

SENATE BILL NO. 481

BY SENATOR DONAHUE

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AN ACT

To amend and reenact R.S. 36:4(B)(1)(e), Subpart C of Part I of Chapter 1 of Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:15.1, 15.2, 15.3, and Part V-A of Chapter 1 of Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:196, 197, 198, 199, and 200, all relative to technology and technology procurement; to provide for the structure of the executive branch of state government; to change the office of information technology to the office of technology services; to provide for the state chief information officer to replace the chief information officer; to grant authority over procurement for information technology systems and services to the state chief information officer; to provide for additional duties and responsibilities of the office of technology services relative to operations, procurement, and customer service charges; to place the office of telecommunications management under the state chief information officer; to provide authority for centralized information technology procurement under the office of technology services and the state chief information officer; to provide for certain reporting requirements; to provide relative to certain multi-year contracts; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 36:4(B)(1)(e) is hereby amended and reenacted to read as follows:

§4. Structure of executive branch of state government

* * *

B. The office of the governor shall be in the executive branch of state government.

(1) The following agencies and their powers, duties, functions, and responsibilities are hereby transferred to the office of the governor:

* * *

1 (e) The office of ~~information~~ technology services (R.S. 39:15.1 et seq.),
2 including the Louisiana Geographic Information Systems Council (R.S. 49:1051 et
3 seq.), within the division of administration.

4 * * *

5 Section 2. Subpart C of Part I of Chapter 1 of Subtitle I of Title 39 of the Louisiana
6 Revised Statutes of 1950, comprised of R.S. 39:15.1, 15.2, 15.3, and Part V-A of Chapter
7 1 of Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S.
8 39:196, 197, 198, 199, and 200, are hereby amended and reenacted to read as follows:

9 SUBPART C. OFFICE OF ~~INFORMATION~~ TECHNOLOGY SERVICES

10 §15.1. Office of ~~information~~ technology services; scope

11 The office of ~~information~~ technology services shall have authority over all
12 information technology systems and services for agencies in the executive branch of
13 state government, **except for any agency of a statewide elected official.** The office
14 shall have no authority over the legislative or judicial branches of state government
15 or agencies thereof. **However, nothing provided in this Subpart shall apply to the**
16 **public postsecondary management boards or the Board of Regents as provided**
17 **in Article VIII of the Constitution of Louisiana.**

18 §15.2. Office of ~~information~~ technology services; state chief information officer

19 A. The office of ~~information~~ technology services is established within the
20 division of administration. This office shall be headed by the state chief information
21 officer, hereafter referred to in this Part as the "CIO." The CIO will serve as the
22 spokesperson for all matters related to information technology and resources,
23 including Geographic Information Systems (GIS), with regard to policies, standard
24 setting, deployment, strategic and tactical planning, acquisition, management, and
25 operations as necessary and in keeping with the industry trends of the private and
26 public sectors. Rules and regulations shall be promulgated, in accordance with the
27 Administrative Procedure Act, as may be necessary to carry out the provisions of this
28 Subpart.

29 B. The CIO shall be appointed by the governor and serve in the executive
30 department of the division of administration, and shall be in the unclassified service.

1 The CIO shall report to the commissioner of administration concerning his
 2 responsibilities to provide direction, stewardship, leadership, operation, and general
 3 oversight of information technology and information resources. The salary of the
 4 CIO shall be determined by the commissioner of administration. Support staff,
 5 office facilities, and operating expenses shall be provided by the division of
 6 administration.

7 C. The CIO shall also perform all duties and functions that the commissioner
 8 of administration deems necessary for the proper, efficient, and economical
 9 administration of information technology.

10 D. The CIO shall be the principal adviser to the governor and the executive
 11 cabinet on information technology policy, including policy on the acquisition and
 12 management of information technology and resources.

13 **E. The CIO may delegate his authority under this Subpart to such**
 14 **designees or to any agency as defined in R.S. 39:2(2) as he may deem**
 15 **appropriate within the limitations of state law and regulations.**

16 §15.3. Office of ~~information~~ technology services; offices and staff; duties

17 A. The office of ~~information~~ technology services shall consist of executive
 18 offices and staff as deemed necessary for effective information technology
 19 governance, acquisition and operation.

20 B. The state chief information officer shall manage and direct the office of
 21 ~~information~~ technology services, with roles, duties, and activities including but not
 22 limited to the following:

23 (1) **Establishing and coordinating all information technology systems**
 24 **and information technology services affecting the management and operations**
 25 **of the executive branch of state government. The office of technology services**
 26 **shall, subject to the provisions of this Subpart, have sole authority and**
 27 **responsibility for defining the specific information technology systems and**
 28 **information technology services to which the provisions of this Subpart shall be**
 29 **applicable. Information technology systems, including equipment and related**
 30 **services, and information technology services shall mean the equipment and**

1 services and means necessary to provide, including but not limited to the
 2 following:

3 (a) Telecommunications systems and services.

4 (b) Network systems and services.

5 (c) Server systems and services.

6 (d) Storage systems and services.

7 (e) Information technology security systems and services.

8 (f) Related peripheral systems and services.

9 (g) Software and software application services.

10 (h) Infrastructure and platform systems and services.

11 (i) Desktop computing systems and services.

12 (j) Geographic information systems and services.

13 (k) Mobile device systems and services.

14 (l) Video systems and services, except those video systems and services
 15 specifically reserved to the Louisiana Educational Television Authority
 16 pursuant to R.S. 17:2501.

17 (m) Radio systems, to include but not be limited to two-way radio
 18 systems; however, the operational abilities and priorities of two-way
 19 communications of the departments in the executive branch shall not be
 20 impeded.

21 (n) Any and all systems and services based on emerging and future
 22 information technologies relating to Subparagraphs (a) through (k) of this
 23 Paragraph.

24 (2) Overseeing and implementing a state master information technology plan
 25 on an annual basis.

26 ~~(2)~~(3) Establishing and directing the implementation of information
 27 technology standards, architecture, and guidelines suitable for statewide application
 28 for hardware, software, services, contractual arrangements, consolidation of systems
 29 and management of systems.

30 ~~(3)~~(4) Reviewing, coordinating, and standardizing information technology

1 strategic business technology planning, information technology procurement,
 2 information technology budgeting (both executive and capital outlay), and
 3 information technology personnel and training.

4 ~~(4)~~(5) Implementing strategic information technology planning, including the
 5 review and approval of the planning, initiation, design, acquisition, and operation of
 6 information technology systems.

7 ~~(5)~~(6) Assessing the performance of information technology systems and
 8 technology operations and personnel including establishing accountability,
 9 performance measurement, and benchmarking policies and procedures.

10 ~~(6)~~(7) Overseeing and coordinating the centralization of the technology
 11 systems and data processing systems, including consolidation, outsourcing, and
 12 sharing statewide government information technology resources and services.

13 ~~(7)~~(8) Overseeing all telecommunication systems.

14 ~~(8)~~(9) Assuring compatibility and connectivity of Louisiana's information
 15 systems.

16 ~~(9)~~(10) Facilitating and fostering innovative applications of emerging
 17 technologies that provide cost-effective solutions for improving government
 18 operations and services.

