Neutrality and Integrity in Software Procurement Act

Summary

This Act amends the state’s procurement rules to preserve choice, competition, and integrity in the state’s selection and installation of software products. It requires that software procurement decisions made by the state consider: (1) the total cost of ownership during the full life of the software, including service and maintenance; and (2) time to value, and (3) performance criteria and value of the software based on its ability to meet the specific needs of the state. The Act also prevents the state from limiting software choice through express or implied preferences for any specific model of software licensing or for any specific software product. Finally, the Act prevents state employees from circumventing procurement rules and information security requirements when acquiring or installing software.

Model Legislation

Section 1. {Title} This Act may be cited as the “Neutrality and Integrity in Software Procurement” Act.

Section 2. {Legislative Findings} The legislature finds that:

A. there is a broad variety of software products designed to serve Public Agencies;

B. Public Agencies are capable of evaluating software choices in terms of performance, value, cost, and licensing terms conveying varying rights and restrictions.

The legislature proposes:

A. to require that software procurement decisions made by Public Agencies take into account the Total Cost of Ownership; and

B. to require that software procurement decisions made by Public Agencies take into account the overall value and performance of the software, with respect to the specific needs of the Public Agency and general criteria such as reliability, ease of learning, ease of use, time to value, security, privacy, and interoperability; and

C. to prevent Public Agencies from limiting software choice through express or implied preferences for specific models of software licensing; and

D. to prevent Public Agencies from limiting software choice through express or implied preferences for specific software products; and

E. to prevent Public Agencies or public employees from circumventing procurement rules when acquiring or installing software.

Section 3. {Definitions}

A. “Public Agencies” means a state government agency, department, commission, council, board, bureau, committee, institution, college, university, technical school, government corporation, or other establishment of the executive, legislative or judicial branches. Public Agencies also include interstate or regional entities participating in multi-state or multi-jurisdictional procurements. Public Agencies also
include local political subdivisions such as counties, municipalities, school districts, or public service districts.

B. “Procurement” means buying, purchasing, renting, leasing, licensing, or otherwise acquiring any goods or services. It also includes all functions that pertain to the obtaining of any goods or services, including description of requirements, selection and solicitation of sources, preparation and award of contracts, installation, maintenance, and all phases of contract administration.

C. “Computer Software” means a set of Computer Programs, procedures and associated documentation concerned with computer data or with the operation of a computer, Computer Program, or Computer Network.

D. “Computer Program” means an ordered set of data representing coded instructions or statements that, when executed by a computer, causes the computer to perform one or more computer operations.


F. “Computer Network” means a set of related, remotely connected devices and any communications facilities, including multiple computers with the capability to exchange data via communications facilities.

G. “Total Cost of Ownership” means the sum of all costs borne by the Public Agency during the useful life of the software, including costs for software acquisition, installation, worker training, conversion or loading of existing data, interface and integration with related information systems, and long-term costs for software maintenance, upgrades, and technical support.

H. “Time to Value” measures the duration between when a user selects a product or service and the moment they initially realize value from the product or service.

Section 4. (Main Provisions)

A. Decisions by Public Agencies regarding the requisition, procurement, and installation of Computer Software shall be based upon performance and value criteria, including quality, functionality, security, reliability, interoperability, time to value, and Total Cost of Ownership.

B. Decisions by Public Agencies regarding the requisition, procurement, and installation of Computer Software must be neutral with respect to:

1. whether such Computer Software is provided by a for-profit entity or a non-profit entity; and

2. the licensing model under which such Computer Software is provided; - And

C. A contract for the licensing of software applications that are designed to run on a generally available desktop or server hardware shall not limit a Public Agency’s ability to install or run the software on the hardware of the governmental body’s choosing.

D. C. However, nothing in this Act shall preclude Public Agencies from considering the effect of specific licensing terms in software procurement decisions, including licensing terms that govern the availability
of Software Source Code, rights and restrictions regarding software modification, redistribution, warranties, and intellectual property indemnification.

E. D. Public Agencies and public employees must conform with the state’s software procurement and acquisition rules regardless of the licensing model under which software is provided.

F. Public Agencies cannot limit their procurement to specified software.

Section 5. {Severability clause.}

Section 6. {Repealer clause.}

Section 7. {Effective date.}