

13 (vi) Any other information related to the
14 implementation of the project.

15 § 4337. Dispute resolution.

16 (a) Right to request for review.--If the director has
17 disapproved or suspended an information technology project or
18 has disapproved a State agency's request for an amended version
19 of the plan for the project, the affected State agency may
20 request the director to revisit the determination about the
21 project. The request for review shall be submitted in writing to
22 the director within 15 business days following the State
23 agency's receipt of the disapproval or suspension.

24 (b) Contents of request for review.--A request for review
25 under subsection (a) shall specify the grounds for the State
26 agency's disagreement with the director's determination. The
27 State agency shall include with its request a plan to modify the
28 project to meet the director's concerns.

29 (c) Notification.--

30 (1) Within 30 days after initial receipt of a State

1 agency's request for review, the director shall notify the
2 State agency whether or not the project, as modified, may be
3 implemented.

4 (2) If the director approves the implementation of a
5 modified project by a State agency, the director shall notify
6 the State Treasurer and the Secretary of the Budget
7 immediately.

8 § 4338. Procurement of information technology.

9 (a) General duty of office.--Notwithstanding any other
10 provision of law, the office shall procure all information
11 technology for State agencies UTILIZING THE PROCESSES UNDER 62 <--
12 PA.C.S. CH. 5 (RELATING TO SOURCE SELECTION AND CONTRACT
13 FORMATION). The office shall integrate technological review,
14 cost analysis and procurement for all information technology
15 needs of State agencies to make procurement and implementation
16 of technology more responsive, efficient and cost-effective.

17 (b) Specific duties of office.--Subject to the provisions of
18 this chapter AND CONSISTENT WITH THE PROCESSES ENACTED UNDER 62 <--
19 PA.C.S. CH. 5, the office shall have the authority and
20 responsibility to do the following:

21 (1) Purchase or contract for all information technology
22 for State agencies.

23 (2) Establish processes, specifications and standards
24 which shall apply to all information technology to be
25 purchased, licensed or leased by State agencies.

26 (3) Establish processes, specifications and standards
27 relating to information technology ~~personal~~ services contract <--
28 requirements for State agencies.

29 (4) Utilize the purchasing benchmarks established by the
30 director.

1 (5) Provide strategic sourcing resources and planning to
2 compile and consolidate all estimates of information
3 technology goods and services needed and required by State
4 agencies.

5 (6) Reduce the size of information technology projects
6 to ensure that the projects are manageable and meet initial
7 estimates for project costs and completion dates.

8 (7) Ensure that projects utilize problem-based
9 procurement. As used in this paragraph, the term "problem-
10 based procurement" means a request for bids by a State agency
11 for an information technology project which details the
12 information technology needs of the State agency and solicits
13 proposals by bidders regarding how to best meet those needs.

14 (c) Confidentiality.--

15 (1) Subject to paragraph (2), contract information
16 compiled by the office shall be made a matter of public
17 record after the award of contract.

18 (2) Trade secrets, test data and similar proprietary
19 information and security information protected from
20 disclosure under Federal or State law shall remain
21 confidential.

22 (d) Electronic procurement.--The office may authorize the
23 use of an electronic procurement system to conduct a reverse
24 auction and electronic bidding. The following apply:

25 (1) The vendor's price may be revealed during the
26 reverse auction.

27 (2) The office may contract with a third-party vendor to
28 conduct the reverse auction.

29 (3) Offers OR BIDS may be accepted and contracts may be <--
30 entered by use of electronic bidding.

1 (4) All requirements relating to formal and competitive
2 bids, including advertisement, seal and signature, are
3 satisfied when a procurement is conducted or a contract is
4 entered in compliance with the reverse auction or electronic
5 bidding requirements established by the office.

6 (e) Bulk purchasing.--

7 (1) The director shall establish procedures for the
8 procurement of information technology through bulk purchases.
9 The procedures may include the following:

10 (i) The aggregation of hardware purchases.

11 (ii) The use of formal bid procedures.

12 (iii) Restrictions on supplemental staffing.

13 (iv) Enterprise software licensing, hosting and
14 multiyear maintenance agreements.

15 (2) The director may require State agencies to submit
16 information technology procurement requests to the department
17 on October 1, January 1 and June 1, or another regularly
18 occurring schedule, of each fiscal year in order to allow for
19 bulk purchasing.