19 ~~(10)~~(11) Reviewing and overseeing information technology projects and
 20 systems for compliance with statewide strategies, policies, and standards, including
 21 alignment with state government's business goals, investment, and other risk
 22 management policies.

23 ~~(11)~~(12) Providing support and technical assistance to the office of state
 24 purchasing, the office of contractual review, the office of facility planning and
 25 control, **and** the office of planning and budget, ~~and the Louisiana Technology~~
 26 ~~Innovations Council.~~

27 ~~(12)~~(13) Overseeing and coordinating access to state information that is
 28 electronically available online from agency web sites.

29 ~~(13)~~(14) Facilitating a process among state agencies to identify services that
 30 are favorable for electronic delivery, and maintaining an electronic directory of state

1 services.

2 (14)(15) Providing direction to the Louisiana Geographic Information
3 Systems Council and the Louisiana Geographic Information Center (LAGIC) for
4 coordination of geographic data, geographic technology, and geographic standards
5 of the state.

6 (15)(16) Identifying information technology applications that should be
7 statewide in scope, and ensuring that these applications are not developed
8 independently or duplicated by individual state agencies of the executive branch.

9 (16)(17) Reviewing and approving the receipt by executive agencies of
10 information technology goods and services and telecommunication systems and
11 services from non-appropriated sources, including but not limited to grants,
12 donations, and gifts.

13 (17)(18) Preparing annual reports and plans concerning the status and result
14 of the state's specific information technology plans and submitting these annual
15 reports and plans to the governor and the legislature.

16 (18)(19) Facilitating and fostering the identification of the policy and
17 planning data needs of the state.

18 (19)(20) Charging respective user agencies for the cost of the information
19 technology services provided by the office of information technology systems and
20 information technology services provided by the office of technology services
21 and may include all or part of the cost of the operation of the office. These costs
22 shall be charged in a consistent and equitable manner.

23 (21) Acting as the sole centralized customer for the acquisition, billing,
24 and record keeping of information technology systems or information
25 technology services provided to state agencies. The ownership of such systems
26 procured by the office of technology services may vest in the respective agency,
27 but control of the systems shall be retained by the office of technology services.

28 (22) Developing coordinated information technology systems or
29 information technology services within and among all state agencies and
30 require, where appropriate, cooperative utilization of information technology

1 systems and information technology services by aggregating users. However,
 2 nothing provided in this Section shall apply to the authority for operation of the
 3 National Crime Information Center.

4 (23) Reviewing, coordinating, approving, or disapproving requests by
 5 state agencies for the procurement of information technology systems or
 6 information technology services including information technology proposals,
 7 studies, and contracts.

8 C. To accomplish the work of the office of information technology services,
 9 all agencies as defined in R.S. 39:2 shall cooperate with the office of information
 10 technology services and provide assistance as required. However, ~~if the office of~~
 11 ~~information technology and a statewide elected official cannot jointly agree on an~~
 12 ~~information technology plan, system, or service for any agency under his~~
 13 ~~jurisdiction, then he may implement an information technology plan, system or~~
 14 ~~service of his own, upon finding just cause to do so and after giving notice of his~~
 15 ~~actions and reason therefore at a meeting of the Joint Legislative Committee on the~~
 16 ~~Budget. Prior to implementation, any such information technology plan, system or~~
 17 ~~service adopted by a statewide elected official shall be as compatible as is practical~~
 18 ~~under the circumstances with the state master technology plan nothing in this~~
 19 Subpart shall apply to the authority of any statewide elected official relative to
 20 his authority to implement information technology plans, systems, or services
 21 for any agency under his jurisdiction.

22 D. The information, technology, personnel, agency resources, and records of
 23 the Integrated Criminal Justice Information System as established by R.S. 15:1228
 24 through 1228.8 and its components shall be excluded from the provisions of this Part
 25 and shall not be under the authority of the office of information technology services.

26 E. Beginning October 1, 2014, the state chief information officer shall
 27 report quarterly to the Joint Legislative Committee on the Budget on the status
 28 of the consolidation of the information technology functions of the executive
 29 branch of state government. The report shall provide information on
 30 organizational changes within the division of administration, as well as

1 organizational changes between the office of technology services and the other
 2 executive branch agencies. The report shall include information and data on
 3 personnel changes, changes in purchasing and procurement, and any budgetary
 4 changes that have occurred.

5 * * *

6 PART V-A. ~~DATA PROCESSING~~ INFORMATION TECHNOLOGY
 7 PROCUREMENT

8 §196. Application of Part: responsibility for determining; ~~executive director of~~
 9 ~~information services~~ state chief information officer

10 A. The provisions of this Part shall be applicable to all state agencies in the
 11 executive branch, as defined in R.S. ~~39:2(1)~~ 36:3(1), except for any agency of a
 12 statewide elected official, with respect to the purchase, lease, and rental of all ~~data~~
 13 ~~processing~~ information technology equipment, related services, and software.

14 B. ~~The state central purchasing agency shall, subject to the provisions of this~~
 15 ~~Part, have sole authority and responsibility for defining the specific data processing~~
 16 ~~equipment, related services, and software to which the provisions of this Part shall~~
 17 ~~be applicable.~~ The office of technology services shall, subject to the provisions of
 18 this Part, have sole authority and responsibility for defining the specific
 19 information technology systems and information technology services to which
 20 the provisions of this Part shall be applicable. Rules and regulations shall be
 21 promulgated as may be necessary to carry out the provisions of this Part.

22 §197. Definitions

23 For the purposes of this Part, the following words and phrases shall be
 24 defined as follows:

25 (1) "Agency" shall have the same meaning ascribed to it as provided in
 26 R.S. 36:3(1).

27 (2) "Competitive sealed bidding" means a method of procurement which
 28 strictly follows the requirements set forth in Chapter 17 of Title 39 of the
 29 Louisiana Revised Statutes of 1950 except for such variations as are specifically
 30 established herein.

1 **(3) "Procurement" means the selling, buying, purchasing, renting,**
2 **leasing, or otherwise obtaining information technology systems, information**
3 **technology services, or its related software, as well as all activities engaged in,**
4 **resulting in, or expected to result in the selling, buying, purchasing, renting,**
5 **leasing, or otherwise obtaining information technology systems, information**
6 **technology services, or its related software by the state or its agencies.**

7 **(4) "Software" means computer programs and documentation essential**
8 **to and necessary for an information technology system or information**
9 **technology service to perform productive operations.**

10 **(5) "Information technology service contract" means a contract for the**
11 **procurement of information technology services to include but not be limited**
12 **to software as a service, infrastructure as a service, platform as a service,**
13 **application hosting services, or installation and configuration services.**

14 **(6) "Information technology systems", which shall include information**
15 **technology equipment and related services, and "information technology**
16 **services" are limited to the equipment and services and means to provide:**

17 **(a) Server systems and services.**

18 **(b) Storage systems and services.**

19 **(c) Information technology security systems and services.**

20 **(d) Related peripheral systems and services.**

21 **(e) Software and software application services.**

22 **(f) Infrastructure and platform systems and services.**

23 **(g) Desktop computing systems and services.**

24 **(h) Geographic information systems and services.**

25 **(i) Mobile device systems and services.**

26 **(j) Any and all systems and services based on emerging and future**
27 **information technologies relating to Subparagraphs (a) through (i) of this**
28 **Paragraph.**

29 **(7) "Information technology systems contract" means a contract for the**
30 **procurement of information technology systems including equipment and**

1 related services to include but not be limited to installation and maintenance.

