

Regular Session, 2014

SENATE BILL NO. 481

BY SENATOR DONAHUE

TECHNOLOGY. Provides with respect to technology services and technology procurement.
(7/1/14)

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

1 Be it enacted by the Legislature of Louisiana:

2

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

4 §4. Structure of executive branch of state government

5 * * *

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

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

10 * * *

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

14 * * *

15 Section 2. Subpart C of Chapter 1 of Subtitle I of Title 39 of the Louisiana Revised
16 Statutes of 1950, comprised of R.S. 39:15.1, 15.2, 15.3, and Part V-A of Chapter 1 of
17 Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S. 39:196,
18 197, 198, 199, and 200, are hereby amended and reenacted to read as follows:

19 **SUBPART C. OFFICE OF ~~INFORMATION~~ TECHNOLOGY SERVICES**

20 §15.1. Office of ~~information~~ technology **services**; scope

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

28 §15.2. Office of ~~information~~ technology **services**; **state** chief information officer

29 A. The office of ~~information~~ technology **services** is established within the

1 division of administration. This office shall be headed by the state chief information
2 officer, hereafter referred to in this Part as the "CIO." The CIO will serve as the
3 spokesperson for all matters related to information technology and resources,
4 including Geographic Information Systems (GIS), with regard to policies, standard
5 setting, deployment, strategic and tactical planning, acquisition, management, and
6 operations as necessary and in keeping with the industry trends of the private and
7 public sectors. Rules and regulations shall be promulgated, in accordance with the
8 Administrative Procedure Act, as may be necessary to carry out the provisions of this
9 Subpart.

10 B. The CIO shall be appointed by the governor and serve in the executive
11 department of the division of administration, and shall be in the unclassified service.
12 The CIO shall report to the commissioner of administration concerning his
13 responsibilities to provide direction, stewardship, leadership, **operation**, and general
14 oversight of information technology and information resources. The salary of the
15 CIO shall be determined by the commissioner of administration. Support staff,
16 office facilities, and operating expenses shall be provided by the division of
17 administration.

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

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

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

27 §15.3. Office of ~~information~~ technology **services**; offices and staff; duties

28 A. The office of ~~information~~ technology **services** shall consist of executive
29 offices and staff as deemed necessary for effective information technology

1 governance, acquisition and operation.

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

5 (1) Establishing and coordinating all information technology systems
6 and information technology services affecting the management and operations
7 of the executive branch of state government. The office of technology services
8 shall, subject to the provisions of this Subpart, have sole authority and
9 responsibility for defining the specific information technology systems and
10 information technology services to which the provisions of this Subpart shall be
11 applicable. Information technology systems, including equipment and related
12 services, and information technology services shall mean the equipment and
13 services and means necessary to provide, including but not limited to the
14 following:

15 (a) Telecommunications systems and services.

16 (b) Network systems and services.

17 (c) Server systems and services.

18 (d) Storage systems and services.

19 (e) Information technology security systems and services.

20 (f) Related peripheral systems and services.

21 (g) Software and software application services.

22 (h) Infrastructure and platform systems and services.

23 (i) Desktop computing systems and services.

24 (j) Geographic information systems and services.

25 (k) Mobile device systems and services.

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

29 (m) Radio systems, to include but not be limited to two-way radio

1 systems; however, the operational abilities and priorities of two-way
2 communications of the departments in the executive branch shall not be
3 impeded.

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

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

9 ~~(2)~~(3) Establishing and directing the implementation of information
10 technology standards, architecture, and guidelines suitable for statewide application
11 for hardware, software, services, contractual arrangements, consolidation of systems
12 and management of systems.

13 ~~(3)~~(4) Reviewing, coordinating, and standardizing information technology
14 strategic business technology planning, information technology procurement,
15 information technology budgeting (both executive and capital outlay), and
16 information technology personnel and training.

17 ~~(4)~~(5) Implementing strategic information technology planning, including the
18 review and approval of the planning, initiation, design, acquisition, and operation of
19 information technology systems.

20 ~~(5)~~(6) Assessing the performance of information technology systems and
21 technology operations and personnel including establishing accountability,
22 performance measurement, and benchmarking policies and procedures.