20 (f) Most advantageous offer.--All BIDS OR offers to <--
21 contract, whether through competitive SEALED bidding or other <--
22 procurement method UNDER 62 PA.C.S. CH. 5, shall be subject to <--
23 evaluation and selection by acceptance of the most advantageous
24 offer to the Commonwealth.

25 (g) Considerations.--Evaluation of an information technology
26 purchase shall take into consideration the following factors:

27 (1) The best value of the purchase.

28 (2) Compliance with information technology project
29 management policies.

30 (3) Compliance with information technology security

1 standards and policies.

2 (4) Substantial conformity with the specifications and
3 other conditions set forth in the solicitation.

4 (h) Exceptions.--In addition to permitted waivers of
5 competition, the requirements of competitive bidding shall not
6 apply to information technology contracts and procurements:

7 (1) in the case of a pressing need or an emergency
8 arising from an information technology security incident; or

9 (2) in the use of master licensing or purchasing
10 agreements governing the office's acquisition of proprietary
11 intellectual property.

12 (i) Award by director.--The director may award a cost plus
13 percentage of cost contract for information technology projects.
14 As needed, the director shall report the cost plus percentage of
15 cost contract to the following:

16 (1) The Secretary of the Budget.

17 (2) The Auditor General.

18 ~~(3) The chairperson and minority chairperson of the~~ <--
19 ~~Appropriations Committee of the Senate.~~

20 ~~(4) The chairperson and minority chairperson of the~~
21 ~~Appropriations Committee of the House of Representatives.~~

22 (3) THE GENERAL ASSEMBLY. <--

23 § 4339. CONTRACTOR VERIFICATION.

24 (A) GENERAL RULE.--A CONTRACT FOR PROFESSIONAL OR TECHNICAL
25 SERVICES IN WHICH THE COST TO THE COMMONWEALTH EXCEEDS \$100,000
26 SHALL REQUIRE A CONTRACTOR WORKING WITH A STATE AGENCY ON A
27 PROJECT TO USE SOFTWARE THAT VERIFIES THAT THE HOURS BILLED ON A
28 CONTRACT WITH THE STATE AGENCY ARE VALID AND FULFILL THE PURPOSE
29 OF THE CONTRACT.

30 (B) CONTRACT SPECIFICATIONS.--A CONTRACT SHALL SPECIFY THAT

1 A STATE AGENCY MAY NOT PAY FOR HOURS WORKED ON A PROJECT THAT
2 ARE PERFORMED ON A COMPUTER UNLESS THE HOURS CAN BE VERIFIED
3 THROUGH THE USE OF THE SOFTWARE OR DATA COLLECTED BY THE
4 SOFTWARE.

5 (C) SOFTWARE REQUIREMENTS.--THE SOFTWARE INCORPORATED BY A
6 CONTRACTOR TO MEET THE REQUIREMENTS OF THIS SECTION SHALL DO THE
7 FOLLOWING:

8 (1) PERMIT THE STATE AGENCY OR AN AUDITOR OF THE STATE
9 AGENCY TO HAVE REAL-TIME OR RETROACTIVE ACCESS TO DATA
10 COLLECTED BY THE SOFTWARE.

11 (2) AUTOMATICALLY CAPTURE A SCREENSHOT OF ACTIVITY AS
12 FOLLOWS:

13 (I) THE SOFTWARE SHALL CAPTURE A SCREENSHOT AT LEAST
14 ONCE EVERY THREE MINUTES.

15 (II) A SCREENSHOT SHALL BE MADE AVAILABLE FOR REVIEW
16 BY THE STATE AGENCY OR AN AUDITOR OF THE STATE AGENCY IN
17 REAL-TIME AND RETROACTIVELY.

18 (III) TRACK TOTAL KEYSTROKE AND MOUSE EVENT
19 FREQUENCY.

20 (IV) BE PROCURED BY THE CONTRACTOR FROM AN
21 INDEPENDENT ENTITY.

22 (3) PROVIDE THE STATE AGENCY OR AN AUDITOR OF THE STATE
23 AGENCY AN AUTOMATED REAL-TIME COST STATUS OF EACH TASK
24 RELATING TO THE CONTRACT.