2 (8) "Information technology systems lease contract" means a contract
 3 between a supplier of information technology systems and the division of
 4 administration, office of technology services, or the procuring agency, through
 5 which information technology systems may be procured for a term which shall
 6 not exceed ten years. The contract may be either an operating lease, installment
 7 purchase, or a financed lease without a balloon payment.

8 (9) "Utility" means any information technology service provided by the
 9 office of technology services and used in the essential operations of a state
 10 agency, such as system authentication, data replication, and system utilization
 11 and performance management.

12 (10) "Related services" means and is limited to service activities affecting the
 13 maintenance of data processing information technology equipment or software and
 14 the providing of fiscal intermediary services in processing claims of health care
 15 providers. Notwithstanding any other provisions of law to the contrary, "related
 16 services" shall also mean those consulting services ancillary to the procurement of
 17 data processing information technology hardware or software that would otherwise
 18 be governed by the provisions of professional, personal, consulting, and social
 19 services procurement in Chapter 16 of this Title, provided those consulting services
 20 are limited to the lesser of twenty percent of the procurement amount or two hundred
 21 fifty thousand dollars.

22 ~~(2)~~(11) "Direct order contract" means a contract which covers a specific class
 23 of data processing information technology equipment, software, or services, or a
 24 contract which covers a single, specific class of data processing information
 25 technology equipment, software, or services, and all features associated with that
 26 class and through which state agencies may procure the item of hardware specified
 27 by issuing a purchase order under the terms of the contract, without the necessity of
 28 further competitive bidding.

29 ~~(3)~~(12) "Multi-year contract" means contracts for a term of more than one
 30 year, not to exceed ten years and includes the following:

1 (a) Contracts between a supplier of ~~data processing equipment,~~ **information**
 2 **technology systems, information technology services, and** software, ~~and related~~
 3 ~~services,~~ and the state or a state agency through which ~~data processing equipment,~~
 4 **information technology systems, information technology services, and** software,
 5 ~~and related services~~ except for fiscal intermediary services for the processing of
 6 claims of health care providers, may be leased or purchased for a term of more than
 7 one fiscal year, but the term shall not exceed sixty months.

8 (b) Contracts for fiscal intermediary services for the processing of claims
 9 **received** from health care providers.

10 ~~(4)~~**(13)** "Rental contract" means and includes contracts between a supplier of
 11 ~~data processing~~ **information technology** equipment and the state, or a state agency,
 12 through which ~~data processing~~ **information technology** equipment may be leased
 13 for a term not to exceed one fiscal year, such contracts to include the right of
 14 termination by the state upon notice of ninety days or less, and to be renewable, upon
 15 review and recommendations of the procurement support team and review and
 16 approval by the office of ~~data processing~~ **information technology**, with such
 17 renewal to be limited to one additional term not to exceed twelve months.

18 ~~(5)~~ "Software" means computer programs and documentation essential to and
 19 ~~necessary for a computer to perform productive operations.~~

20 ~~(6)~~**(14)** "Competitive sealed bidding" means a method of procurement which
 21 strictly follows the requirements set forth in Chapter 17 of ~~Title 39~~ **this Title** except
 22 for such variations as are specifically established herein.

23 ~~(7)~~ "Procurement" means ~~and includes the selling, buying, purchasing,~~
 24 ~~renting, leasing, or otherwise obtaining data processing equipment, related services~~
 25 ~~or software, as well as all activities engaged in, resulting in or expected to result in~~
 26 ~~the selling, buying, purchasing, renting, leasing or otherwise obtaining of data~~
 27 ~~processing equipment, related services or software by the state or its agencies.~~

28 ~~(8)~~**(15)** "Emergency acquisitions or rentals of ~~data processing~~ **information**
 29 **technology**" means a method of procurement utilized when there exists a threat to
 30 the public health, welfare, safety or public property.

1 (9)(16) "Master agreement" means an agreement between the state and a
2 vendor which specifies the general terms and conditions under which parties will
3 routinely conduct procurement business.

4 (10)(17) "Purchase contract" means a contract that is utilized for the direct
5 acquisition of certain equipment, including but not limited to ~~data processing~~
6 **information technology**, ~~word processing, micro~~ **desktop** computers, **server**
7 **systems, storage systems, mobile computing systems, peripheral systems,**
8 software, and related services. Such contract shall contain the terms and conditions
9 pertinent to the rights and obligations of both the state and the vendor. Any purchase
10 by direct acquisition under the terms of the purchase contract will require one single
11 payment, and title shall pass to the state upon the date of purchase as defined in the
12 contract unless the purchase contract is amended by an installment payment contract.

13 (11)(18) "Installment-payment contract" means a contract which amends and
14 is incorporated into a purchase contract and is utilized to finance with the vendor the
15 purchase of certain equipment, including but not limited to ~~data processing~~
16 **information technology**, ~~word processing, micro~~ **desktop** computers, **server**
17 **systems, storage systems, mobile computing systems, peripheral systems,**
18 software, **related services**, and related supplies or a contract which itself alone is
19 utilized to procure such equipment from a contractor and provides therein for
20 payment in a set of installments over a fixed period of time. An installment payment
21 contract shall arrange for a method of financing with payment being made in a set
22 of installment payments over a fixed period of time in accordance with the
23 provisions of the contract and shall provide for the vendor to deliver title to the
24 governmental body in accordance with such terms.

25 **(19) "Financed lease" means a contract or lease of an information**
26 **technology system made pursuant to a solicitation for procurement, according**
27 **to which:**

28 **(a) The successful proposer, as lessor, shall retain title to the information**
29 **technology system, although the using agency, as lessee, shall take possession of**
30 **the system.**

1 **(b) Payments shall be made by the lessee according to a payment**
 2 **schedule to the lessor.**

3 **(c) The lessor may transfer its designation as lessor to its choice of**
 4 **financial institution; however, such transfer shall have no effect on the**
 5 **contracted payment schedule, contracted interest rate, or any other right or**
 6 **obligation of either the lessee or lessor under the contract.**

7 §198. Types of contracts permitted

8 **A. The types of contracts permitted in the procurement of data processing**
 9 **information technology systems, information technology services, equipment,**
 10 **related services, and software are defined herein in this Part, and the provisions of**
 11 **this Part supersede, with respect to such procurements, any existing conflicting**
 12 **statutory provisions and supplement the provisions of R.S. 39:1551 through 1736.**

13 **B. The office of technology services, through the state purchasing office,**
 14 **may, on behalf of any state agency, enter into information technology systems**
 15 **contracts in accordance with the following provisions:**

16 **(1) Contracts of this type shall be entered into through a request for**
 17 **proposals as provided in R.S. 39:199. An invitation to bid format may be**
 18 **utilized with written approval from the state chief information officer.**

19 **(2) The term of such contracts shall not exceed five years.**

20 **C. The office of technology services, through the state purchasing office,**
 21 **may on behalf of any state agency, enter into information technology services**
 22 **contracts in accordance with the following provisions:**

23 **(1) Contracts of this type shall be entered into through a request for**
 24 **proposals as provided in R.S. 39:199. An invitation to bid format may be**
 25 **utilized with written approval from the state chief information officer.**

26 **(2) The term of such contracts shall not exceed ten years.**

27 **D. The office of technology services, through the state purchasing office,**
 28 **may on behalf of any state agency, enter into a information technology systems**
 29 **lease contract for an operating lease, installment purchase, or financed lease for**
 30 **information technology systems in accordance with the following provisions:**

1 (1) All contracts of this type shall be entered into through a request for
2 proposals as provided in R.S. 39:199.