23 ~~(6)~~(7) Overseeing and coordinating the centralization of the technology
24 systems and data processing systems, including consolidation, outsourcing, and
25 sharing statewide government information technology resources and services.

26 ~~(7)~~(8) Overseeing all telecommunication systems.

27 ~~(8)~~(9) Assuring compatibility and connectivity of Louisiana's information
28 systems.

29 ~~(9)~~(10) Facilitating and fostering innovative applications of emerging

1 technologies that provide cost-effective solutions for improving government
2 operations and services.

3 ~~(10)~~**(11)** Reviewing and overseeing information technology projects and
4 systems for compliance with statewide strategies, policies, and standards, including
5 alignment with state government's business goals, investment, and other risk
6 management policies.

7 ~~(11)~~**(12)** Providing support and technical assistance to the office of state
8 purchasing, the office of contractual review, the office of facility planning and
9 control, **and** the office of planning and budget, ~~and the Louisiana Technology
10 Innovations Council.~~

11 ~~(12)~~**(13)** Overseeing and coordinating access to state information that is
12 electronically available online from agency web sites.

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

16 ~~(14) Providing direction to the Louisiana Geographic Information Systems
17 Council and the Louisiana Geographic Information Center (LAGIC) for coordination
18 of geographic data, geographic technology, and geographic standards of the state.~~

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

22 (16) Reviewing and approving the receipt by executive agencies of
23 information technology goods and services and telecommunication systems and
24 services from non-appropriated sources, including but not limited to grants,
25 donations, and gifts.

26 (17) Preparing annual reports and plans concerning the status and result of
27 the state's specific information technology plans and submitting these annual reports
28 and plans to the governor and the legislature.

29 (18) Facilitating and fostering the identification of the policy and planning

1 data needs of the state.

2 (19) Charging respective user agencies for the cost of the information
3 technology ~~services provided by the office of information technology~~ **systems and**
4 **information technology services provided by the office of technology services**
5 **and may include all or part of the cost of the operation of the office. These costs**
6 **shall be charged in a consistent and equitable manner.**

7 (20) **Acting as the sole centralized customer for the acquisition, billing,**
8 **and record keeping of information technology systems or information**
9 **technology services provided to state agencies. The ownership of such systems**
10 **procured by the office of technology services may vest in the respective agency,**
11 **but control of the systems shall be retained by the office of technology services.**

12 (21) **Developing coordinated information technology systems or**
13 **information technology services within and among all state agencies and**
14 **require, where appropriate, cooperative utilization of information technology**
15 **systems and information technology services by aggregating users. However,**
16 **nothing provided in this Section shall apply to the authority for operation of the**
17 **National Crime Information Center.**

18 (22) **Reviewing, coordinating, approving, or disapproving requests by**
19 **state agencies for the procurement of information technology systems or**
20 **information technology services including information technology proposals,**
21 **studies, and contracts.**

22 C. To accomplish the work of the office of ~~information technology~~ **services,**
23 all agencies as defined in R.S. 39:2 shall cooperate with the office of ~~information~~
24 technology **services** and provide assistance as required. However, ~~if the office of~~
25 ~~information technology and a statewide elected official cannot jointly agree on an~~
26 ~~information technology plan, system, or service for any agency under his~~
27 ~~jurisdiction, then he may implement an information technology plan, system or~~
28 ~~service of his own, upon finding just cause to do so and after giving notice of his~~
29 ~~actions and reason therefore at a meeting of the Joint Legislative Committee on the~~

1 Budget. Prior to implementation, any such information technology plan, system or
 2 service adopted by a statewide elected official shall be as compatible as is practical
 3 under the circumstances with the state master technology plan nothing in this
 4 Subpart shall apply to the authority of any statewide elected official relative to
 5 his authority to implement information technology plans, systems, or services
 6 for any agency under his jurisdiction.

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

11 E. Beginning October 1, 2014, the state chief information officer shall
 12 report quarterly to the Joint Legislative Committee on the Budget on the status
 13 of the consolidation of the information technology functions of the executive
 14 branch of state government. The report shall provide information on
 15 organizational changes within the division of administration, as well as
 16 organizational changes between the office of technology services and the other
 17 executive branch agencies. The report shall include information and data on
 18 personnel changes, changes in purchasing and procurement, and any budgetary
 19 changes that have occurred.