25 (4) PROVIDE THE STATE AGENCY PROFESSIONAL BIOGRAPHICAL
26 INFORMATION THAT IS NOT PRIVATE OR CONFIDENTIAL ON
27 INDIVIDUALS PERFORMING TASKS UNDER THE CONTRACT.

28 (5) PROTECT ALL DATA THAT IS PRIVATE OR CONFIDENTIAL ON
29 INDIVIDUALS CONSISTENT WITH PENNSYLVANIA LAW.

30 (6) PERMIT THE STATE AGENCY TO PROVIDE IMMEDIATE

1 FEEDBACK TO THE CONTRACTOR ON WORK IN PROGRESS UNDER THE
2 CONTRACT.

3 (D) DATA STORAGE.--THE CONTRACTOR SHALL STORE, OR CONTRACT
4 TO STORE, THE DATA COLLECTED BY THE SOFTWARE REQUIRED UNDER THIS
5 SECTION FOR A PERIOD OF NO LESS THAN SEVEN YEARS AFTER THE STATE
6 AGENCY HAS REMITTED PAYMENT TO THE CONTRACTOR FOR WORK UNDER THE
7 CONTRACT.

8 (E) REQUESTS FOR DATA.--DATA COLLECTED BY THE SOFTWARE
9 DURING THE CONTRACT PERIOD SHALL NOT BE CONSIDERED GOVERNMENT
10 DATA AND THE CONTRACTOR SHALL RETRIEVE THE DATA UPON REQUEST OF
11 THE STATE AGENCY, IN THE FORMAT REQUESTED BY THE STATE AGENCY,
12 AT ANY TIME DURING THE SEVEN-YEAR PERIOD.

13 (F) CHARGE PROHIBITED.--THE CONTRACTOR MAY NOT CHARGE THE
14 STATE AGENCY OR AN AUDITOR OF THE STATE AGENCY FOR ACCESS TO OR
15 USE OF THE SOFTWARE OR FOR ACCESS TO OR RETRIEVALS OF DATA
16 COLLECTED BY THE SOFTWARE.

17 § ~~4339~~ 4340. Review and approval of contracts.

<--

18 (a) Submittal to director.--When the dollar value of a
19 proposed contract for the procurement of information technology
20 equipment, materials or supplies exceeds the benchmark
21 established under this chapter or by the director, a State
22 agency shall submit the proposed contract to the director for
23 review and approval or other action deemed appropriate by the
24 director.

25 (b) Considerations.--The director shall determine whether
26 the proposed contract under subsection (a) ensures compliance
27 with the established processes, specifications and standards
28 applicable to the information technology purchased, licensed or
29 leased in this Commonwealth, including established procurement
30 processes.

1 (c) Determination.--The director shall promptly notify the
2 State agency of the determination regarding the proposed
3 contract under subsection (a).

4 (d) Notification.--For contract awards greater than \$25,000 <--
5 \$100,000, the director shall provide updates on a quarterly AN <--
6 ANNUAL basis to the following: <--

7 (1) The chairperson and minority chairperson of the
8 Appropriations Committee of the Senate.

9 (2) The chairperson and minority chairperson of the
10 Appropriations Committee of the House of Representatives.

11 (3) The chairperson and minority chairperson of each of
12 the standing committees of the Senate and House of
13 Representatives with jurisdiction over the State agency which
14 is a party to the contract. GENERAL ASSEMBLY. <--

15 § 4340 4341. Purchase of certain equipment prohibited. <--

16 (a) Determination.--A State agency may not purchase computer <--
17 INFORMATION TECHNOLOGY equipment or televisions, or enter into a <--
18 contract with any manufacturer, unless the director determines
19 that the purchase or contract is in compliance with the
20 requirements under this chapter. AND EXISTING STATE LAW <--
21 REGARDING THE PROCUREMENT OF INFORMATION TECHNOLOGY EQUIPMENT
22 AND TELEVISIONS.

23 (b) Findings.--If the director determines that a purchase or
24 contract is not in compliance with the requirements under this
25 chapter OR EXISTING STATE LAW REGARDING THE PROCUREMENT OF <--
26 INFORMATION TECHNOLOGY EQUIPMENT AND TELEVISIONS, the director
27 shall issue written findings regarding the noncompliance to the
28 State agency.