3 (2) The justification of such contracts must be approved by the office of
4 technology services prior to issuance of a request for proposals. Such
5 justification shall identify and consider all cost factors relevant to that contract.

6 (3) The term of such contracts shall not exceed ten years, except financed
7 contracts shall be for a term not to exceed the economic life of the system or ten
8 years, whichever is less.

9 (4) Upon the advance written approval of the office of technology
10 services, state agencies may extend operating leases of information technology
11 systems on a month-to-month basis for a period not to exceed one calendar year
12 for the stated lease prices.

13 E. Notwithstanding the provisions of R.S. 39:1615 to the contrary, the
14 use of a multi-year contract for information technology systems and
15 information technology services shall be in accordance with rules and
16 regulations and under the following conditions:

17 (1) The state chief information officer shall approve in writing the use of
18 a multi-year contract over one year, not to exceed three years.

19 (2) The director of the state purchasing office shall approve in writing
20 the use of a multi-year contract over three years, not to exceed five years.

21 (3) The commissioner of administration, or his designee, shall approve
22 in writing the use of a multi-year contract over five years.

23 (4) A report of all multi-year contracts shall be provided to the Joint
24 Legislative Committee on the Budget no later than ninety days after the end of
25 each fiscal year.

26 ~~A~~ F. Direct order contracts. The ~~division of administration~~ office of
27 technology services, through the state central purchasing agency, shall, on behalf of
28 all state agencies, enter into a direct order contract with a vendor of ~~data processing~~
29 information technology equipment for the purchase, rental, or both, of such
30 equipment in accordance with the following provisions:

1 (1) Specifications for direct order contracts. Specifications for direct order
2 contracts shall be developed in advance and shall conform to the following
3 requirements:

4 (a) Specifications for direct order contracts shall cover a specific class of
5 equipment and may include all features associated with that class.

6 (b) Specifications in the invitation for bids for direct order contracts shall be
7 developed by the office of ~~data processing~~ **information technology**.

8 (c) Specifications shall be based on the projected needs of user agencies.

9 (d) Specifications for direct order contracts for the purchase ~~and/or~~ rental of
10 ~~data processing~~ **information technology equipment** may include specifications for
11 the maintenance of the equipment desired.

12 (2) Procurement of direct order contracts. The initial procurement of a direct
13 order contract, and procurement of equipment by using agencies under a direct order
14 contract, shall be as defined herein:

15 (a) Direct order contracts shall be awarded by competitive sealed bidding.

16 (b) A using agency may procure required ~~data processing~~ **information**
17 **technology** equipment available under a direct order contract through release of a
18 purchase order for the required equipment to the vendor holding a direct order
19 contract. However, such procurement by purchase order shall be accomplished in
20 accordance with the procedures and regulations prescribed by the state central
21 purchasing agency in the ~~Division of Administration~~ **division of administration** and
22 shall be subject to all other statutory requirements.

23 (3) The final authority for entering into direct order contracts shall rest with
24 the ~~Division of Administration~~ **division of administration**, and such contracts shall
25 be executed by the purchasing office, in accordance with procedures and regulations
26 defined by the ~~Division of Administration~~ **division of administration**.

27 (4) Terms and conditions of direct order contracts. Direct order contracts
28 shall include the following terms and conditions:

29 (a) ~~Direct order contracts for data processing~~ **information technology**
30 equipment are subject to the following requirements:

1 ~~(i)~~**(a)** Direct order contracts shall be valid for not more than three fiscal years.

2 ~~(ii)~~**(b)** The prices stated in such contract shall be firm for the period of the
3 contract; except that, all such contracts shall include a clause granting to the state the
4 benefit of any general price reductions effected by the vendor during the term of the
5 contract.

6 ~~(iii)~~**(c)** Individual items of computer hardware which may be included under
7 a direct order contract may not have a purchase price greater than seventy-five
8 thousand dollars or a monthly rental price greater than two thousand dollars. Such
9 price shall not include costs of maintenance, taxes, or transportation.

10 ~~(iv)~~**(d)** Direct order contracts shall include the annual appropriation
11 dependency clause set forth in Subparagraph ~~B~~**G**(1)(d) of this Section.

12 ~~(v)~~**(e)** Direct order contracts may be extended into one additional fiscal year
13 only under the following conditions:

14 ~~(aa)~~**(i)** Such extension of a direct order contract shall be subject to the
15 approval of the office of ~~data processing~~ **information technology**.

16 ~~(bb)~~**(ii)** The vendor may increase rental prices for the term of the additional
17 fiscal year by an amount equal to the lesser of any increase permitted by that
18 vendor's contract with the General Services Administration of the United States
19 Government for such equipment, or any increase in that vendor's published list prices
20 for such equipment, during that fiscal year; provided that, such increase may not
21 exceed ten percent, and the increase must have been authorized by the initial direct
22 order contract.

23 ~~(vi)~~**(f)** Items covered by a direct order contract may also be acquired through
24 additional competitive sealed bidding.

25 ~~B-G.~~ Multiyear contracts other than direct order contracts and contracts for
26 fiscal intermediary services in processing claims of health care providers. State
27 agencies may enter into contracts for the lease or purchase of ~~data processing~~
28 ~~equipment~~ **information technology systems, information technology services,** or
29 software when the term of such lease or purchase is greater than twelve months or
30 involves more than one fiscal year in accordance with the following provisions:

1 (1) General terms and conditions for multiyear contracts shall be as follows:

2 (a) All contracts of this type shall be entered into through competitive sealed
3 bidding.

4 (b) The justification of such contracts must be presented to the state central
5 purchasing agency prior to issuance of an invitation for bids. Such justification shall
6 identify and consider all cost factors relevant to that contract.

7 (c) The term of such contract shall not exceed sixty months.

8 (d) All such contracts must contain the following annual appropriation
9 dependency clause:

10 "The continuation of this contract is contingent upon the continuation of an
11 appropriation of funds by the legislature to fulfill the requirements of the contract.
12 If the legislature fails to appropriate sufficient monies to provide for the continuation
13 of a contract or if such appropriation is reduced by the veto of the governor or by any
14 means provided in the Appropriation Act or Title 39 of the Louisiana Revised
15 Statutes of 1950 to prevent the total appropriations for the year from exceeding
16 revenues for that year or for any other lawful purpose and the effect of such
17 reduction is to provide insufficient monies for the continuation of the contract, the
18 contract shall terminate on the date of the beginning of the first fiscal year for which
19 funds are not appropriated."