20 * * *

21 PART V-A. ~~DATA PROCESSING~~ INFORMATION TECHNOLOGY

22 PROCUREMENT

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

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

29 B. The state central purchasing agency shall, subject to the provisions of this

1 Part, have sole authority and responsibility for defining the specific data processing
2 equipment, related services, and software to which the provisions of this Part shall
3 be applicable. The office of technology services shall, subject to the provisions of
4 this Part, have sole authority and responsibility for defining the specific
5 information technology systems and information technology services to which
6 the provisions of this Part shall be applicable. Rules and regulations shall be
7 promulgated as may be necessary to carry out the provisions of this Part.

8 §197. Definitions

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

11 (1) "Agency" as used in this Part shall have the same meaning ascribed
12 to it as provided in R.S. 36:3(1).

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

17 (3) "Procurement" means the selling, buying, purchasing, renting,
18 leasing, or otherwise obtaining information technology systems, information
19 technology services, or its related software, as well as all activities engaged in,
20 resulting in, or expected to result in the selling, buying, purchasing, renting,
21 leasing, or otherwise obtaining information technology systems, information
22 technology services, or its related software by the state or its agencies.

23 (4) "Software" means computer programs and documentation essential
24 to and necessary for an information technology system or information
25 technology service to perform productive operations.

26 (5) "Information technology service contract" means a contract for the
27 procurement of information technology services to include but not be limited
28 to software as a service, infrastructure as a service, platform as a service,
29 application hosting services, or installation and configuration services.

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

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

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

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

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

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

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

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

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

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

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

16 **(7) "Information technology systems contract" means a contract for the**
17 **procurement of information technology systems including equipment and**
18 **related services to include but not be limited to installation and maintenance.**

19 **(8) "Information technology systems lease contract" means a contract**
20 **between a supplier of information technology systems and the division of**
21 **administration, office of technology services, or the procuring agency, through**
22 **which information technology systems may be procured for a term which shall**
23 **not exceed ten years. The contract may be either an operating lease, installment**
24 **purchase, or a financed lease without a balloon payment.**

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

29 **(10) "Related services" means and is limited to service activities affecting the**

1 maintenance of ~~data processing~~ **information technology** equipment or software and
2 the providing of fiscal intermediary services in processing claims of health care
3 providers. Notwithstanding any other provisions of law to the contrary, "related
4 services" shall also mean those consulting services ancillary to the procurement of
5 ~~data processing~~ **information technology** hardware or software that would otherwise
6 be governed by the provisions of professional, personal, consulting, and social
7 services procurement in Chapter 16 of this Title, provided those consulting services
8 are limited to the lesser of twenty percent of the procurement amount or two hundred
9 fifty thousand dollars.

10 ~~(2)~~**(11)** "Direct order contract" means a contract which covers a specific class
11 of ~~data processing~~ **information technology** equipment, **software, or services,** or a
12 contract which covers a single, specific class of ~~data processing~~ **information**
13 **technology** equipment, software, or services, and all features associated with that
14 class and through which state agencies may procure the item of hardware specified
15 by issuing a purchase order under the terms of the contract, without the necessity of
16 further competitive bidding.

17 ~~(3)~~**(12)** "Multi-year contract" means **contracts for a term of more than one**
18 **year, not to exceed ten years** and includes the following:

19 (a) Contracts between a supplier of ~~data processing equipment,~~ **information**
20 **technology systems, information technology services, and** software, ~~and related~~
21 ~~services,~~ and the state or a state agency through which ~~data processing equipment,~~
22 **information technology systems, information technology services, and** software,
23 ~~and related services~~ except for fiscal intermediary services for the processing of
24 claims of health care providers, may be leased or purchased for a term of more than
25 one fiscal year, but the term shall not exceed sixty months.

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

28 ~~(4)~~**(13)** "Rental contract" means and includes contracts between a supplier of
29 ~~data processing~~ **information technology** equipment and the state, or a state agency,

1 through which ~~data processing~~ **information technology** equipment may be leased
2 for a term not to exceed one fiscal year, such contracts to include the right of
3 termination by the state upon notice of ninety days or less, and to be renewable, upon
4 review and recommendations of the procurement support team and review and
5 approval by the office of ~~data processing~~ **information technology**, with such
6 renewal to be limited to one additional term not to exceed twelve months.

