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



1 satellite data centers to either the Kalanimoku building or a  
2 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) Use cloud storage to securely store all state  
8 electronic data, with any cloud storage servers  
9 or other systems or hardware having their primary  
10 production system located within the State;  
11 provided that software-as-a-service solutions  
12 provided only outside the State are not subject  
13 to this restriction;
- 14 (2) Extend to June 30, 2028, the dissolution date of the  
15 technology services consolidation working group; and
- 16 (3) Establish requirements for procurement contracts for  
17 information technology-related projects.

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



1           "§103D- Information technology-related projects;  
2 preference for in-state cloud servers and services. (a) A  
3 governmental body that enters into a contract under this chapter  
4 for an information technology-related project having an  
5 estimated value of no less than \$250,000 shall decrease the bid  
6 amount of a bidder by five per cent if the bidder provides cloud  
7 servers and services that are physically located within the  
8 State. The lowest total bid, taking industry standard  
9 preferences into consideration, shall be awarded the contract,  
10 unless the solicitation provides for additional award criteria;  
11 provided that the contract amount awarded shall be the amount of  
12 the price offered, exclusive of the preference.

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



1 bidder that is awarded a contract and that received the  
2 preference shall be subject to the following sanctions if,  
3 during the project, the bidder ceases to provide cloud servers  
4 and services that are physically located within the State:

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

10 (2) Proceedings to debar or suspend under section  
11 103D-702.

12 (c) For purposes of this section:  
13 "Bidder" means an entity that submits a competitive sealed  
14 bid under section 103D-302 or submits a competitive sealed  
15 proposal under section 103D-303.

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

19 SECTION 3. Act 179, Session Laws of Hawaii 2022, section  
20 2, is amended as follows:

21 1. By amending subsection (a) to read:



1           "(a) There is established a technology services  
2 consolidation working group, that shall:

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

10           The plan shall include:

11           (A) An identification of the specific positions and  
12 functions to be transferred in each department;

13           (B) Proposed dates of transfer for each position and  
14 function;

15           (C) Proposed information technology facility,  
16 personnel, and operational infrastructure needs  
17 of the consolidated information technology  
18 agency, with projections on future integration  
19 needs as additional agencies' information  
20 technology staff and services are added;



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

7 (E) Recommendations to ensure that agency services  
 8 are not interrupted during the phased  
 9 consolidation; ~~and~~

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

17 (3) By June 30, 2024:

18 (A) Decommission the office of enterprise technology  
 19 services' primary data center located in the  
 20 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 an interim
- 8           facility that:
- 9           (i) Has the resiliency to perform concurrent
- 10           maintenance or upgrades without down time;
- 11           (ii) Is located outside the extreme tsunami
- 12           evacuation zone; not located in the Federal
- 13           Emergency Management Agency Flood Zone A, B,
- 14           C, or V; and not impacted by the National
- 15           Oceanic and Atmospheric Administration-
- 16           anticipated climate-related sea level rise
- 17           of three feet over the next thirty years;
- 18           (iii) Is capable of continuing connectivity with
- 19           at least three physically and logically
- 20           diverse carriers;





1                    (iv) Maintains a telework-enabled workforce with  
2                    capitol district office spaces or  
3                    workspaces, or both, for support of  
4                    executive branch agencies in the area; and  
5                    (v) Provides for a high-speed printing facility  
6                    within the capitol district for optimal  
7                    access by executive branch agencies and a  
8                    second printing facility at the new  
9                    centralized site for business continuity;  
10                  provided that the working group shall submit to the  
11                  legislature, no later than twenty days prior to the  
12                  convening of the regular session of 2025, a report of  
13                  its findings and recommendations, including any  
14                  adjustments to this paragraph and any proposed  
15                  legislation; and  
16                  (4) Unless otherwise required by federal law or  
17                  regulation, by June 30, 2026, use cloud storage to  
18                  securely store all state electronic data in compliance  
19                  with state and federal policies and laws; provided  
20                  that any cloud storage servers or other systems or  
21                  hardware used pursuant to this paragraph shall have



1           their primary production system located within the  
2           State; provided further that software-as-a-service  
3           solutions provided only outside the State shall not be  
4           subject to this restriction; provided further that the  
5           working group shall submit a report of its findings  
6           and recommendations, including any proposed  
7           legislation, to the legislature no later than twenty  
8           days prior to the convening of the regular session of  
9           2027."

10           2. By amending subsection (f) to read:

11           "(f) The working group shall be dissolved on [~~December 31,~~  
12 ~~2023.~~] June 30, 2028."

13           SECTION 4. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15           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, by 6/30/2024, 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, by 6/30/2028, use cloud storage to securely store all state electronic data, with any cloud storage servers or other systems or hardware having their primary production system located within the State; provided that software-as-a-service solutions provided only outside the State are not subject to this restriction. Requires a report by the technology services consolidation working group. Extends to 6/30/2028 the dissolution date of the technology services consolidation working group. Establishes requirements for procurement contracts for information technology-related projects. Effective 7/1/2050. (HD1)

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