20 (e) The state central purchasing agency in the ~~Division of Administration~~
21 **division of administration** shall maintain a list of all multi-year contracts. This list
22 must show at a minimum the name of the vendor, the annual cost of each contract,
23 and the term of the contract.

24 (f) All such contracts for lease must contain a clause granting to the state the
25 benefit of any general price reduction effected by the vendor during the term of the
26 contract.

27 (g) With respect to all such contracts for purchase, there shall be no
28 provisions for a penalty to the state for the early payment of the contract.

29 (2) Provisions relating to multi-year contracts for software:

30 (a) Contracts for software which extend for periods greater than twelve

1 months or which cover all or a portion of more than one fiscal year, but which
 2 require only a single payment by the state to the vendor, may be entered into by any
 3 state agency, without regard to the specific requirements of Paragraph (1) of this
 4 Subsection.

5 (3) Provisions relating to multi-year contracts for the installment payment of
 6 financing for certain equipment, including but not limited to ~~data processing, word~~
 7 ~~processing, micro~~ **desktop** computers, **server systems, storage systems, mobile**
 8 **computing systems, peripheral systems,** software, and related services are as
 9 follows:

10 (a) Installment-payment contracts will be entered into with vendors of the
 11 defined equipment by the ~~Division of Administration~~ **division of administration**
 12 through the state central purchasing agency on behalf of all state agencies in
 13 accordance with rules and regulations adopted by the director of central purchasing.

14 (b) Installment-payment contracts may serve as amendments to and be
 15 incorporated into the vendor purchase contracts.

16 (c) The installment-payment contract may serve as a financing agreement and
 17 may contain only those provisions pertinent to the payment obligation, including but
 18 not limited to payment schedule and rate, provisions of default, assignment of
 19 payment stream, early payment, passage of title, and insurance coverage.

20 (d) Each contract shall contain an annual dependency clause, as defined in
 21 ~~R.S. 39:198(B)(1)(d)~~ **Subparagraph (G)(1)(d) of this Section.**

22 (e) Installment-payment contracts utilized in procuring microcomputer
 23 equipment, word processing, software, and maintenance through brand name
 24 contracts shall contain a fixed interest for the term, which will generally be defined
 25 as one fiscal year, of the brand name contract. The interest rate is to be bid by the
 26 vendor, accepted by central purchasing, and approved by the State Bond
 27 Commission.

28 (f) Interest rates for individual procurements of equipment either through the
 29 competitive sealed bid process or under the terms of the applicable brand name
 30 contract shall be fixed for the term of the multi-year contract specific to that

1 individual procurement.

2 (g) The term of an installment-payment contract utilized for the equipment
3 defined herein shall not exceed sixty months.

4 **(4) Provisions relating to the procurement of information technology**
5 **consulting services through the office of technology services shall be conducted**
6 **in accordance with the provisions of R.S. 39:1481 through 1526.**

7 ~~C.H.~~ Rental Contracts. Upon the advance written approval of the state central
8 purchasing agency, state agencies may enter into contracts for the rental of ~~data~~
9 ~~processing~~ **information technology** equipment and related services on a month-to-
10 month basis for a period not to extend beyond the end of the fiscal year in which the
11 contract is made. All such contracts shall be entered into only as a result of
12 competitive sealed bidding procedures.

13 (1) Equipment currently installed, or installed at the beginning of a fiscal year
14 under a valid rental contract, may be retained at the end of the fiscal year by
15 renewing or extending the existing rental contract for one additional term, not to
16 exceed twelve months, without competitive sealed bidding procedures, subject to the
17 following provisions:

18 (a) All prices under a fiscal year rental contract shall be no greater than the
19 supplier's established catalogue price and shall be firm for the fiscal year in which
20 the contract is made, with the exception that the state shall be entitled to any general
21 price reductions effected by the supplier during the term of the contract.

22 (b) All rental contracts shall have a notice of termination provision in favor
23 of the state not to exceed ninety days and shall allow termination of the contract as
24 it applies to specific equipment or services without termination of the entire contract.

25 (c) Renewal of a rental contract shall be subject to the advance review and
26 recommendation of the procurement support team and to the advance written
27 approval of the state central purchasing agency and shall ~~only~~ be permitted **only** if
28 any proposed price increases do not exceed the supplier's current published list
29 prices.

30 (2) Termination of a rental contract may be effected, in addition to any other

1 legal reasons, by the state central purchasing agency, which shall have authority to
2 direct a user agency to terminate, with adequate notice, a rental contract for the
3 failure of any party to comply with the provisions herein, and to initiate competitive
4 sealed bidding procedures in order to retain or replace the equipment affected by
5 termination.

6 ~~D. I.~~ I. Contracts for fiscal intermediary services in processing claims of health
7 care providers. State agencies may enter into contracts for fiscal intermediary
8 services in processing claims of health care providers. The term of such a contract
9 shall be one hundred twenty months. In the event special circumstances, as provided
10 in Paragraph (9) of this Subsection, necessitate, additional one-year extensions of
11 the contract may be granted. The award process and final contract shall include the
12 following:

13 (1) Contracts for fiscal intermediary services in processing claims of health
14 care providers shall be awarded by a competitive selection process which shall list
15 in the solicitation for proposals the method by which the contract shall be awarded
16 and include all criteria to be used and the weights assigned to each criterion. The
17 procedure for issuance of the solicitation for proposals shall be in accordance with
18 guidelines published by the state central purchasing agency. The selection of the
19 contractor shall be made by the head of the using agency only in accordance with the
20 method and criteria as set forth in the solicitation for proposals and in accordance
21 with the recommendation of the procurement support team.

22 (2) Justification for the contract shall be submitted to the state central
23 purchasing agency and shall be submitted to the House and Senate committees on
24 health and welfare at least forty-five days prior to the issuance of a solicitation for
25 proposals. Within thirty days of receipt of the justification by the House and Senate
26 committees on health and welfare, either committee may convene a meeting
27 separately or jointly for the purpose of conducting a public hearing on the
28 justification which was submitted. Such justification shall include identification and
29 consideration of all factors, including costs, relevant to the solicitation for proposals
30 and the final contract.

1 (3) The one-hundred-twenty-month term of such contract shall be divided
2 into one period of between thirty-six months and sixty months, immediately followed
3 by successive twelve-month periods. The state shall have an option to renew such
4 contract for each of the twelve-month periods. If the state does not exercise its option
5 to renew, the contract shall be terminated. In the event special circumstances occur,
6 as provided in Paragraph (9) **of this Subsection**, additional twelve-month extensions
7 of the contract may be granted.