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

9 (6)(14) "Competitive sealed bidding" means a method of procurement which
10 strictly follows the requirements set forth in Chapter 17 of Title 39 except for such
11 variations as are specifically established herein.

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

17 (8)(15) "Emergency acquisitions or rentals of ~~data processing~~ **information**
18 **technology**" means a method of procurement utilized when there exists a threat to
19 the public health, welfare, safety or public property.

20 (9)(16) "Master agreement" means an agreement between the state and a
21 vendor which specifies the general terms and conditions under which parties will
22 routinely conduct procurement business.

23 (10)(17) "Purchase contract" means a contract that is utilized for the direct
24 acquisition of certain equipment, including but not limited to ~~data processing~~
25 **information technology**, ~~word processing, micro~~ **desktop** computers, **server**
26 **systems, storage systems, mobile computing systems, peripheral systems,**
27 software, and related services. Such contract shall contain the terms and conditions
28 pertinent to the rights and obligations of both the state and the vendor. Any purchase
29 by direct acquisition under the terms of the purchase contract will require one single

1 payment, and title shall pass to the state upon the date of purchase as defined in the
2 contract unless the purchase contract is amended by an installment payment contract.

3 ~~(11)~~**(18)** "Installment-payment contract" means a contract which amends and
4 is incorporated into a purchase contract and is utilized to finance with the vendor the
5 purchase 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, **related services**, and related supplies or a contract which itself alone is
9 utilized to procure such equipment from a contractor and provides therein for
10 payment in a set of installments over a fixed period of time. An installment payment
11 contract shall arrange for a method of financing with payment being made in a set
12 of installment payments over a fixed period of time in accordance with the
13 provisions of the contract and shall provide for the vendor to deliver title to the
14 governmental body in accordance with such terms.

15 §198. Types of contracts permitted

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

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

24 **(1) Contracts of this type shall be entered into through a request for**
25 **proposals as defined in this Part. An invitation to bid format may be utilized**
26 **with written approval from the state chief information officer.**

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

28 **C. The office of technology services, through the state purchasing office,**
29 **may on behalf of any state agency, enter into information technology services**

1 contracts in accordance with the following provisions:

2 (1) Contracts of this type shall be entered into through a request for
3 proposals as defined in this Part. An invitation to bid format may be utilized
4 with written approval from the state chief information officer.

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

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

10 (1) All contracts of this type shall be entered into through a request for
11 proposals as defined in this Part.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (b) A using agency may procure required ~~data processing~~ **information**
27 **technology** equipment available under a direct order contract through release of a
28 purchase order for the required equipment to the vendor holding a direct order
29 contract. However, such procurement by purchase order shall be accomplished in

1 accordance with the procedures and regulations prescribed by the state central
2 purchasing agency in the ~~Division of Administration~~ **division of administration** and
3 shall be subject to all other statutory requirements.

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

8 (4) Terms and conditions of direct order contracts. Direct order contracts
9 ~~shall include the following terms and conditions:~~

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

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

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

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

21 (iv) ~~(d)~~ **(d)** Direct order contracts shall include the annual appropriation
22 dependency clause set forth in Subparagraph **BG(1)(d)** of this Section.

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

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

27 (bb) ~~(ii)~~ **(ii)** The vendor may increase rental prices for the term of the additional
28 fiscal year by an amount equal to the lesser of any increase permitted by that
29 vendor's contract with the General Services Administration of the United States

1 Government for such equipment, or any increase in that vendor's published list prices
2 for such equipment, during that fiscal year; provided that, such increase may not
3 exceed ten percent, and the increase must have been authorized by the initial direct
4 order contract.

