
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 housed in the
10 basement of the Kalanimoku building, a location that is
11 susceptible to flooding, and two satellite data centers that are
12 housed one each at the university of Hawaii at Manoa and 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 with a preference that they be hosted
16 physically in the State to address latency and financial
17 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) Efficiently use cloud computing with
8 consideration of latency-sensitive systems that
9 may require local presence or hybrid-cloud design
10 and cloud or remote physical storage for all
11 consolidated state information technology data;

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

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

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

19 "§103D- Information technology-related projects;
20 in-state cloud servers and services. (a) A governmental body
21 that enters into a contract under this chapter for an



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

10 (b) At the time of submission of a competitive sealed bid
11 or a competitive sealed proposal by a bidder, the bidder shall
12 furnish written proof that the bidder provides cloud servers and
13 services that are physically located within the State and, if
14 awarded the contract, shall continue to certify monthly in
15 writing that the bidder provides cloud systems that are
16 physically located within the State. This subsection shall be
17 deemed to be incorporated into any applicable contract. A
18 bidder who is awarded a contract shall be subject to the
19 following sanctions if, after commencement of work, the bidder
20 at any time during the project no longer provides cloud servers
21 and services that are physically located within the State:



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

6 (2) Proceedings to debar or suspend under section 103D-
7 702.

8 (c) For purposes of this section:

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

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

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

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

19 (1) Develop a plan for the phased consolidation of all
20 state executive branch information technology services
21 and staff, where determined practicable by the working



1 group, within five years, excluding the department of
2 education, Hawaii health systems corporation,
3 University of Hawaii, and office of Hawaiian affairs,
4 under the office of enterprise technology services.

5 The plan shall include:

- 6 (A) An identification of the specific positions and
7 functions to be transferred in each department;
- 8 (B) Proposed dates of transfer for each position and
9 function;
- 10 (C) Proposed information technology facility,
11 personnel, and operational infrastructure needs
12 of the consolidated information technology
13 agency, with projections on future integration
14 needs as additional agencies' information
15 technology staff and services are added;
- 16 (D) Recommendations to enable the office of
17 enterprise technology services to provide expert
18 support to all state agencies regarding
19 information technology activities in order to
20 meet the needs of the agencies and the public;
21 and



1 (E) Recommendations to ensure that agency services
2 are not interrupted during the phased
3 consolidation; ~~and~~

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

11 (3) By June 30, 2024:

12 (A) Decommission the office of enterprise technology
13 services' primary data center located in the
14 Kalanimoku building; and

15 (B) Relocate the office of enterprise technology
16 services' entire data center, including the
17 primary data center located in the Kalanimoku
18 building and any satellite data center located in
19 any facility under the management and control of
20 a state agency, and all consolidated state



- 1 information technology data to an interim
2 facility that:
- 3 (i) Possesses the resiliency to perform
4 concurrent maintenance or upgrades without
5 down time;
- 6 (ii) Is located outside the Extreme Tsunami
7 Evacuation Zone; not located in the Federal
8 Emergency Management Agency Flood Zone A, B,
9 C, or V; and not impacted by the National
10 Oceanic and Atmospheric Administration-
11 anticipated climate-related sea level rise
12 of three feet over the next thirty years;
- 13 (iii) Is capable of continuing connectivity with
14 at least three physically and logically
15 diverse carriers;
- 16 (iv) Maintains a telework-enabled workforce with
17 capitol district office spaces or
18 workspaces, or both, for support of
19 executive branch agencies in the area; and
- 20 (v) Provides for a high-speed printing facility
21 within the capitol district for optimal



1 access by executive branch agencies and a
2 second printing facility at the new
3 centralized site for business continuity;
4 provided that the working group shall submit a report
5 of its findings and recommendations, including any
6 adjustments to the above criteria and any proposed
7 legislation, to the legislature no later than twenty
8 days prior to the convening of the regular session of
9 2025; and

10 (4) Unless otherwise required by federal law or
11 regulation, by June 30, 2026, use cloud computing with
12 consideration of latency-sensitive systems that may
13 require local presence or hybrid-cloud design and
14 cloud or remote physical storage for all consolidated
15 state information technology data in compliance with
16 state and federal policies and laws; provided that any
17 cloud storage servers or other systems or hardware
18 used pursuant to this paragraph shall be physically
19 located within the State; provided further that the
20 working group shall submit a report of its findings
21 and recommendations, including any proposed



1 legislation, to the legislature no later than twenty
2 days prior to the convening of the regular session of
3 2027.

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

5 (1) The chief information officer, who shall serve as
6 chairperson;

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

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

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

19 (d) No later than twenty days prior to the convening of
20 the regular session of 2023, the working group shall submit to
21 the legislature a preliminary status report. This preliminary



1 status report shall also include any findings, recommendations,
2 proposed legislation, and funding requirements necessary for the
3 completion of the plan for a phased consolidation of state
4 information technology services.

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

- 9 (1) The plan for a phased consolidation of state
10 information technology services developed pursuant to
11 subsection (a)(1), including a detailed five-year
12 phase-in schedule;
- 13 (2) Recommendations to attract high-quality information
14 technology professionals to the State; and
- 15 (3) Any proposed legislation.

16 (f) The working group shall be dissolved on [~~December 31,~~
17 ~~2023-~~] June 30, 2028."

18 SECTION 4. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 5. This Act shall take effect on January 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 use 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 1/1/2050. (SD1)

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