29 § 4341 4342. Refurbished computer equipment purchasing program. <--

30 (a) Option.--The office shall offer a State agency the

1 option of purchasing refurbished computer equipment from
2 registered computer equipment refurbishers whenever most
3 appropriate to meet the respective needs of the State agency.

4 (b) Savings.--A State agency shall document any savings
5 resulting from the purchase of refurbished computer equipment,
6 including, but not limited to, the initial acquisition cost and
7 operations and maintenance costs. The savings shall be reported
8 quarterly ANNUALLY to: <--

9 (1) The director.

10 ~~(2) The chairperson and minority chairperson of the~~ <--
11 ~~Appropriations Committee of the Senate.~~

12 ~~(3) The chairperson and minority chairperson of the~~
13 ~~Appropriations Committee of the House of Representatives.~~

14 (2) THE GENERAL ASSEMBLY. <--

15 (c) Requirements.--Participating computer equipment
16 refurbishers shall meet all EXISTING procurement requirements <--
17 established by the office.

18 § ~~4342~~ 4343. Data on reliability and other matters. <--

19 (a) Maintenance of data.--The office shall maintain data on
20 equipment reliability, potential cost savings and matters
21 associated with the refurbished computer equipment purchasing
22 program.

23 (b) Report.--The office shall transmit a report regarding
24 the matters under subsection (a) by February 1, 2018, and
25 quarterly thereafter to the following:

26 (1) The General Assembly.

27 (2) The Independent Fiscal Office.

28 (3) The Secretary of the Budget.

29 SUBCHAPTER D

30 SECURITY

1 Sec.

2 4351. Statewide security standards.

3 4352. Security standards and risk assessments.

4 4353. Assessment of compliance with security standards.

5 4354. Legislative JOINT Cybersecurity Oversight Committee.

<--

6 § 4351. Statewide security standards.

7 (a) Establishment.--

8 (1) The director shall establish a Statewide set of
9 standards for information technology security to maximize the
10 functionality, security and interoperability of the
11 Commonwealth's distributed information technology assets,
12 including the following:

13 (i) Data classification.

14 (ii) Management.

15 (iii) Communications.

16 (iv) Encryption technologies.

17 (2) The standards under this subsection shall conform to
18 the industry's best practices and standards regarding
19 information technology security.

20 (b) Review and revision.--The director shall review and
21 revise the security standards annually as necessary. As part of
22 this function, the director shall review periodically existing
23 security standards and practices in place among the various
24 State agencies to determine whether those standards and
25 practices meet Statewide security and encryption requirements.

26 (c) Assumption of responsibilities.--The director may assume
27 the direct responsibility of providing for the information
28 technology security of a State agency that fails to adhere to
29 security standards adopted under this chapter.

30 § 4352. Security standards and risk assessments.

1 (a) Standards.--Notwithstanding any other provision of law
2 and except as otherwise provided by this chapter, all
3 information technology security goods, software or services
4 purchased using taxpayer money, or for use by a State agency or
5 in a public facility, shall be subject to approval by the
6 director in accordance with security standards under this
7 chapter.

8 (b) Assessments.--The director shall conduct risk
9 assessments to identify compliance and operational and strategic
10 risks to the information technology network. The following
11 apply:

12 (1) The assessments may include methods such as
13 penetration testing or similar assessment methodologies.

14 (2) The director may contract with another party to
15 perform the assessments.

16 (3) Detailed reports of the risk and security issues
17 identified in the assessments shall be kept confidential.

18 (c) Security audit.--The director shall contract with a
19 FEDERAL GOVERNMENT ENTITY OR A third party that is nationally <--
20 recognized to perform a security audit of a State agency's
21 information technology system. The following shall apply:

22 (1) The director shall determine a schedule for State
23 agency security audits.

24 (2) The audit of a State agency shall be paid from
25 encumbered funds of the State agency.

26 (d) Notification and approval.--Before a State agency may
27 enter into a contract with another party for an assessment of
28 network vulnerability, the State agency shall notify the
29 director and obtain approval of the request. The following
30 apply:

1 (1) The party conducting the assessment shall provide
2 the State agency with a detailed report of the security
3 issues identified, which shall not be publicly disclosed.

4 (2) The State agency shall provide the director with
5 copies of the detailed report under paragraph (1), which
6 shall not be publicly disclosed.

7 (3) The State agency shall issue a public report on the
8 general results of the assessment.