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

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

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

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

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

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

20 (d) All such contracts must contain the following annual appropriation
21 dependency clause:

22 "The continuation of this contract is contingent upon the continuation of an
23 appropriation of funds by the legislature to fulfill the requirements of the contract.
24 If the legislature fails to appropriate sufficient monies to provide for the continuation
25 of a contract or if such appropriation is reduced by the veto of the governor or by any
26 means provided in the Appropriation Act or Title 39 of the Louisiana Revised
27 Statutes of 1950 to prevent the total appropriations for the year from exceeding
28 revenues for that year or for any other lawful purpose and the effect of such
29 reduction is to provide insufficient monies for the continuation of the contract, the

1 contract shall terminate on the date of the beginning of the first fiscal year for which
2 funds are not appropriated."

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

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

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

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

13 (a) Contracts for software which extend for periods greater than twelve
14 months or which cover all or a portion of more than one fiscal year, but which
15 require only a single payment by the state to the vendor, may be entered into by any
16 state agency, without regard to the specific requirements of Paragraph (1) of this
17 Subsection.

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

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

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

29 (c) The installment-payment contract may serve as a financing agreement and

1 may contain only those provisions pertinent to the payment obligation, including but
2 not limited to payment schedule and rate, provisions of default, assignment of
3 payment stream, early payment, passage of title, and insurance coverage.

4 (d) Each contract shall contain an annual dependency clause, as defined in
5 R.S. 39:198~~(B)~~(G)(1)(d).

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

12 (f) Interest rates for individual procurements of equipment either through the
13 competitive sealed bid process or under the terms of the applicable brand name
14 contract shall be fixed for the term of the multi-year contract specific to that
15 individual procurement.

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

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

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

27 (1) Equipment currently installed, or installed at the beginning of a fiscal year
28 under a valid rental contract, may be retained at the end of the fiscal year by
29 renewing or extending the existing rental contract for one additional term, not to

1 exceed twelve months, without competitive sealed bidding procedures, subject to the
2 following provisions:

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

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

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

15 (2) Termination of a rental contract may be effected, in addition to any other
16 legal reasons, by the state central purchasing agency, which shall have authority to
17 direct a user agency to terminate, with adequate notice, a rental contract for the
18 failure of any party to comply with the provisions herein, and to initiate competitive
19 sealed bidding procedures in order to retain or replace the equipment affected by
20 termination.

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

28 (1) Contracts for fiscal intermediary services in processing claims of health
29 care providers shall be awarded by a competitive selection process which shall list

1 in the solicitation for proposals the method by which the contract shall be awarded
2 and include all criteria to be used and the weights assigned to each criterion. The
3 procedure for issuance of the solicitation for proposals shall be in accordance with
4 guidelines published by the state central purchasing agency. The selection of the
5 contractor shall be made by the head of the using agency only in accordance with the
6 method and criteria as set forth in the solicitation for proposals and in accordance
7 with the recommendation of the procurement support team.

8 (2) Justification for the contract shall be submitted to the state central
9 purchasing agency and shall be submitted to the House and Senate committees on
10 health and welfare at least forty-five days prior to the issuance of a solicitation for
11 proposals. Within thirty days of receipt of the justification by the House and Senate
12 committees on health and welfare, either committee may convene a meeting
13 separately or jointly for the purpose of conducting a public hearing on the
14 justification which was submitted. Such justification shall include identification and
15 consideration of all factors, including costs, relevant to the solicitation for proposals
16 and the final contract.

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

24 (4) In addition to other provisions as required by law or in the best interests
25 of the state, such contract shall contain provisions setting forth, (a) the amount and
26 requirements of the contractor's performance bond, (b) penalty and enforcement
27 provisions for the failure of the contractor to perform in accordance with the contract
28 documents, (c) conditions for optional renewal of the contract by the state in
29 accordance with the provisions of this Subsection, and (d) requirements for

1 termination of the contract by the state at any time, or for cause, or upon the refusal
2 of the state to exercise an option to renew such contract.

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

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

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

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

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

18 (b) The Department of Health and Hospitals submits to the House and Senate
19 committees on health and welfare a notice of intention by the Department of Health
20 and Hospitals to exercise the option to renew such contract and a copy of any public
21 testimony which was taken at the public hearing held by the Department of Health
22 and Hospitals. The House and Senate committees on health and welfare, meeting
23 separately or jointly, may hold a public hearing concerning such renewal within
24 thirty days following the receipt of a notice of intention by the Department of Health
25 and Hospitals to exercise the option to renew such contract.

