

---

---

# 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. The data center runs all key state  
5 programs. Because the data center can no longer be brought to  
6 acceptable modern data center standards, it is no longer used to  
7 run any critical state programs in their current location and  
8 condition. The legislature also finds that the office's data  
9 center comprises a primary data center that is located in the  
10 basement of the Kalanimoku building, which is susceptible to  
11 flooding; one satellite data center located at the university of  
12 Hawaii at Manoa; and one satellite data center located at a  
13 commercial data center. There are also numerous department- and  
14 agency-run processing facilities throughout the State having  
15 varying degrees of business-continuity readiness. The  
16 legislature notes that some agencies are considering relocating



1 the agencies' respective satellite data centers to either the  
2 Kalanimoku building or a third-party commercial facility.

3 The legislature believes that upgrading, modernizing, and  
4 consolidating the office of enterprise technology services' data  
5 center will improve the State's resilience against physical  
6 damage caused by weather-related events and cybersecurity  
7 threats and ensure the continued, uninterrupted provision of  
8 state services. The legislature recognizes that Gartner  
9 Consulting submitted a report to the legislature in 2013  
10 identifying these issues and recommending that the State  
11 consolidate its various equipment into secure and resilient  
12 primary and secondary sites. The legislature also believes  
13 that, in order to most efficiently and effectively achieve these  
14 benefits, it is important for the State to also adopt cloud  
15 computing technologies and establish a statutory preference that  
16 they be hosted physically in the State, to address latency and  
17 financial impacts.

18 Accordingly, the purpose of this Act is to:

19 (1) Require the technology services consolidation working  
20 group to:



1 (A) Decommission the office of enterprise technology  
2 services' primary data center located in the  
3 Kalanimoku building;

4 (B) Relocate the office of enterprise technology  
5 services' entire data center to an interim  
6 primary, secure, and resilient facility; and

7 (C) Implement the efficient use of cloud computing at  
8 the foregoing data center, with consideration of  
9 latency-sensitive systems that may require local  
10 presence or hybrid-cloud design and cloud or  
11 remote physical storage for all consolidated  
12 state information technology data;

13 (2) Extend to June 30, 2028, the dissolution date of the  
14 technology services consolidation working group; and

15 (3) Establish requirements for procurement contracts for  
16 information technology-related projects.

17 SECTION 2. Chapter 103D, Hawaii Revised Statutes, is  
18 amended by adding a new section to part X to be appropriately  
19 designated and to read as follows:

20 "§103D- Information technology-related projects;  
21 in-state cloud servers and services. (a) A governmental body



1 that enters into a contract under this chapter for an  
2 information technology-related project having an estimated value  
3 of not less than \$250,000 shall decrease the bid amount of a  
4 bidder by five per cent if the bidder provides cloud servers and  
5 services that are physically located within the State. The  
6 lowest total bid, taking industry standard preferences into  
7 consideration, shall be awarded the contract, unless the  
8 solicitation provides for additional award criteria; provided  
9 that the contract amount awarded shall be the amount of the  
10 price offered, exclusive of the preference.

11 (b) At the time of submission of a competitive sealed bid  
12 or a competitive sealed proposal by a bidder, the bidder shall  
13 submit documentation that the bidder provides cloud servers and  
14 services that are physically located within the State and, if  
15 awarded the contract, shall provide written certification on a  
16 monthly basis that the bidder provides cloud systems that are  
17 physically located within the State. This subsection shall be  
18 deemed to be incorporated into any applicable contract. A  
19 bidder that is awarded a contract shall be subject to the  
20 following sanctions if, during the project, the bidder ceases to



1 provide cloud servers and services that are physically located  
2 within the State:

3       (1) Temporary or permanent cessation of work on the  
4       project, without recourse to breach of contract claims  
5       by the bidder; provided that the governmental body  
6       shall be entitled to restitution for nonperformance or  
7       liquidated damages, as appropriate; or

8       (2) Proceedings to debar or suspend under section  
9       103D-702.

10       (c) For purposes of this section:

11       "Bidder" means an entity that submits a competitive sealed  
12 bid under section 103D-302 or submits a competitive sealed  
13 proposal under section 103D-303.

14       "Cloud servers and services" include infrastructure-as-a-  
15 service, platform-as-a-service, or software-as-a-service systems  
16 and servers."