8 (4) In addition to other provisions as required by law or in the best interests
9 of the state, such contract shall contain provisions setting forth, (a) the amount and
10 requirements of the contractor's performance bond, (b) penalty and enforcement
11 provisions for the failure of the contractor to perform in accordance with the contract
12 documents, (c) conditions for optional renewal of the contract by the state in
13 accordance with the provisions of this Subsection, and (d) requirements for
14 termination of the contract by the state at any time, or for cause, or upon the refusal
15 of the state to exercise an option to renew such contract.

16 (5) Issuance of specifications for a solicitation for proposals on a contract for
17 fiscal intermediary services in processing claims of health care providers shall be
18 made at least twelve months prior to the termination date of an existing contract,
19 unless the contract termination is for cause or due to the refusal of the state to
20 exercise an option to renew.

21 (6) No award of the contract shall be made until the House and Senate
22 committees on ~~Health and Welfare~~ **health and welfare**, meeting jointly or a joint
23 subcommittee thereof has conducted a public hearing concerning such award.

24 (7) No award of the contract shall be made later than eight months prior to
25 the termination date of an existing contract, unless the contract termination is for
26 cause or due to the refusal of the state to exercise an option to renew.

27 (8) No option to renew such contract shall be exercised by the state until the
28 following criteria have been satisfied:

29 (a) The Department of Health and Hospitals has conducted a public hearing
30 concerning such renewal.

1 (b) The Department of Health and Hospitals submits to the House and Senate
2 committees on health and welfare a notice of intention by the Department of Health
3 and Hospitals to exercise the option to renew such contract and a copy of any public
4 testimony which was taken at the public hearing held by the Department of Health
5 and Hospitals. The House and Senate committees on health and welfare, meeting
6 separately or jointly, may hold a public hearing concerning such renewal within
7 thirty days following the receipt of a notice of intention by the Department of Health
8 and Hospitals to exercise the option to renew such contract.

9 (c) The House and Senate committees on health and welfare, meeting
10 separately or jointly, have conducted a public hearing concerning such renewal or
11 thirty days have elapsed from the date the Department of Health and Hospitals
12 submitted a notice of intention to renew such contract to the House and Senate
13 committees on health and welfare and neither committee has posted a public notice
14 of meeting concerning the renewal of such contract.

15 (9) In the event the Department of Health and Hospitals ~~and~~ or the United
16 States Department of Health and Human Services, ~~Health Care Financing~~
17 ~~Administration~~ **Centers for Medicare and Medicaid Services** proposes substantial
18 changes in the operations of the Medicaid program that would materially impact the
19 services performed by the fiscal intermediary, the Department of Health and
20 Hospitals may, subject to the approval of the House and Senate committees on health
21 and welfare, approve additional extensions of the contract until such time as it is
22 practical to prepare a solicitation for proposals describing the revised services that
23 would be performed by the fiscal intermediary. During the time frame covered by
24 any extension beyond the original one-hundred-twenty-month period, the fiscal
25 intermediary may be required to perform additional functions to assist in preparing
26 the Department of Health and Hospitals in the transition to the new program. Such
27 functions shall include existing fiscal intermediary services as well as efforts to
28 control fraud and abuse, program reports, beneficiary enrollment and program
29 information services, encounter data, and annual managed care negotiation data.

30 **E.J.** Master Agreements. The state director of purchasing may enter into

1 master agreements with vendors with which the state conducts substantial business
2 over a period of time.

3 (1) Such agreements shall set forth those terms and conditions of specific
4 legal import which relate to the basic provisions according to which procurement
5 activity will be conducted, and shall meet the following requirements:

6 (a) Such agreements may be for any term up to sixty months.

7 (b) All agreements must contain a clause providing that any changes
8 mandated by state or federal law, whether legislative or judicial, will be
9 incorporated; however, if such a change is not acceptable to either party, the affected
10 term or terms of the contract shall be renegotiated and, if agreement cannot be
11 reached, shall be stricken from the contract.

12 (c) A specific provision of any such agreement may be waived or changed
13 only once during the term of the agreement, by mutual consent, expressed in writing.

14 (d) Each master agreement must be negotiated by a procurement support
15 team and executed on behalf of the state by the state director of purchasing.

16 (2) Vendors may refer to the master agreement on file with the state director
17 of purchasing when responding to invitations for bids for specific items of ~~data~~
18 **processing information technology** equipment, related services, or software. Such
19 bid responses must include a proposed schedule incorporating the terms of the master
20 agreement and further detailing the items and prices bid. The selected vendor and the
21 procuring agency shall sign the schedule and submit it to the state central purchasing
22 agency for approval.

23 (3) The state director of purchasing, subject to the approval of commissioner
24 of administration, shall have authority for determining when and if master
25 agreements may be used. Notwithstanding any other provisions of this Part, master
26 agreements shall not be used to circumvent the competitive bid process otherwise
27 required by law.

28 ~~F.K.~~ The Department of Public Safety and Corrections may enter into a
29 multiyear contract not to exceed ten years when contracting for the Video Gaming
30 Monitoring System for the purposes described in ~~R.S. 27:302(A)(5)(e)~~ **R.S.**

1 **27:405(B)(1)**. This contract may be awarded by the competitive request for proposal
 2 procedures set forth in R.S. 39:1593(C).

3 ~~G.L.~~ The Department of Wildlife and Fisheries may enter into a multiyear
 4 contract not to exceed ten years when contracting for the issuance of hunting and
 5 fishing licenses through an electronic issuance system as authorized by R.S. 56:30.1.
 6 This contract may be awarded by the competitive request for proposal procedures set
 7 forth in R.S. 39:1593(C).

8 **M. Any contract entered into for a period of more than three years as**
 9 **authorized by this Section shall be subject to prior approval of the Joint**
 10 **Legislative Committee on the Budget.**

11 §199. Methods of procurement

12 ~~A. The only methods of procurement permitted for the acquisition of data~~
 13 ~~processing equipment, related services, or software are those defined in this Section.~~
 14 ~~Except as provided in Subsection B, all procurement of computer hardware shall be~~
 15 ~~by competitive sealed bidding.~~ **The office of technology services, through the**
 16 **state purchasing office, may procure information technology systems and**
 17 **information technology services by a request for proposals to conform with the**
 18 **following requirements:**

19 **(1) Public notice of the request for proposals shall be the same as for an**
 20 **invitation to bid as provided in R.S. 39:1594(C).**

21 **(2)(a) The request for proposals shall indicate the relative importance of**
 22 **all evaluation factors and shall clearly define the work, service, or solution to**
 23 **be provided under the contract, the functional specifications, the criteria to be**
 24 **used in evaluating the proposals, and the time frames within which the work**
 25 **must be completed or the service provided.**

26 **(b) For information systems lease contracts, the request for proposals**
 27 **shall require that proposals contain a declaration as to the maximum price for**
 28 **which the system may be purchased following the termination of the lease**
 29 **contract. No other basis of evaluation shall be used except that set out in the**
 30 **request for proposals.**

1 (3) The office of technology services shall evaluate all proposals to
 2 determine the proposal most advantageous to the state, taking into
 3 consideration all evaluation criteria set forth in the request for proposals, and
 4 shall make a recommendation of award to the state purchasing office.

