



January 20, 2022

HOUSE BILL No. 1242

DIGEST OF HB 1242 (Updated January 19, 2022 11:02 am - DI 87)

Citations Affected: IC 4-13; IC 5-22.

Synopsis: State purchasing. Requires the department of administration (department) to determine the technological upgrades and other expenditures required to collect and compile information regarding purchases made by state agencies from the following: (1) A minority business enterprise. (2) A nonprofit agency for individuals with disabilities. (3) A veteran owned small business. (4) A women's business enterprise. Provides that if a nonprofit agency for individuals with disabilities (qualified agency) withdraws from a department pilot project through which the qualified agency sells products or services to governmental bodies through a third party contractor, the department must award the qualified agency a quantity purchase agreement (QPA) for the same products and services and under the same terms under which the qualified agency had a QPA with the department before participating in the pilot project.

Effective: Upon passage.

Miller D, Pressel, Bartlett, Harris

January 6, 2022, read first time and referred to Committee on Government and Regulatory Reform.
January 20, 2022, amended, reported — Do Pass.

HB 1242—LS 6537/DI 75



January 20, 2022

Second Regular Session of the 122nd General Assembly (2022)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2021 Regular Session of the General Assembly.

HOUSE BILL No. 1242

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-13-1-4.3 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 4.3. (a) As used in this section, "diversity
4 business" refers to any of the following:**
5 (1) A minority business enterprise, as defined in
6 IC 4-13-16.5-1(h).
7 (2) A qualified agency, as defined in IC 5-22-13-1.
8 (3) A veteran owned small business, as defined in
9 IC 4-13-16.5-1(p).
10 (4) A women's business enterprise, as defined in
11 IC 4-13-16.5-1(q).
12 (b) The department shall determine any upgrades to computer
13 hardware and software systems, and any additional personnel,
14 resources, and expenditures required to enable the department to
15 collect and compile the following information regarding purchases
16 made by state agencies from diversity businesses during a state
17 fiscal year:

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- 1 **(1) For each diversity business from which a purchase was**
 2 **made, the following information:**
 3 **(A) The classification of the diversity business as described**
 4 **in subsection (a).**
 5 **(B) The Internal Revenue Service principal business code**
 6 **for the diversity business.**
 7 **(C) A description of each kind of supply item or service**
 8 **purchased from the diversity business.**
 9 **(D) For each supply item purchased from the diversity**
 10 **business, the following information:**
 11 **(i) The frequency of purchases.**
 12 **(ii) The number or volume of items purchased.**
 13 **(iii) The name of each state agency that has made**
 14 **purchases of the particular supply item.**
 15 **(iv) For each state agency that has made purchases of**
 16 **that supply item, the total expenditures for that**
 17 **particular supply item.**
 18 **(v) Whether the particular supply item is a newly added**
 19 **supply item from the previous year's report.**
 20 **(E) For each kind of service purchased from a diversity**
 21 **business, the following information:**
 22 **(i) The nature of the service.**
 23 **(ii) The name of each state agency that has made**
 24 **purchases of that particular service.**
 25 **(iii) For each state agency that has made purchases of**
 26 **that particular service, the total expenditures for that**
 27 **particular service.**
 28 **(iv) Whether the particular service is a newly added**
 29 **service from the previous year's report.**
 30 **(2) Totals of all amounts reported under subdivision (1).**
 31 **(3) Specific information and examples relating to the reasons**
 32 **state agencies have not purchased supplies and services from**
 33 **diversity businesses, such as any of the following:**
 34 **(A) Supplies or services needed by state agencies are not**
 35 **provided by diversity businesses.**
 36 **(B) Supplies or services do not meet specifications.**
 37 **(C) Supplies or services cannot be provided at a fair**
 38 **market price.**
 39 SECTION 2. IC 5-22-13-6 IS ADDED TO THE INDIANA CODE
 40 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
 41 **UPON PASSAGE]: Sec. 6. (a) This section applies to a qualified**
 42 **agency that:**



1 (1) participates in a pilot project; and

2 (2) before the qualified agency's participation in the pilot
3 project, had a QPA awarded by the department to sell
4 products or services directly to governmental bodies that the
5 qualified agency currently sells through the third party
6 contractor under the pilot project.

7 (b) As used in this section, "department" refers to the Indiana
8 department of administration created by IC 4-13-1-2.

9 (c) As used in this section, "pilot project" refers to a project
10 established by the department through which a qualified agency
11 sells products or services covered by this chapter to governmental
12 bodies through a third party contractor that has been awarded a
13 contract by the department under this article.

14 (d) As used in this section, "QPA" refers to a quantity purchase
15 agreement.

16 (e) After a qualified agency withdraws from the pilot project, at
17 the request of the qualified agency, the department shall award to
18 the qualified agency a QPA for the same supplies or services that
19 the qualified agency provided through the third party contractor.
20 The department shall award a QPA to the qualified agency not
21 later than thirty (30) days after the date of the qualified agency's
22 request.

23 (f) The department shall award a QPA to the qualified party:

24 (1) without requiring a new procurement under this article;
25 and

26 (2) under the same terms and conditions under which the
27 qualified agency previously had a QPA with the department.

28 (g) This section does not release a qualified agency from any
29 contractual obligations that it might otherwise owe to the third
30 party contractor.

31 SECTION 3. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1242, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1242 as introduced.)

MILLER D

Committee Vote: yeas 11, nays 0.

