

S.F. No. 737 – Automatic Verification Software Bid Preference Pilot Program Establishment

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Date: February 25, 2021

Section 1 [Automatic verification software preference] requires an agency to give preference to vendors who propose to use automatic verification software. Specifies requirements to qualify for the preference.

Section 2 [Automatic Verification Software Bid Preference Pilot Program]

Subdivision 1 [Implementation] requires the commissioner of MN.IT Services, in consultation with the commissioner of administration, to require a pilot program to implement a bid preference for vendors who propose to verify and review contractor activity through automated monitoring software. Bid methodology must be established before a project may be approved. The pilot program must be required for a total of at least four contracts for information technology services, each in excess of \$500,000, that provide services for at least two state agencies. Contracted services for certain agencies must not be included in the pilot program.

Subd. 2 [Bid proposal evaluation requirements] requires a pilot project to require a contracting agency to implement a bid preference for a contractor and subcontractors that propose to use automatic verification software to verify that hours billed for work under the contract are performed on a computer are legitimate. The bid proposal must specify that the agency will not pay for hours worked on a computer unless those hours are verifiable by the software or by data collected by the software. The bid proposal must require that the automatic verification software is provided by a third-party vendor that is independent of the contractor or subcontractors. The contractor must not propose to charge the agency or an auditor of the agency for access to or use of the automatic verification software or for access to or retrievals of data collected by the software. The contractor must propose to retain and secure data collected by the software in a manner specified by the agency.

Subd. 3 [Software capabilities] sets minimum requirements for the capability of the software. The software must gather verification of state-funded activity at least once every

three minutes or as specified in the contract, while continuously counting keystroke frequency and mouse-event frequency. The software must also provide project management functionality and must provide for certain treatment of data. Except as otherwise required by this subdivision, the software used in the pilot program must not collect information on the data entered or available from keystrokes and mouse-event activity.

Subd. 4 [Legislative report] requires the commissioner of MN.IT Services to submit reports to the legislature. By June 30, 2021, the commissioner must submit a status notification on contracts entered into and automatic verification software used under the pilot program. By December 15, 2021, the commissioner must submit a report on the pilot program, with specified information.