26 (c) The House and Senate committees on health and welfare, meeting
27 separately or jointly, have conducted a public hearing concerning such renewal or
28 thirty days have elapsed from the date the Department of Health and Hospitals
29 submitted a notice of intention to renew such contract to the House and Senate

1 committees on health and welfare and neither committee has posted a public notice
2 of meeting concerning the renewal of such contract.

3 (9) In the event the Department of Health and Hospitals and/or the United
4 States Department of Health and Human Services, Health Care Financing
5 Administration propose substantial changes in the operations of the Medicaid
6 program that would materially impact the services performed by the fiscal
7 intermediary, the Department of Health and Hospitals may, subject to the approval
8 of the House and Senate committees on health and welfare, approve additional
9 extensions of the contract until such time as it is practical to prepare a solicitation for
10 proposals describing the revised services that would be performed by the fiscal
11 intermediary. During the time frame covered by any extension beyond the original
12 one-hundred-twenty-month period, the fiscal intermediary may be required to
13 perform additional functions to assist in preparing the Department of Health and
14 Hospitals in the transition to the new program. Such functions shall include existing
15 fiscal intermediary services as well as efforts to control fraud and abuse, program
16 reports, beneficiary enrollment and program information services, encounter data,
17 and annual managed care negotiation data.

18 E.J. Master Agreements. The state director of purchasing may enter into
19 master agreements with vendors with which the state conducts substantial business
20 over a period of time.

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

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

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

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

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

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

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

17 ~~F.K.~~ The Department of Public Safety and Corrections may enter into a
18 multiyear contract not to exceed ten years when contracting for the Video Gaming
19 Monitoring System for the purposes described in ~~R.S. 27:302(A)(5)(o)~~ R.S.
20 27:405(B)(1). This contract may be awarded by the competitive request for proposal
21 procedures set forth in R.S. 39:1593(C).

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

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

1 §199. Methods of procurement

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

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

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

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

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

25 **(4) The office of technology services may request that the state**
26 **purchasing office reject all proposals when it is deemed that such action is in the**
27 **best interest of the state.**

28 B. ~~Other methods.~~ Other methods of procurement permitted for acquisitions
29 hereunder are small purchases in accordance with rules and regulations promulgated

1 by the state central purchasing agency and emergency acquisitions or rentals of data
2 processing equipment if such procurement is conducted under applicable laws and
3 rules and regulations specified by the state central purchasing agency. The office of
4 technology services may procure information technology systems and
5 information technology services in accordance with the law or regulations, or
6 both, which govern the state purchasing office, the division of administration.

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

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

27 E. ~~Method for procuring microcomputer equipment, word processing~~
28 ~~equipment, software, and maintenance services. Notwithstanding any other~~
29 ~~provisions of this Part, any agency may procure by purchase, rental, or lease~~

1 microcomputer equipment, word processing equipment, software, and maintenance
2 services through name brand contracts awarded by the state central purchasing
3 agency in accordance with the provisions of R.S. 39:1551 through 1736. Such
4 procurement must have the written advance approval of the state central purchasing
5 agency. The terms and conditions of such name brand contracts may be amended by
6 the central purchasing office.

7 F. Method for procuring ~~data processing~~ **information technology** equipment,
8 software, and maintenance services for public colleges and universities.
9 Notwithstanding any other provisions of this Part, any public college or university
10 may procure, through its purchasing officer, ~~data processing~~ **information**
11 **technology** equipment, software, and maintenance services without the advance
12 approval of the state central purchasing agency when a single expenditure for such
13 materials or combined materials and services does not exceed one hundred thousand
14 dollars.

