

# SENATE . . . . . No. 1970

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## The Commonwealth of Massachusetts

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In the Year Two Thousand Fifteen  
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SENATE, Monday, July 17, 2015

The committee on Economic Development and Emerging Technologies to whom was referred the petitions (accompanied by bill, Senate, No. 234) of Karen E. Spilka, Ann-Margaret Ferrante, Jason M. Lewis, Michael F. Rush and other members of the General Court for legislation relative to create an innovative communities program; and (accompanied by bill, House, No. 2737) of Ann-Margaret Ferrante, Karen E. Spilka and Carmine L. Gentile for legislation to establish an innovative communities program within the Executive Office for Administration and Finance,- reports the accompanying bill (Senate, No. 1970).

For the committee,  
Anne M. Gobi

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An Act relative to innovative communities.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1. Chapter 7 of the General Laws, as appearing in the 2012 Official Edition, is  
2 hereby amended by inserting after section 22O, the following new section: -

3           Section 22P. Innovative Communities Program

4           (a) There shall be within the executive office of administration and finance, an innovative  
5 communities program, hereinafter known as the program, to serve as a common place of access,  
6 education, and point of connection for startups and municipalities seeking innovative technology  
7 solutions. The secretary shall consult with the secretary of housing and economic development to  
8 design and operate the program. To implement the program, the secretary shall contract with  
9 state agencies, authorities, business associations, and other entities, including but not limited to,  
10 the commonwealth's information technology division, the commonwealth's operational services  
11 division, the Massachusetts Clean Energy Center, the office of inspector general, regional  
12 planning organizations, and the executive office of housing and economic development. The  
13 contracts and reimbursements shall be designed to support: (1) municipalities seeking to utilize  
14 innovative technology; and (2) companies, partnerships or organizations formed to search for

15 repeatable and scalable business models and which are currently in a phase of development and  
16 research for markets (hereinafter referred to as “startups”).

17         The innovative communities program shall support the introduction of cutting-edge  
18 technologies into the marketplace and incentivize the adoption of such technologies by  
19 municipalities. The secretary shall ensure that participants in the program represent innovative  
20 technology companies, including but not limited to those that are seeking a first or early-  
21 customer to validate the commercial readiness of their technologies by deployment of said  
22 technology within a participating innovative community.

23         (b) To qualify as an innovative community, a municipality or other local governmental  
24 body shall: (1) pass a resolution, upon the vote of the local governmental body, accepting the  
25 principles described in this section; (2) make electronically available to the public municipal data  
26 sets maintained by the municipality, excluding any data set containing information that identifies  
27 individual persons or is protected by law; (3) commit to attend the technology marketing events  
28 and expositions organized by the secretary; (4) commit to beta testing at least one technology  
29 annually that has been vetted and approved by the secretary and shall share the results of the trial  
30 with other municipalities participating in the program. Municipalities that meet the requirements  
31 of this section shall be designated by the secretary of housing and economic development as  
32 “Innovative Communities” and shall be eligible for the assistance provided for in sub-section  
33 (c)(7).

34         (c) The secretary shall:

35 (1) develop, in consultation with the inspector general, an education program for  
36 municipalities regarding purchasing innovative technology from startups within the existing  
37 procurement structure, including purchasing options under chapter 7 and chapter 30B;

38 (2) develop, in consultation with the inspector general, an education program for  
39 startups that includes methods to understand the municipal purchasing process and the  
40 requirements and standards that must be fulfilled by startups in order to sell to municipalities,  
41 including opportunities to participate in the commonwealth's efforts to coordinate purchasing for  
42 government entities;

43 (3) create a plain language summary, in consultation with the inspector general, of  
44 how the procurement process and its exceptions operate for contracts negotiated by  
45 municipalities under sections 22A and 22B of chapter 7, including exceptions enumerated under  
46 sections 1 ,4, 7, 22 and 23 of chapter 30B, and develop standardized information materials to  
47 communicate consistent practices across municipalities for this program to enable startups and  
48 municipalities to contract under chapters 7 and 30B;

49 (4) organize marketing events and expositions for (1) startups to showcase their  
50 technology and conduct statewide innovation competitions to solicit proposals for innovative  
51 uses of technology that allow municipalities to better serve their residents or promote efficient  
52 use of resources and (2) participating municipalities to make known to startups their technology  
53 needs and share the results of the beta test required under subsection (b);

54 (5) engage municipalities and startups through marketing and outreach to promote  
55 the benefits of participating in the program, including soliciting entrepreneurial proposals for

reshaping government services through various platforms, and encouraging participation from women and minority owned businesses;