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

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



- 1           (1) Develop a plan for the phased consolidation of all  
2           state executive branch information technology services  
3           and staff, where determined practicable by the working  
4           group, within five years, excluding the department of  
5           education, Hawaii health systems corporation,  
6           University of Hawaii, and office of Hawaiian affairs,  
7           under the office of enterprise technology services.  
8           The plan shall include:  
9           (A) An identification of the specific positions and  
10           functions to be transferred in each department;  
11           (B) Proposed dates of transfer for each position and  
12           function;  
13           (C) Proposed information technology facility,  
14           personnel, and operational infrastructure needs  
15           of the consolidated information technology  
16           agency, with projections on future integration  
17           needs as additional agencies' information  
18           technology staff and services are added;  
19           (D) Recommendations to enable the office of  
20           enterprise technology services to provide expert  
21           support to all state agencies regarding



1 information technology activities in order to  
2 meet the needs of the agencies and the public;  
3 and

4 (E) Recommendations to ensure that agency services  
5 are not interrupted during the phased  
6 consolidation; [~~and~~]

7 (2) Make recommendations to attract high-quality  
8 information technology professionals to the State,  
9 including the use of internships, partnering with  
10 private providers and carriers, and assess the  
11 feasibility of exempting certain positions from the  
12 requirements of chapters 76 and 89, Hawaii Revised  
13 Statutes[-.];

14 (3) By June 30, 2024:

15 (A) Decommission the office of enterprise technology  
16 services' primary data center located in the  
17 Kalanimoku building; and

18 (B) Relocate the office of enterprise technology  
19 services' entire data center, including the  
20 primary data center located in the Kalanimoku  
21 building and any satellite data center located in



1           any facility under the management and control of  
2           a state agency, and all consolidated state  
3           information technology data to an interim  
4           facility that:

5           (i) Has the resiliency to perform concurrent  
6           maintenance or upgrades without down time;

7           (ii) Is located outside the Extreme Tsunami  
8           Evacuation Zone; not located in the Federal  
9           Emergency Management Agency Flood Zone A, B,  
10           C, or V; and not impacted by the National  
11           Oceanic and Atmospheric Administration-  
12           anticipated climate-related sea level rise  
13           of three feet over the next thirty years;

14           (iii) Is capable of continuing connectivity with  
15           at least three physically and logically  
16           diverse carriers;

17           (iv) Maintains a telework-enabled workforce with  
18           capitol district office spaces or  
19           workspaces, or both, for support of  
20           executive branch agencies in the area; and





1                   (v) Provides 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 to the  
7                   legislature, no later than twenty days prior to the  
8                   convening of the regular session of 2025, a report of  
9                   its findings and recommendations, including any  
10                  adjustments to this paragraph and any proposed  
11                  legislation; and

12                  (4) Unless otherwise required by federal law or  
13                  regulation, by June 30, 2026, implement the use of  
14                  cloud computing at the office of enterprise technology  
15                  services' data center, with consideration of  
16                  latency-sensitive systems that may require local  
17                  presence or hybrid-cloud design and cloud or remote  
18                  physical storage for all consolidated state  
19                  information technology data in compliance with state  
20                  and federal policies and laws; provided that any cloud  
21                  storage servers or other systems or hardware used



1 pursuant to this paragraph shall be physically located  
2 within the State; provided further that the working  
3 group shall submit to the legislature, no later than  
4 twenty days prior to the convening of the regular  
5 session of 2027, a report of its findings and  
6 recommendations, including any proposed legislation.

7 (b) Members of the working group shall include:

8 (1) The chief information officer, who shall serve as  
9 chairperson;

10 (2) The single executive or the chairperson of the  
11 executive board, as the case may be, of each principal  
12 executive branch department or that person's designee,  
13 excluding the department of education, Hawaii health  
14 systems corporation, University of Hawaii, and office  
15 of Hawaiian affairs; and

16 (3) Any other person that the chief information officer  
17 wishes to invite to serve on the working group.

18 (c) The working group shall be administratively attached  
19 to the department of accounting and general services. The  
20 office of enterprise technology services shall provide  
21 administrative support to the working group.



1 (d) No later than twenty days prior to the convening of  
2 the regular session of 2023, the working group shall submit to  
3 the legislature a preliminary status report. This preliminary  
4 status report shall also include any findings, recommendations,  
5 proposed legislation, and funding requirements necessary for the  
6 completion of the plan for a phased consolidation of state  
7 information technology services.

8 (e) No later than twenty days prior to the convening of  
9 the regular session of 2024, the working group shall submit to  
10 the legislature a report of its findings and recommendations,  
11 including:

12 (1) The plan for a phased consolidation of state  
13 information technology services developed pursuant to  
14 subsection (a)(1), including a detailed five-year  
15 phase-in schedule;

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

18 (3) Any proposed legislation.

19 (f) The working group shall be dissolved on [~~December 31,~~  
20 ~~2023.~~] June 30, 2028."



1 SECTION 4. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect on July 1, 2050.



**Report Title:**

Office of Enterprise Technology Services; Technology Services Consolidation Working Group; Kalanimoku Data Center; Data Centers; Information Technology; Procurement; 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 an interim primary, secure, and resilient facility; and implement the use of cloud computing with consideration of latency-sensitive systems that may require local presence or hybrid-cloud design and cloud or remote physical storage for all consolidated state information technology 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. Effective 7/1/2050. (SD2)

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

