

JAN 19 2023

A BILL FOR AN ACT

RELATING TO INFORMATION TECHNOLOGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the office of
2 enterprise technology services' data center was created more
3 than forty years ago and has received minimal, if any,
4 subsequent upgrades. Nevertheless, the data center runs all key
5 state programs. The legislature also finds that the office's
6 data center comprises a primary data center that is housed in
7 the basement of the Kalanimoku building, a location that is
8 susceptible to flooding, and two satellite data centers that are
9 housed one each at the university of Hawaii at Manoa and a
10 commercial data center. There are also numerous department- and
11 agency-run processing facilities throughout the State having
12 varying degrees of business continuity readiness. The
13 legislature notes that some agencies are considering relocating
14 the agencies' respective satellite data centers to either the
15 Kalanimoku building or a third-party commercial facility.

16 The legislature believes that upgrading, modernizing, and
17 consolidating the office of enterprise technology services' data



1 center will improve the State's resilience against physical
2 damage caused by weather-related events and cybersecurity
3 threats and ensure the continued, uninterrupted provision of
4 state services. The legislature recognizes that Gartner
5 Consulting submitted a report to the legislature in 2013
6 identifying these issues and recommending that the State
7 "[c]onstruct a modern Tier 3 primary data center at an interior
8 location on Oahu to ultimately house all of the State's primary
9 [information technology] assets." The legislature also believes
10 that, in order to most efficiently and effectively achieve these
11 benefits, it is important for the State to also adopt cloud
12 computing technologies.

13 Accordingly, the purpose of this Act is to:

14 (1) Require the technology services consolidation working
15 group to decommission the office of enterprise
16 technology services' primary data center located in
17 the Kalanimoku building; relocate the office of
18 enterprise technology services' entire data center to
19 a single, standalone facility; and use cloud storage
20 for all consolidated state information technology data



- 1 with consideration of latency-sensitive systems that
- 2 may require local presence or hybrid-cloud design;
- 3 (2) Extends to June 30, 2028, the dissolution date of the
- 4 technology services consolidation working group; and
- 5 (3) Establish requirements for procurement contracts for
- 6 information technology-related projects.

7 SECTION 2. Chapter 103D, Hawaii Revised Statutes, is
8 amended by adding a new section to part III to be appropriately
9 designated and to read as follows:

10 "§103D- Information technology-related projects;
11 in-state cloud servers and services. (a) A governmental body
12 that enters into a contract under this chapter for an
13 information technology-related project having an estimated value
14 of not less than \$250,000, shall decrease the bid amount of a
15 bidder by five per cent if the bidder provides cloud systems
16 that are located within the State. The lowest total bid, taking
17 the preference into consideration, shall be awarded the contract
18 unless the solicitation provides for additional award criteria.
19 The contract amount awarded, however, shall be the amount of the
20 price offered, exclusive of the preference.



1 (b) At the time of submission of a competitive sealed bid
2 or a competitive sealed proposal by a bidder, the bidder shall
3 furnish written proof that the bidder provides cloud systems
4 that are located within the State and, if awarded the contract,
5 shall continue to certify monthly in writing that the bidder
6 provides cloud systems that are located within the State. This
7 subsection shall be deemed to be incorporated into any
8 applicable contract. A bidder who is awarded a contract shall
9 be subject to the following sanctions if, after commencement of
10 work, the bidder at any time during the project no longer
11 provides cloud systems that are located within the State:

12 (1) Temporary or permanent cessation of work on the
13 project, without recourse to breach of contract claims
14 by the bidder; provided that the governmental body
15 shall be entitled to restitution for nonperformance or
16 liquidated damages, as appropriate; or

17 (2) Proceedings to debar or suspend under section 103D-
18 702.

19 (c) For purposes of this section, "bidder" means an entity
20 that submits a competitive sealed bid under section 103D-302 or
21 submits a competitive sealed proposal under section 103D-303."



1 SECTION 3. Act 179, Session Laws of Hawaii 2022, is
2 amended by amending section 2 to read as follows:

3 "SECTION 2. (a) There is established a technology
4 services consolidation working group, that shall:

5 (1) Develop a plan for the phased consolidation of all
6 state executive branch information technology services
7 and staff, where determined practicable by the working
8 group, within five years, excluding the department of
9 education, Hawaii health systems corporation,
10 University of Hawaii, and office of Hawaiian affairs,
11 under the office of enterprise technology services.

