

Regular Session, 2010

SENATE BILL NO. 294

BY SENATOR DONAHUE

FISCAL CONTROLS. Requires Joint Legislative Committee on the Budget approval of certain contracts. (7/1/10)

1 AN ACT

2 To enact R.S. 39:1498(C), relative to approval of contracts; to provide for the approval of
3 certain contracts by the Joint Legislative Committee on the Budget; to provide for
4 an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 39:1498(C) is hereby enacted to read as follows:

7 §1498. Approval of contract; penalties

8 * * *

9 **C.(1) Notwithstanding the provisions of R.S. 39:1482, before approving**
10 **a proposed contract for professional, personal, consulting, or social services, any**
11 **governmental body of the executive branch of state government as defined in**
12 **this Chapter shall be required to obtain the approval of the Joint Legislative**
13 **Committee on the Budget for any professional, personal, consulting, or social**
14 **services contract with a total amount of compensation equal to or greater than**
15 **fifty thousand dollars per year. Additionally, the governmental body requesting**
16 **approval for a contract shall provide the following information in writing to the**
17 **Joint Legislative Committee on the Budget with each contract request:**

1 (a) Why the governmental body needs the contract services.

2 (b) How the contract services will conform to the mission of the
3 requesting governmental body.

4 (c) Why the services cannot be performed by a current employee or
5 employees of the requesting governmental body.

6 (d) How the service provider was selected.

7 (e) What action the requesting governmental body will take to satisfy the
8 service need in the event the Joint Legislative Committee on the Budget does not
9 approve the request.

10 (f) The number of persons that will be working under the contract, by
11 head count, full time equivalence, and qualifications.

12 (2) Any governmental body seeking a proposed contract modification
13 under the provisions of this Chapter for a professional, personal, consulting, or
14 social services contract with a total amount of compensation of less than fifty
15 thousand dollars, but which after the modification will equal or exceed fifty
16 thousand dollars shall be required to comply with the provisions of Paragraph
17 (1) of this Subsection prior to approval of the contract modification.

18 (3) Any governmental body seeking a proposed contract modification
19 under the provisions of this Chapter for a professional, personal, consulting, or
20 social services contract with a total amount of compensation equal to or more
21 than fifty thousand dollars, but which total compensation after the modification
22 will increase by fifty thousand dollars or twenty-five percent of the contract
23 total, whichever is less, shall be required to comply with the provisions of
24 Paragraph (1) of this Subsection prior to approval of the contract modification.

25 Section 2. This Act shall become effective on July 1, 2010; if vetoed by the governor
26 and subsequently approved by the legislature, this Act shall become effective on July 1,
27 2010, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay R. Lueckel.

DIGEST

Present law provides for the using agency to certify to the director of contractual review that: no agency employees are competent and available to perform the services required; the services are not available through an existing contract; the agency has developed a written plan for monitoring, periodic performance reports, and the use of the final contract product; the cost basis for the proposed contract; a description of the specific contract objectives or deliverables; methods to measure contract performance; and for contracts over \$50,000, a cost-benefit analysis comparing private sector service costs to the using agency.

Present law also provides for conditions to be met before a contract shall be approved by the office of contractual review, including, among others: the using agency has legal authority to enter into the proposed contract; sufficient monies have been appropriated for such purpose; and the using agency has specified the purpose, specific goals and objectives, measures of performance, and a monitoring plan for the proposed services.

Present law requires any corporation which fails to fully disclose ownership under the law to refund any fund received for the contract as a penalty.

Proposed law retains present law, and further requires that before approving a proposed contract with a total amount of compensation equal to or in excess of \$50,000 per year for professional, personal, consulting, or social services, any governmental body of the executive branch of state government as defined in this Chapter shall be required to obtain the approval of the Joint Legislative Committee on the Budget (JLCB).

Additionally, proposed law requires the governmental body requesting approval for a contract to provide the following information in writing to the JLCB with each contract request:

- (1) Why the governmental body needs the contract services.
- (2) How the contract services will conform to the mission of the requesting governmental body.
- (3) Why the services cannot be performed by a regular employee or employees of the requesting governmental body.
- (4) How the service provider was selected.
- (5) What action the requesting governmental body will take to satisfy the service need in the event the JLCB does not approve the request.
- (6) The number of persons that will be working under the contract, by head count, full time equivalence, and qualifications.

Proposed law also requires any governmental body seeking a proposed contract modification for professional, personal, consulting, or social services with a total of less than \$50,000, but which after the modification will equal or exceed \$50,000 to obtain the approval of the JLCB prior to approval of the contract modification.

Proposed law further requires any governmental body seeking a proposed contract modification with a total equal to or more than \$50,000, but which total compensation after the modification will increase by \$50,000 or 25% of the contract total, whichever is less, to obtain the approval of JLCB prior to approval of the contract modification.

Effective July 1, 2010.

(Adds R.S. 39:1498(C))