

2010 -- S 2446

LC00017

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO PUBLIC PROPERTY AND WORKS -- STATE PURCHASES

Introduced By: Senators C Levesque, Sheehan, Lenihan, Pinga, and E O'Neill

Date Introduced: February 11, 2010

Referred To: Senate Government Oversight

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 37-2 of the General Laws entitled "State Purchases" is hereby  
2 amended by adding thereto the following section:

3 **37-2-80. Duty to review contracts.** – (a) The chief purchasing officer shall monitor all  
4 state contracts awarded pursuant to section 37-2 with a value greater than five hundred thousand  
5 dollars (\$500,000).

6 (1) If a proposed change or the sum of proposed changes to the contract increase(s) the  
7 cost of the contract by two hundred thousand dollars (\$200,000) or more; or

8 (2) If there is a proposed material change to the scope of the work or to one or more of  
9 the terms of the contract, then the chief purchasing officer shall determine in writing whether it is  
10 in the best interest of the state to proceed under the existing contract, to proceed with a separate  
11 procurement, or to terminate the original agreement and re-bid the contract. Such determination  
12 shall be made prior to implementing the contract increase or material change and shall clearly  
13 enumerate the circumstances of the contract increase and/or material change and the reasons  
14 supporting the decision. The chief purchasing officer shall file copies of the written  
15 determination with the senate fiscal advisor and the house fiscal advisor no later than three (3)  
16 business days after executing the written determination.

17 (b) Notwithstanding any other provision to the contrary, including any provision  
18 exempting any entity from the requirements of this chapter, all public corporations as defined in  
19 subdivision 35-20-5(4) and quasi-public agencies shall monitor their respective contracts with a

1 value greater than five hundred thousand dollars (\$500,000) for substantial increase or material  
2 change.

3 (1) If a proposed change or sum of proposed changes to the contract increase(s) the cost  
4 of the contract by two hundred thousand dollars (\$200,000) or more; or

5 (2) If there is a proposed material change to the scope of the work or to one or more of  
6 the terms of the contract, then the chief executive officer shall determine in writing whether it is  
7 in the best interest of the state to proceed under the existing contract, to proceed with a separate  
8 procurement, or to terminate the original agreement and re-bid the contract. Such determination  
9 shall be made prior to implementing the contract increase or material change, shall comply with  
10 the requirements of section 37-2-6 of this chapter, and shall clearly enumerate the circumstances  
11 of the contract increase and/or material change and the reasons for the decision made. The chief  
12 executive officer shall file copies of the written determination with the governor, the president of  
13 the senate, the speaker of the house, the director of the department of administration, the budget  
14 officer, the senate fiscal advisor, and the house fiscal advisor no later than three (3) business days  
15 after executing the written determination.

16 (c) Definitions: For the purposes this section, the words defined in this subsection have  
17 the meaning set forth below.

18 (1) A “material change” means a change to the scope of the work or to a term of the  
19 contract that would have been important to or would have tended to influence the public bidding  
20 process or the decision to award the original contract or that would substantially increase the  
21 value of the contract to the contractor.

22 SECTION 2. This act shall take effect upon passage and shall apply to all changes  
23 entered into after July 1, 2010.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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1           This act would require the chief purchasing officer as well as all public corporations and  
2 quasi-public agencies to monitor all state contracts with a value of greater than five hundred  
3 thousand dollars (\$500,000) for a proposed material change including an increase in costs over  
4 two hundred thousand dollars (\$200,000).

5           This act would take effect upon passage and would apply to all contracts entered into  
6 after July 1, 2010.

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