9 (e) Effect of section.--Nothing in this section shall be
10 construed to preclude the Auditor General OR THE GENERAL <--
11 ASSEMBLY from assessing the security practices of State
12 information technology systems as part of its statutory duties
13 and responsibilities.

14 § 4353. Assessment of compliance with security standards.

15 (a) Frequency.--The director shall biannually assess the
16 ability of each State agency and each State agency's contracted
17 vendors to comply with the current security standards
18 established under this chapter.

19 (b) Contents.--The assessment under this section shall
20 include, at a minimum, the following:

21 (1) The rate of compliance with the current security
22 standards.

23 (2) An assessment of security organization, security
24 practices, security information standards, network security
25 architecture and current expenditures of State funds for
26 information technology security.

27 (3) An estimate of the cost to implement the security
28 measures needed for State agencies to fully comply with the
29 established standards.

30 (c) Submittal of information.--Each State agency shall

1 submit information required by the director for the assessments
2 under this section.

3 § 4354. Legislative JOINT Cybersecurity Oversight Committee. <--

4 (a) Establishment and membership.--The Legislative JOINT <--

5 Cybersecurity Oversight Committee is established and shall

6 consist of the following members:

7 (1) The director.

8 (2) The following individuals appointed by the President

9 pro tempore of the Senate:

10 (i) Three members of the Senate.

11 (ii) A representative from the information
12 technology office of the majority caucus of the Senate.

13 (3) The following individuals appointed by the Minority

14 Leader of the Senate:

15 (i) Two members of the Senate.

16 (ii) A representative from the information
17 technology office of the minority caucus of the Senate.

18 (4) The following individuals appointed by the Speaker

19 of the House of Representatives:

20 (i) Three members of the House of Representatives.

21 (ii) A representative from the information
22 technology office of the majority caucus of the House of
23 Representatives.

24 (5) The following individuals appointed by the Minority

25 Leader of the House of Representatives:

26 (i) Two members of the House of Representatives.

27 (ii) A representative from the information
28 technology office of the minority caucus of the House of
29 Representatives.

30 (6) The Attorney General or a designee of the Attorney

1 General.

2 (7) The chief information officer of:

3 (i) The Department of the Auditor General.

4 (ii) The Treasury Department.

5 (iii) The Office of Attorney General.

6 (iv) The Administrative Office of Pennsylvania

7 Courts.

8 (v) THE PENNSYLVANIA PUBLIC UTILITY COMMISSION. <--

9 (8) FOUR PRIVATE CITIZENS APPOINTED BY THE GOVERNOR WITH
10 PROFESSIONAL CYBER SECURITY EXPERIENCE.

11 ~~(8) (9) The Commissioner of the Pennsylvania State~~ <--
12 ~~Police or a designee of the commissioner.~~

13 ~~(b) Chairperson and vice chairperson.--The chairperson and~~ <--
14 ~~vice chairperson of the committee shall be appointed by the~~
15 ~~President pro tempore of the Senate and the Speaker of the House~~ <--
16 ~~of Representatives as follows:~~

17 ~~(1) Beginning on the effective date of this section and~~
18 ~~until the following January 1:~~

19 ~~(i) The chairperson of the committee shall be one of~~
20 ~~the members of the Senate appointed to the committee.~~

21 ~~(ii) The vice chairperson of the committee shall be~~
22 ~~one of the members of the House of Representatives~~
23 ~~appointed to the committee.~~

24 ~~(2) Except as provided in paragraph (1), a chairperson~~
25 ~~and vice chairperson shall serve for a period of two years.~~

26 ~~(3) At the end of each two year period, the chairperson~~
27 ~~and vice chairperson of the committee shall rotate between a~~
28 ~~member of the Senate appointed to the committee and a member~~
29 ~~of the House of Representatives appointed to the committee.~~

30 ~~(4) A vacancy in the position of chairperson or vice~~

~~chairperson of the committee shall be filled by the
appointing authority in the same manner as the original
appointment.~~ GOVERNOR AND THE VICE CHAIRPERSON OF THE
COMMITTEE SHALL BE APPOINTED BY THE CHAIRPERSON.

<--

(C) STAFFING.--THE COMMITTEE SHALL BE STAFFED BY THE OFFICE,
WHICH SHALL SUPPORT AND ASSIST THE COMMITTEE.

