

2020 Regular Session

SENATE BILL NO. 132

BY SENATOR HENRY

CONTRACTS. Provides for reporting to and approval of all state contracts valued at twenty-five million dollars or more annually by the Joint Legislative Committee on the Budget. (7/1/20)

1 AN ACT
2 To enact R.S. 39:1624(C), relative to the approval of contracts; to provide for the approval
3 of any contract with a value greater than or equal to twenty-five million dollars
4 annually by the Joint Legislative Committee on the Budget; to provide for the
5 reporting to the Joint Legislative Committee on the Budget by state agencies prior
6 to the issuance of any request for proposals that could result in expenditures of
7 twenty-five million dollars or more annually; to provide for an effective date; and to
8 provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 39:1624(C) is hereby enacted to read as follows:

11 §1624. Approval of contract; penalties

12 * * *

13 **C. Prior to the state chief procurement officer or an assistant approving**
14 **any contract with a value greater than or equal to twenty-five million dollars**
15 **annually, the state chief procurement officer or an assistant shall verify that the**
16 **following has occurred:**

17 **(1) The state agency entering into the contract with a value greater than**

1 or equal to twenty-five million dollars annually has received the approval of the
2 Joint Legislative Committee on the Budget to enter into the contract.

3 (2) If the request for proposal process was used in the procurement
4 process for a contract with a value greater than or equal to twenty-five million
5 dollars annually, the state agency using the request for proposal process notified
6 the Joint Legislative Committee on the Budget of the potential cost of such
7 contract prior to the issuance of the request for proposals, provided that such
8 cost was reasonably anticipated at the time of issuance.

9 Section 2. This Act shall become effective upon July 1, 2020. If vetoed by the
10 governor and subsequently approved by the legislature, this Act shall become effective on
11 July 1, 2020.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

SB 132 Original

2020 Regular Session

Henry

Present law provides for the conditions that shall be satisfied prior to the state procurement officer or an assistant approving professional, personal, consulting, or social services contracts:

- (1) All provisions of R.S. 39:1623 have been complied with.
- (2) The using agency has statutory authority to enter into the proposed contract.
- (3) The contract will not establish an employer/employee relationship between the state or the using agency and any prospective contractor.
- (4) No current state employee will engage in the performance of the proposed contract except as provided for in R.S. 39:1626.
- (5) No using agency has previously performed or contracted for the performance of tasks which would be substantially duplicated under the proposed contract without appropriate written justification.
- (6) There has been appropriated or otherwise lawfully made available and ready for expenditure sufficient monies for payment of the services called for in the contract, at least for the applicable fiscal year.
- (7) The contracting using agency has specified the purpose, duration, specific goals and objectives, measures of performance, and a plan for monitoring the services to be provided under the contract.
- (8) The using agency has a written plan for the monitoring of the contract and such monitoring plan has been submitted in accordance with rules and regulations adopted by the office of state procurement.

- (9) The provisions of R.S. 12:25(E) have been complied with, if the contract is with a business corporation, the provisions of R.S. 12:205(E) have been complied with, if the contract is with a nonprofit corporation, or the provisions of R.S. 12:304(A)(11) have been complied with, if the contract is with a foreign corporation.
- (10) The prospective contractor is current in the filing of all applicable tax returns and reports, and in payment of all taxes, interest, penalties, and fees owed to the state and collected by the Department of Revenue in accordance with R.S. 47:1678.

Proposed law retains present law and provides that, prior to the state chief procurement officer or an assistant approving any contract with a value greater than or equal to \$25 million annually, the state chief procurement officer or an assistant shall verify that the following has occurred:

- (1) The state agency entering into contract with a value greater than or equal to \$25 million annually has received the approval of the Joint Legislative Committee on the Budget (JLCB) to enter into the contract.
- (2) If the request for proposal process was utilized in the procurement process for a contract with a value greater than or equal to \$25 million dollars annually, the state agency notified the JLCB of the potential cost of such contract prior to the issuance of the request for proposals, provided that such cost was reasonably anticipated at the time of issuance.

Effective July 1, 2020.

(Adds R.S. 39:1624(C))