5 (4) The office of technology services may request that the state
 6 purchasing office reject all proposals when it is deemed that such action is in the
 7 best interest of the state.

8 B. Other methods. ~~Other methods of procurement permitted for acquisitions~~
 9 ~~hereunder are small purchases in accordance with rules and regulations promulgated~~
 10 ~~by the state central purchasing agency and emergency acquisitions or rentals of data~~
 11 ~~processing equipment if such procurement is conducted under applicable laws and~~
 12 ~~rules and regulations specified by the state central purchasing agency.~~ The office of
 13 technology services may procure information technology systems and
 14 information technology services in accordance with the law or regulations, or
 15 both, which govern the state purchasing office, the division of administration.

16 C. Method for procuring maintenance services. Notwithstanding any other
 17 provisions of this Part, any agency may procure maintenance services for ~~data~~
 18 ~~processing~~ information technology equipment without the need for competitive
 19 bidding. Such procurement must have the written advance approval of the state
 20 central purchasing agency and shall not be for a price greater than the vendor's
 21 published price. ~~The procurement support team shall develop and deliver to the~~
 22 ~~office of state purchasing and the office of information technology proposed rules~~
 23 ~~establishing guidelines for procurement activities under this Part. Upon approval of~~
 24 ~~the office of information technology, the office of state purchasing shall promulgate~~
 25 ~~rules in accordance with the Administrative Procedure Act.~~

26 D. Method for procuring software and software maintenance and support
 27 services. Notwithstanding any other provisions of this Part, any agency may procure
 28 data processing software, software maintenance, and support services without the
 29 need for competitive bidding. Such procurement must have the written advance
 30 approval of the state central purchasing agency and shall not be for a price greater

1 than the vendor's published price. ~~The procurement support team shall develop and~~
 2 ~~deliver to the office of state purchasing and the office of information technology~~
 3 ~~proposed rules establishing guidelines for procurement activities under this Part.~~
 4 ~~Upon approval of the office of information technology, the office of state purchasing~~
 5 ~~shall promulgate rules in accordance with the Administrative Procedure Act.~~

6 E. ~~Method for procuring microcomputer equipment, word processing~~
 7 ~~equipment, software, and maintenance services. Notwithstanding any other~~
 8 ~~provisions of this Part, any agency may procure by purchase, rental, or lease~~
 9 ~~microcomputer equipment, word processing equipment, software, and maintenance~~
 10 ~~services through name brand contracts awarded by the state central purchasing~~
 11 ~~agency in accordance with the provisions of R.S. 39:1551 through 1736. Such~~
 12 ~~procurement must have the written advance approval of the state central purchasing~~
 13 ~~agency. The terms and conditions of such name brand contracts may be amended by~~
 14 ~~the central purchasing office.~~

15 F. Method for procuring ~~data processing~~ **information technology** equipment,
 16 software, and maintenance services for public colleges and universities.
 17 Notwithstanding any other provisions of this Part, any public college or university
 18 may procure, through its purchasing officer, ~~data processing~~ **information**
 19 **technology** equipment, software, and maintenance services without the advance
 20 approval of the state central purchasing agency when a single expenditure for such
 21 materials or combined materials and services does not exceed one hundred thousand
 22 dollars.

23 ~~G.F.~~(1) The commissioner of administration shall for each fiscal year
 24 designate a goal for awarding to small businesses a portion of anticipated total state
 25 procurement of ~~data processing~~ **information technology** equipment and software.
 26 For purposes of this Subsection, "small businesses" shall be defined as an employer
 27 with fifty or fewer employees. The commissioner may divide the procurements so
 28 designated into contract award units of economically feasible production runs in
 29 order to facilitate offers or bids from small businesses. In making his annual
 30 designation of goals for small business procurements, the commissioner shall attempt

1 to vary the included procurements so that a variety of ~~data processing~~ **information**
2 **technology** equipment and software produced by different small businesses shall be
3 a goal each year. The failure of the commissioner to establish a goal for particular
4 procurements shall not be deemed to prohibit or discourage small businesses from
5 seeking the procurement award through the normal solicitation and bidding
6 processes. The commissioner of administration shall report to the Joint Legislative
7 Committee on the Budget and to the House Committee on Commerce and the Senate
8 Committee on Commerce, Consumer Protection, and International Affairs on the
9 program established in this Subsection each year prior to the submission of the
10 executive budget. Such report shall include the goals and awards from the previous
11 year, a list of unsuccessful awards as described in Paragraph (4) of this Subsection,
12 and the goals for the upcoming year.

13 (2) Contract procedure. The commissioner shall establish a contract
14 procedure in accordance with law, for the awarding of a procurement contract under
15 the goals established in this Subsection. Surety bonds guaranteed by the ~~federal~~
16 **United States** Small Business Administration shall be acceptable security for an
17 award under this Subsection.

18 (3) Responsibility of bidder or offeror. Before making a goal award, the
19 commissioner shall evaluate whether the small business scheduled to receive the
20 award is able to perform the set-aside contract. This determination shall include
21 consideration of production and financial capacity and technical competence.

22 (4) Award of contracts after unsuccessful goal procedures. In the event that
23 the provisions of this Subsection do not operate to extend a contract award to a small
24 business, the award shall be placed pursuant to the existing solicitation and award
25 provisions established by law. The commissioner shall thereupon designate a goal
26 for small businesses' additional state procurements of ~~data processing~~ **information**
27 **technology** equipment and software corresponding in approximate value to the
28 contract unable to be awarded pursuant to the provisions of this Subsection.

29 (5) Conflict with other code provisions. All laws and rules pertaining to
30 solicitations, bid evaluations, contract awards, and other procurement matters not

1 inconsistent with the provisions of this Subsection shall apply to procurements set-
2 aside for small businesses. In the event of conflict with other rules, the provisions of
3 this Subsection shall govern.

4 §200. General provisions

5 The following general provisions shall apply to all procurements under this
6 Part:

7 A. Used equipment. Used ~~data-processing~~ **information technology**
8 equipment is defined to include all equipment which cannot be certified as new by
9 the vendor. Used equipment may be acquired through rental or purchase when the
10 vendor ~~and/or~~ manufacturer certify that:

11 (1) The equipment has been properly maintained and used.

12 (2) Maintenance acceptable to the state is available by contract at a cost
13 which shall not increase the total cost to the state to that level which would exist
14 should the state acquire the same equipment new.

15 (3) The equipment is warranted by the manufacturer or vendor under the
16 same terms and conditions as those offered by the manufacturer for that equipment
17 when new.

18 B. Purchase of equipment being leased or rented. Equipment being leased or
19 rented by a state agency may be purchased without the need for competitive sealed
20 bidding. When the contract under which the equipment is being leased or rented
21 provides for any credit of rental or lease payments toward purchase, the leasing or
22 renting vendor shall be required to deduct such credits from the purchase price. A
23 written analysis of the contract must be made by the using agency and filed with the
24 state central purchasing agency. Such analysis shall at a minimum include the current
25 market value of the equipment, the total amount paid to the vendor as lease or rental
26 payments credited to the purchase price, the total time the equipment was leased or
27 rented, and the amount of and contractor for related prior and subsequent contracts,
28 including but not limited to maintenance contracts. Such purchases shall have the
29 written advance approval of the state central purchasing agency, and the legislature
30 shall have provided a specific appropriation for such purchase.

