

2016 Regular Session

HOUSE BILL NO. 74

BY REPRESENTATIVES RICHARD, TERRY BROWN, AND HOWARD

PUBLIC CONTRACTS: Provides for a reduction of all state professional, personal, and consulting service contracts

1 AN ACT

2 To enact Subpart G of Part II of Chapter 17 of Subtitle III of Title 39 of the Louisiana  
3 Revised Statutes of 1950, to be comprised of R.S. 39:1591, and 1624(C), relative to  
4 professional, personal, and consulting services procurement; to require a reduction  
5 in the dollar amount of certain professional, personal, and consulting service  
6 contracts; to provide for the submission of periodic reports; to provide for  
7 exceptions; to provide for certain conditions of contract approval; to provide for an  
8 effective date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Subpart G of Part II of Chapter 17 of Subtitle III of Title 39 of the  
11 Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:1591, and 1624(C) are  
12 hereby enacted to read as follows:

13 SUBPART G. REDUCTION OF CONTRACTS FOR FISCAL YEAR 2016-2017

14 §1591. Reduction of contracts for Fiscal Year 2016-2017

15 A.(1) The total state general fund (direct) amount for professional, personal,  
16 and consulting service contracts under the jurisdiction of the office of state  
17 procurement for Fiscal Year 2016-2017 shall be one hundred eighty-three million  
18 two hundred thousand dollars less than the state general fund (direct) amount for  
19 such contracts for Fiscal Year 2015-2016.

1 (2) The office of state procurement shall submit reports on the status of the  
 2 implementation of this Section to the Joint Legislative Committee on the Budget on  
 3 October 1, 2016, January 1, 2017, April 1, 2017, and July 1, 2017.

4 B. The office of state procurement shall not approve any contract if such  
 5 approval would increase the total dollar amount of contracts above the amount  
 6 required under Subsection A of this Section, unless such contract meets all of the  
 7 following criteria:

8 (1) Either no employee of the contracting department or agency is both  
 9 competent and available to perform the services called for by the proposed contract  
 10 or the services called for are not the type readily susceptible to being performed by  
 11 persons who are employed by the state on a continuing basis.

12 (2) The services are not available as a product of a prior or existing contract.

13 (3) The contracting department or agency has submitted to the office of state  
 14 procurement a written plan to monitor and evaluate the performance called for in the  
 15 proposed contract.

16 (4) It is more cost effective to obtain the proposed services through the  
 17 contract than to have the services provided by the contracting department or agency  
 18 if the department or agency can provide the services or by agreement with another  
 19 state department or agency.

20 (5) The commissioner of administration determines that the proposed  
 21 contract represents a priority expenditure for Louisiana state government.

22 C. Notwithstanding any provision of law to the contrary, this Section shall  
 23 not apply to any professional, personal, or consulting service contract of the secretary  
 24 of state or the attorney general necessary to perform any constitutional or statutory  
 25 function of their respective offices.

26 \* \* \*

27 §1624. Approval of contract; penalties

28 \* \* \*

1           C. A contract for professional, personal, or consulting services shall not be  
2           awarded to any entity for which an appropriation was enacted through a line item  
3           appropriation in the General Appropriations Act for the fiscal year in which the  
4           contract is proposed, and was subsequently vetoed by the governor, for such amount  
5           or services as contained in the appropriation without prior approval of the Joint  
6           Legislative Committee on the Budget.

7           Section 2. This Act shall become effective on July 1, 2016; if vetoed by the governor  
8           and subsequently approved by the legislature, this Act shall become effective on July 1,  
9           2016, or on the day following such approval by the legislature, whichever is later.

---

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

---

HB 74 Engrossed

2016 Regular Session

Richard

**Abstract:** Requires a reduction in the state general fund amount for professional, personal, and consulting service contracts under the jurisdiction of the office of state procurement for Fiscal Year (FY) 2016-2017.

Proposed law requires the state general fund dollar amount for professional, personal, and consulting service contracts under the jurisdiction of the office of state procurement for FY 2016-2017 to be \$183.2 million less than the amount in the prior fiscal year.

Proposed law requires the office of state procurement to submit reports on the status of the implementation of proposed law to the Joint Legislative Committee on the Budget.

Proposed law prohibits the office of state procurement from approving any contract if such approval would increase the total dollar amount of contracts above the amount required in proposed law, unless such contract meets all of the following criteria:

- (1) Either no employee of the contracting department or agency is both competent and available to perform the services or the services are not the type readily susceptible to being performed by persons employed by the state on a continuing basis.
- (2) The services are not available as a product of a prior or existing contract.
- (3) The contracting department or agency has submitted a written plan to monitor and evaluate the performance called for in the proposed contract.
- (4) It is more cost effective to obtain the services through the contract than to have the services provided by the contracting department or agency if the department or agency can provide the services or by agreement with another state department or agency.
- (5) The contract represents a priority expenditure for state government.

Proposed law does not apply to any professional, personal, or consulting service contract of the secretary of state or the attorney general necessary to perform any constitutional or statutory function of their respective office.

Present law provides for certain determinations by the state chief procurement officer prior to the approval of proposed contracts.

Proposed law retains present law and further provides that a contract shall not be awarded to any entity for which an appropriation was enacted through a line item appropriation in the General Appropriations Act for the fiscal year in which the contract is proposed, and subsequently vetoed by the governor, for such amount or services as contained in the appropriation without prior approval of the Joint Legislative Committee on the Budget.

Effective July 1, 2016.

(Adds R.S. 39:1591 and 1624(C))

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Change the contract reduction from 15% of the total amount to \$183.2 million of the state general fund amount.
2. Exclude contracts of the attorney general necessary to perform any constitutional or statutory functions of the office from the required reductions.