15 ~~G.F.~~(1) The commissioner of administration shall for each fiscal year
16 designate a goal for awarding to small businesses a portion of anticipated total state
17 procurement of ~~data processing~~ **information technology** equipment and software.
18 For purposes of this Subsection, "small businesses" shall be defined as an employer
19 with fifty or fewer employees. The commissioner may divide the procurements so
20 designated into contract award units of economically feasible production runs in
21 order to facilitate offers or bids from small businesses. In making his annual
22 designation of goals for small business procurements, the commissioner shall attempt
23 to vary the included procurements so that a variety of ~~data processing~~ **information**
24 **technology** equipment and software produced by different small businesses shall be
25 a goal each year. The failure of the commissioner to establish a goal for particular
26 procurements shall not be deemed to prohibit or discourage small businesses from
27 seeking the procurement award through the normal solicitation and bidding
28 processes. The commissioner of administration shall report to the Joint Legislative
29 Committee on the Budget and to the House Committee on Commerce and the Senate

1 Committee on Commerce, Consumer Protection, and International Affairs on the
2 program established in this Subsection each year prior to the submission of the
3 executive budget. Such report shall include the goals and awards from the previous
4 year, a list of unsuccessful awards as described in Paragraph (4) of this Subsection,
5 and the goals for the upcoming year.

6 (2) Contract procedure. The commissioner shall establish a contract
7 procedure in accordance with law, for the awarding of a procurement contract under
8 the goals established in this Subsection. Surety bonds guaranteed by the federal
9 Small Business Administration shall be acceptable security for an award under this
10 Subsection.

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

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

22 (5) Conflict with other code provisions. All laws and rules pertaining to
23 solicitations, bid evaluations, contract awards, and other procurement matters not
24 inconsistent with the provisions of this Subsection shall apply to procurements set-
25 aside for small businesses. In the event of conflict with other rules, the provisions of
26 this Subsection shall govern.

27 §200. General provisions

28 The following general provisions shall apply to all procurements under this
29 Part:

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

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

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

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

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

25 C. Disposition of ~~data-processing~~ **information technology** equipment no
26 longer required by state agencies. The state central purchasing agency shall have the
27 authority to dispose of ~~data-processing~~ **information technology** equipment no longer
28 required by a state agency in accordance with regulations which shall be developed
29 and published by the state central purchasing agency. Such dispositions may be

1 through trade-in, assignment to another state agency, or sale. Dispositions other than
2 by assignment to another agency shall be on a competitive basis.

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

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

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

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

25 H. Letters of intent. Letters of intent may be issued by an agency to a vendor
26 solely for the purpose of obtaining a delivery schedule with that vendor. All such
27 letters must be clearly identified as such, and must be filed on issuance with the
28 office of ~~data processing~~ **information technology** and the attorney general.

29 I. Procurement support. All contracts covered under the provisions of this

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

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

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

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

26 (2) Whenever proprietary specifications are used, the specifications shall
27 clearly state that the proprietary characteristics are used only to denote the quality
28 standard of the equipment desired and that such specifications do not restrict vendors
29 to the specific brand, make, or manufacture; that they are used only to set forth and

1 convey to prospective bidders the general style, type, character, and quality of
2 equipment desired; and that equivalents will be acceptable.

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

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

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

28 ~~M. Other laws. The provisions of this Part shall, with respect to the~~
29 ~~procurement of data processing equipment, related services, and software, supersede~~

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

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

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

The original instrument was prepared by Jay R. Lueckel. The following digest, which does not constitute a part of the legislative instrument, was prepared by Cathy Wells.

DIGEST

Donahue (SB 481)

Present law provides for the office of information technology.

Proposed law recreates this office as the office of technology services. Provides for the office of technology services within the executive branch of state government.

Present law provides for the chief information officer who is referred to as the "CIO". Provides that the CIO shall be appointed by the governor and report to the commissioner of administration concerning the direction, stewardship, leadership, and oversight of information technology and information resources.

Proposed law provides that nothing in these provisions shall apply to the public postsecondary management boards or the Board of Regents as provided in Article VIII of the Constitution of Louisiana. Exempts elected officials from the authority of the office of technology services and the state chief information officer.

Present law provides relative to elected officials that to accomplish the work of the office of information technology services, all agencies as defined shall cooperate with the office and provide assistance as required. However, if the office and a statewide elected official cannot jointly agree on an information technology plan, system, or service for any agency under his jurisdiction, then he may implement an information technology plan, system or service of his own, upon finding just cause to do so and after giving notice of his actions and reason therefore at a meeting of the Joint Legislative Committee on the Budget. Prior to implementation, any such information technology plan, system or service adopted by a statewide elected official shall be as compatible as is practical under the circumstances with the state master technology plan.