~~(c)~~ (D) Service of members.--Each member of the committee
shall serve at the pleasure of the individual who appointed the
member.

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~~(d)~~ (E) Vacancies.--A vacancy in the membership of the
committee shall be filled by the appointing authority in the
same manner as the original appointment.

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~~(e)~~ (F) Meetings.--

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(1) The committee shall meet at least on a quarterly
basis and no later than the first Thursday of each quarter.

(2) The chairperson of the committee, with the consent
of the vice chairperson of the committee, may schedule
additional meetings of the committee.

(3) The chairperson of the committee shall provide the
members of the committee with notice of the time and location
of each meeting of the committee no later than one week prior
to the meeting. Notice shall also be provided to the
Governor, the President pro tempore of the Senate and the
Speaker of the House of Representatives.

(4) Notice of the meetings of the committee shall be
provided by regular mail and e-mail.

(5) A member of the committee may participate in a
meeting of the committee in person, by teleconference, by
video conference or by other means as agreed to by the
chairperson and vice chairperson of the committee.

1 (6) A meeting of the committee shall not be subject to
2 65 Pa.C.S. Ch. 7 (relating to open meetings).

3 ~~(f) Quorum.~~ <--

4 ~~(1) For the purposes of adopting a report under this~~
5 ~~section or conducting committee business that requires a~~
6 ~~vote of the committee, at least a majority of the members of~~
7 ~~the committee must be present during the meeting or otherwise~~
8 ~~participating in the meeting as described in subsection (e)~~
9 ~~(5).~~

10 ~~(2) For the purposes of receiving testimony from an~~
11 ~~individual invited by the chairperson of the committee to~~
12 ~~testify before the committee, at least three members of the~~
13 ~~committee shall be present during the meeting.~~

14 ~~(g) Testimony.~~

15 ~~(1) Rules regarding testimony before the standing~~
16 ~~committees of the General Assembly shall govern testimony~~
17 ~~given to the committee.~~

18 ~~(2) Written testimony shall be made available to the~~
19 ~~members of the committee, regardless of whether the member~~
20 ~~was present during the meeting at which the testimony was~~
21 ~~given.~~

22 ~~(h) Compensation. A member of the committee shall not be~~
23 ~~entitled to compensation as a member of the committee but may be~~
24 ~~reimbursed for actual and reasonable expenses incurred in the~~
25 ~~performance of duties as a member of the committee.~~

26 ~~(i) (G) Duties.--The committee shall review AND COORDINATE~~ <--
27 ~~cybersecurity policies and issue an annual report on DISCUSS~~ <--
28 ~~emerging cybersecurity threats, recommended policy changes and~~
29 ~~an assessment of ASSESS current cybersecurity within this~~ <--
30 ~~Commonwealth. The report shall be transmitted to:~~

1 subsection (a) commits a misdemeanor of the first degree. Upon
2 conviction, the person shall be liable to the Commonwealth to
3 repay any amount expended in violation of this chapter, together
4 with any court costs.

5 § 4363. Financial interests.

6 (a) Offense.--

7 (1) The director and any other policymaking employee of
8 the office shall not have a financial interest or personal
9 beneficial interest, either directly or indirectly, in the
10 purchase of or contract for information technology. The
11 financial interest or personal interest shall extend to a
12 corporation, partnership, company, trust, association or
13 other entity furnishing information technology to the
14 Commonwealth or any of its State agencies.

15 (2) Consistent with paragraph (1), the director or other
16 policymaking employee may not accept or receive, directly or
17 indirectly, any of the following:

18 (i) Anything of monetary or other value, whether by
19 rebate, gift or otherwise.

20 (ii) A promise, obligation or contract for future
21 reward or compensation, regardless of the business or
22 nonbusiness nature of the promise, obligation or
23 contract.

24 (b) Criminal penalties.--A person that violates subsection
25 (a) commits a felony of the third degree. Upon conviction, the
26 person shall be removed from office or State employment.

27 § 4364. Certification of submittal without collusion.

28 (a) Duty.--The director shall require bidders under this
29 chapter to certify that each bid on information technology
30 contracts overseen by the office is submitted competitively and

1 without collusion.

2 (b) Grading.--A person that provides a false certification
3 under this section commits a misdemeanor of the first degree.

4 Section 2. This act shall take effect immediately.