(6) organize pilots annually, subject to appropriation, of the most promising ideas from the technology marketing events, expositions, and innovation competitions and establish procedures to implement said pilots in innovative communities;

(7) provide financial assistance, subject to appropriation, in the form of grants to municipalities that qualify as innovative communities under this section. These grants shall be used to finance all or a portion of the costs associated with the adoption of a program approved innovative technology;

(8) provide municipalities and startups with technical assistance to enter into agreements under chapter 7 and chapter 30B that assess the need, cost, and feasibility of employing the chosen technology;

(9) develop a streamlined program for startups to contract with municipalities under subsection (c) of section 4 of chapter 30B;

(10) develop a pre-qualification process for participating startups to expedite the purchase of innovative technologies under chapter 7;

(11) establish collective purchasing, under section 22A of chapter 7, to be updated on a regular basis, but not less often than annually, whereby municipalities may make purchases of identified innovative technologies from the startups approved by the secretary under this section;

(12) establish evaluation, audit, and compliance procedures for participating startups, including a technology readiness assessment, self-audit, and standardized due diligence investigation of participating startup business profiles; and

(13) establish a publicly-available online portal to publish and regularly update information, events, and materials created under subsection (c).

SECTION 2. There shall be established an innovative communities advisory board for the purpose of maintaining relationships between startups and municipalities and suggesting improvements to the innovative communities program. The advisory board shall be within, but not subject to the control of, the executive office of administration and finance, and shall consist of the following members appointed by the governor: 1 chief executive officer of a clean energy company or a designee; 1 chief executive officer of an innovative information technology company or a designee; 1 chief executive officer of an innovative startup company or a designee; 1 investor in new technology companies; 2 chief executive officers of associations representing emerging technology industries; 2 individuals who have experience with business incubators or shared workspaces; 1 representative of a regional planning organization; 1 representative of the Massachusetts Association of Public Purchasing Officials; and the executive director of the Massachusetts Municipal Association, or a designee. All appointments to the advisory board shall be made not later than 30 days after the effective date of this section. Any vacancy shall be filled by the appointing authority. The advisory board shall elect a chairperson who shall schedule the first meeting of the advisory board, which shall be held not later than 60 days after the effective date of this section. The advisory board shall report its progress and recommendations annually to the governor and to the joint committee on economic development and emerging technologies.

SECTION 3. There shall be a special commission to conduct an investigation and study potential barriers to the adoption of innovative technologies by state and local governments and entities created or exacerbated by existing procurement laws in the commonwealth. The commission shall consist of the following 20 members: 2 members of the senate, 1 of whom shall be the senate chair of the joint committee on economic development and emerging technologies or a designee, and 1 of whom shall be appointed by the minority leader of the senate or a designee; 2 members of the house of representatives, 1 of whom shall be the house chair of the joint committee on economic development and emerging technologies or a designee, and 1 of whom shall be appointed by the minority leader of the house of representatives or a designee; the secretary of administration and finance or a designee; the secretary of housing and economic development or a designee; the assistant secretary for operational services or a designee; the inspector general or a designee; the commissioner of the division of capital asset management or a designee; the chief executive officer of the Massachusetts Clean Energy Center or a designee; the commissioner of the department of energy resources or a designee; the chief executive officer of MassDevelopment or a designee; the chief executive officer of the Massachusetts Technology Collaborative; 6 members shall be appointed by the governor, 1 of whom shall be the chief executive officer of a clean energy company or a designee, 1 of whom shall be the chief executive officer of an innovative information technology company or a designee, 1 of whom shall be the chief executive officer of an innovative startup company or a designee, 1 of whom shall be an investor in new technology companies and 2 of whom shall be chief executive officers of associations representing emerging technology industries; and the executive director of the Massachusetts Municipal Association, or a designee.

121           (b) The commission shall examine, but shall not be limited to, the following: (1) the ways  
122   in which existing procurement rules may unnecessarily exclude less established companies from  
123   obtaining contracts; particularly innovative startup companies; (2) opportunities for establishing  
124   a method for pre-qualification of companies offering innovative technology solutions; (3)  
125   opportunities for state wide programs designed to encourage state or local government  
126   procurement of innovative technologies; (4) opportunities for public/private collaboration; and  
127   (5) any regulatory changes which could encourage the adoption of innovative technologies  
128   without compromising the competitive bid process.

129           (c) The commission may hold hearings and invite testimony from experts and the public.  
130   The commission shall review and identify best practices learned from similar efforts in other  
131   states.

132           (d) The commission shall report to the general court the results of its investigation and  
133   study and make recommendations together with drafts of legislation necessary to carry out its  
134   recommendations by filing the report with the clerks of the house of representatives and the  
135   senate not later than January 1, 2017.