Proposed law provides that nothing in these provisions shall apply to the authority of any statewide elected officials relative to the authority to implement information technology plans, systems, or services for any agency under their jurisdiction.

Proposed law provides that beginning Oct. 1, 2014, the CIO shall report quarterly to the Joint Legislative Committee on the Budget on the status of the consolidation of the information technology functions of the executive branch of state government. Proposed law requires the report to provide information on organizational changes within the division of administration, as well as organizational changes between the office of technology services and the other executive branch agencies. Proposed law further requires the report to include information and data on personnel changes, changes in purchasing and procurement, and any budgetary changes that have occurred

Proposed law renames this position as state chief information officer and adds authority for the CIO to oversee operation of information technology and information resources.

Proposed law provides for additional duties and responsibilities including being responsible for establishing and coordinating all information technology systems across the executive branch of state government. Such coordination shall include telecommunications systems and services; network systems and services; server systems and services; storage systems and services; information technology security systems and services; related peripheral systems and services; software and software application services; infrastructure and platform systems and services; desktop computing systems and services; geographic information systems and services; mobile device systems and services; video systems and services (except those specifically reserved to the Louisiana Educational Television Authority); radio systems, provided the operational abilities and priorities of two-way communications of the departments in the executive branch are not impeded; and emerging and future information technologies.

Proposed law further details the responsibilities and duties of the CIO and the office of technology services, including acting as the sole centralized customer for the acquisition, billing, and recordkeeping of information technology systems or services provided to state agencies; developing coordinated information technology systems or services within and among state agencies; and reviewing, coordinating, approving, or disapproving requests by state agencies for information technology procurement.

Present law provides for data processing procurement.

Proposed law changes "data processing procurement" to "information technology procurement" and provides that the CIO and the office of technology services shall have authority for defining the specific information technology systems and services which shall be applicable under information technology procurement. Proposed law provides updated definitions for information technology procurement.

Present law provides for the types of contracts permitted under data processing procurement.

Proposed law changes "data processing" to "information technology" and further provides for the types and terms of contracts permitted under information technology procurement.

Present law provides for methods of procurement. Relative to multiyear contracts, requires all multiyear information system technology contracts be reported to the Joint Legislative Committee on the Budget within ninety days after the end of each fiscal year.

Proposed law requires prior approval of the Joint Legislative Committee on the Budget on all contracts let for more than three years.

Proposed law further specifies methods of procurement relative to information technology and information services to encompass requests for proposal, laws and regulations governing

the state purchasing office, and other methods.

Present law provides for general procurement provisions. Provides for the establishment of master purchase contracts for equipment provided by individual manufacturers.

Proposed law removes authority for establishing noncompetitive master price agreements although such competitively priced agreements shall be retained.

Proposed law clarifies the applicability of the Lease of Movable Act with respect to the leasing of information technology equipment.

Proposed law retains present law, but changes "data processing" specifications to "information technology".

Proposed law clarifies the applicability of the Lease of Movables Act with respect to the leasing of information technology equipment under the Information Technology procurement code.

Proposed law authorizes the CIO to make necessary and reasonable regulations to carry out the provisions of proposed law in accordance with the APA.

Directs the La. Law Institute to review all statutes which contain the name of the office of information technology and make all changes it deems necessary to such references.

Effective July 1, 2014.

(Amends R.S. 36:4(B)(1)(e), R.S. 39:15.1, 15.2, 15.3, 196, 197, 198, 199, and 200)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Exempts elected officials from the authority of the office of technology services and the state chief information officer.
2. Provides for the office of technology services within the executive branch of state government.
3. Requires that all multiyear information system technology contracts be reported to the Joint Legislative Committee on the Budget within ninety days after the end of each fiscal year.
4. Directs the La. Law Institute to review all statutes which contain the name of the office of information technology and make all changes it deems necessary to such references.

Senate Floor Amendments to engrossed bill

1. Makes technical changes.
2. Requires quarterly reporting by the chief information officer (CIO) to the Joint Legislative Committee on the Budget on the status of the consolidation efforts and provides for the content of such report.

3. Requires prior approval of the Joint Legislative Committee on the Budget on all contracts entered into for more than three years.
4. Requires the regulations to be adopted accordance with the provisions of the APA.