12 The plan shall include:

- 13 (A) An identification of the specific positions and
14 functions to be transferred in each department;
15 (B) Proposed dates of transfer for each position and
16 function;
17 (C) Proposed information technology facility,
18 personnel, and operational infrastructure needs
19 of the consolidated information technology
20 agency, with projections on future integration



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1 needs as additional agencies' information
 2 technology staff and services are added;

3 (D) Recommendations to enable the office of
 4 enterprise technology services to provide expert
 5 support to all state agencies regarding
 6 information technology activities in order to
 7 meet the needs of the agencies and the public;
 8 and

9 (E) Recommendations to ensure that agency services
 10 are not interrupted during the phased
 11 consolidation; [~~and~~]

12 (2) Make recommendations to attract high-quality
 13 information technology professionals to the State,
 14 including the use of internships, and assess the
 15 feasibility of exempting certain positions from the
 16 requirements of chapters 76 and 89, Hawaii Revised
 17 Statutes[-];

18 (3) By June 30, 2024:

19 (A) Decommission the office of enterprise technology
 20 services' primary data center located in the
 21 Kalanimoku building; and



- 1 (B) Relocate the office of enterprise technology
2 services' entire data center, including the
3 primary data center located in the Kalanimoku
4 building and any satellite data center located in
5 any facility under the management and control of
6 a state agency, and all consolidated state
7 information technology data to a standalone
8 facility that:
- 9 (i) Possesses Uptime Institute tier IV design
10 facility certification or otherwise conforms
11 to the Uptime Institute's tier IV design
12 facility standard or equivalent facility,
13 safety, or disaster standards;
- 14 (ii) Is located at least five hundred feet above
15 sea level and three miles inland;
- 16 (iii) Capable of operating in a "lights out" mode
17 with minimal on-premise human intervention;
- 18 (iv) Maintain a telework-enabled workforce with
19 capitol district office spaces or
20 workspaces, or both, for support of
21 executive branch agencies in the area; and



1 (v) Provide for a high-speed printing facility
2 within the capitol district for optimal
3 access by executive branch agencies and a
4 second printing facility at the new
5 centralized site for business continuity;
6 provided that the working group shall submit a report
7 of its findings and recommendations, including any
8 proposed legislation, to the legislature no later than
9 twenty days prior to the convening of the regular
10 session of 2025; and

11 (4) Unless otherwise required by federal law or
12 regulation, by June 30, 2026, use cloud storage to
13 securely store all state data in compliance with state
14 and federal policies and laws; provided that any cloud
15 storage servers or other systems or hardware used
16 pursuant to this paragraph shall be located within the
17 State; provided that the working group shall submit a
18 report of its findings and recommendations, including
19 any proposed legislation, to the legislature no later
20 than twenty days prior to the convening of the regular
21 session of 2027.



- 1 (b) Members of the working group shall include:
- 2 (1) The chief information officer, who shall serve as
- 3 chairperson;
- 4 (2) The single executive or the chairperson of the
- 5 executive board, as the case may be, of each principal
- 6 executive branch department or that person's designee,
- 7 excluding the department of education, Hawaii health
- 8 systems corporation, University of Hawaii, and office
- 9 of Hawaiian affairs; and
- 10 (3) Any other person that the chief information officer
- 11 wishes to invite to serve on the working group.
- 12 (c) The working group shall be administratively attached
- 13 to the department of accounting and general services. The
- 14 office of enterprise technology services shall provide
- 15 administrative support to the working group.
- 16 (d) No later than twenty days prior to the convening of
- 17 the regular session of 2023, the working group shall submit to
- 18 the legislature a preliminary status report. This preliminary
- 19 status report shall also include any findings, recommendations,
- 20 proposed legislation, and funding requirements necessary for the



1 completion of the plan for a phased consolidation of state
2 information technology services.

3 (e) No later than twenty days prior to the convening of
4 the regular session of 2024, the working group shall submit to
5 the legislature a report of its findings and recommendations,
6 including:

7 (1) The plan for a phased consolidation of state
8 information technology services developed pursuant to
9 subsection (a)(1), including a detailed five-year
10 phase-in schedule;

11 (2) Recommendations to attract high-quality information
12 technology professionals to the State; and

13 (3) Any proposed legislation.

14 (f) The working group shall be dissolved on [~~December 31,~~
15 ~~2023,~~] June 30, 2028."

16 SECTION 4. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

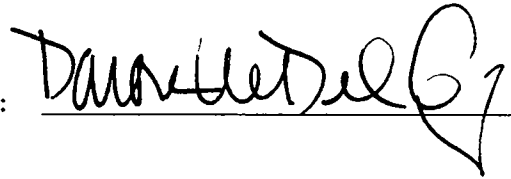


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1 SECTION 5. This Act shall take effect on June 30, 2023.

2

INTRODUCED BY:





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Report Title:

ETS; Technology Services Consolidation Working Group; Kalanimoku Data Center; Data Centers; Information Technology; Competitive Sealed Proposals; Storage; Decommissioning

Description:

Requires the technology services consolidation working group to decommission the Office of Enterprise Technology Services' data center located in the Kalanimoku building; relocate the entire Office of Enterprise Technology Services data center to a single, standalone facility; and use cloud storage for all state data. Extends to 6/30/28 the dissolution date of the technology services consolidation working group. Establishes requirements for procurement contracts for information technology-related projects.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