1 C. Disposition of ~~data processing~~ **information technology** equipment no
2 longer required by state agencies. The state central purchasing agency shall have the
3 authority to dispose of ~~data processing~~ **information technology** equipment no longer
4 required by a state agency in accordance with regulations which shall be developed
5 and published by the state central purchasing agency. Such dispositions may be
6 through trade-in, assignment to another state agency, or sale. Dispositions other than
7 by assignment to another agency shall be on a competitive basis.

8 D. Effective date of contracts. Any contracts entered into under the
9 provisions of this Part may have an effective starting date at any point during a fiscal
10 year. No contract entered into hereunder shall have an initial effective date earlier
11 than the date on which such contract receives the final statutorily required approval.
12 However, with the approval of the state central purchasing agency, a state agency
13 shall make payments to a vendor in those circumstances where it has utilized the
14 ~~data processing~~ **information technology** equipment to be contracted prior to the
15 actual receipt of the final statutorily required approval. The state central purchasing
16 agency shall determine the size of the payments in accordance with the number of
17 such days of utilization.

18 E. Contract amendments. All changes, modifications, and amendments to any
19 contract hereunder shall be approved in advance by the state central purchasing
20 agency, in addition to any other statutorily required approvals. This Subsection shall
21 not apply to contracts for maintenance or software, but amendments to such contracts
22 may not increase the rates specified in such contracts to a figure greater than the
23 vendor's published standard rates.

24 F. Contract form. No contracts entered into hereunder shall be on preprinted
25 contract forms supplied by a vendor, unless otherwise approved by the director of
26 state purchasing.

27 G. Proposal or bid incorporated into contract. Where written proposals or
28 bids are submitted by vendors, the proposal or bid of the successful vendor shall be
29 incorporated into the final contract consummated with that vendor.

30 H. Letters of intent. Letters of intent may be issued by an agency to a vendor

1 solely for the purpose of obtaining a delivery schedule with that vendor. All such
 2 letters must be clearly identified as such, and must be filed on issuance with the
 3 office of ~~data processing~~ **information technology** and the attorney general.

4 I. Procurement support. All contracts covered under the provisions of this
 5 Chapter, in an amount greater than one hundred thousand dollars, whether for
 6 purchase or rental payments or fiscal intermediary services in processing claims of
 7 health care providers, or master agreements, but excluding taxes, transportation, and
 8 other related services, shall be entered into with the assistance of a procurement
 9 support team as provided in Paragraph (2) ~~below~~ **of this Subsection** and in
 10 accordance with guidelines to be published by the state central purchasing agency.

11 (1) Procurement support team participation must include, as a minimum,
 12 assistance in evaluation of bids and negotiation of contracts.

13 (2) A procurement support team shall consist of a person chosen jointly by
 14 the speaker of the House of Representatives and the president of the Senate from
 15 among the attorneys on the legislative services staff of the House of Representatives
 16 or the staff of the Senate and one or more representatives from each of the following:
 17 the Division of Administration, central purchasing agency; the using agency
 18 initiating the procurement action; and the Legislative Fiscal Office. At least two
 19 members of the team shall have received formal training in computer contract
 20 negotiations. At least four members, one from each office or agency designated,
 21 must be present to constitute a quorum.

22 J. Contract specifications. (1) A specification may be drafted which describes
 23 a product which is proprietary to one company only ~~where~~ **when** no other kind of
 24 specification is reasonably available for the state to describe its requirements; or
 25 where there is a requirement for specifying a particular design or make of product
 26 due to factors of compatibility, standardization, or maintainability; and, ~~where~~ **when**
 27 such specification includes language which specifically permits an equivalent to be
 28 supplied. Such specification shall include a description of the essential characteristics
 29 of the product.

30 (2) Whenever proprietary specifications are used, the specifications shall

1 clearly state that the proprietary characteristics are used only to denote the quality
 2 standard of the equipment desired and that such specifications do not restrict vendors
 3 to the specific brand, make, or manufacture; that they are used only to set forth and
 4 convey to prospective bidders the general style, type, character, and quality of
 5 equipment desired; and that equivalents will be acceptable.

6 (3) The specifications in an invitation for bids shall contain a list of the
 7 factors to be considered in evaluating the responses to the invitation, and any weights
 8 assigned to those factors. No other basis of evaluation shall be used with respect to
 9 bids received. When relevant, the following factors shall be included in the
 10 specifications: cost of transportation, installation, and conversion of operations;
 11 taxes; or cost of conversion to different equipment architecture.

12 **K. The provisions of this Part shall, with respect to the procurement of**
 13 **information technology systems or information technology services, supersede**
 14 **specifications of any contradictory or conflicting provisions of the following**
 15 **statutes: R.S. 38:2211 et seq. with respect to awarding of public contracts and**
 16 **R.S. 39:1551 through 1736, but all other provisions in Chapter 17 of Title 39**
 17 **apply to all procurements under this Part. The provisions of this Part do not**
 18 **relate to the procurement of services covered by R.S. 39:1481 through 1526**
 19 **except as provided in R.S. 39:198. The Louisiana Lease of Movables Act, R.S.**
 20 **9:3301 through 3342, shall not apply to the provisions of this Part.**

21 ~~L. Volume discounts. The state director of purchasing, on behalf of one or~~
 22 ~~more state agencies, may enter into non-binding agreements with vendors for the~~
 23 ~~purpose of establishing volume discounts. Such agreements shall be based on the~~
 24 ~~estimated usage and requirements of state agencies. **In addition to specific**~~
 25 **authorizations contained in this Part, and pursuant to R.S. 39:15.2(C), the state**
 26 **chief information officer, with the approval of the commissioner of**
 27 **administration or his designee, shall have the power and authority to make**
 28 **necessary and reasonable regulations and orders to carry out the provisions of**
 29 **this Part in accordance with the provisions of the Administrative Procedure**
 30 **Act.**

1 ~~M. Other laws. The provisions of this Part shall, with respect to the~~
2 ~~procurement of data processing equipment, related services, and software, supersede~~
3 ~~specifications of any contradictory or conflicting provisions of the following statutes:~~
4 ~~R.S. 39:330 with respect to the disposition of equipment; R.S. 38:2211 et seq. with~~
5 ~~respect to the awarding of public contracts; and Chapter 17 of Title 39. The~~
6 ~~provisions of this Part do not relate to the procurement of services covered by R.S.~~
7 ~~39:1481 through R.S. 39:1526.~~

8 Section 3. The Louisiana State Law Institute is hereby authorized and requested to
9 review all statutes which contain the name of the office of information technology, changed
10 in this Act, and in all locations it deems appropriate change said references to the office of
11 technology services.

12 Section 4. This Act shall become effective on July 1, 2014; if vetoed by the governor
13 and subsequently approved by the legislature, this Act shall become effective on July 1,
14 2014, or on the day following such approval by the legislature, whichever is later.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____