

HOUSE BILL 791

By McCormick

AN ACT to amend Tennessee Code Annotated, Title 4,
Chapter 51 and Title 4, Chapter 56, relative to
Tennessee education lottery corporation contracts.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 4-51-102(12), is amended by deleting the language "seventy-five thousand dollars (\$75,000)" and by substituting instead the language "two hundred fifty thousand dollars (\$250,000)".

SECTION 2. Tennessee Code Annotated, Section 4-51-126, is amended by deleting the section in its entirety and by substituting instead the following:

4-51-126.

(a)

(1) All major procurement contracts shall be competitively bid pursuant to policies and procedures adopted by the board pursuant to § 4-51-104(c)(6) and approved by the procurement commission pursuant to subdivision (a)(2). Such policies and procedures shall be designed to allow the selection of proposals that provide the greatest long-term benefit to the state, the greatest integrity for the corporation and the best service and products for the public. Upon approval of the procurement commission, the requirement for competitive bidding shall be waived in the case of a single vendor having exclusive rights to offer a particular service or product.

(2)

(A)

(i) Policies and procedures concerning competitive bidding of major procurement contracts, including, but not limited to, contracts for on-line and instant ticket lottery vendors, shall be filed with the procurement commission for review in accordance with subdivision (a)(2)(B).

(ii) On and after January 1, 2012, no major procurement contract of the corporation shall be entered into, renewed or extended until the policies and procedures of the corporation in existence prior to October 1, 2011, are reviewed and approved by the procurement commission or, in the alternative, new policies and procedures of the corporation are reviewed and approved by the procurement commission.

(B)

(i) The procurement commission shall review and approve, or disapprove, such policies and procedures within thirty (30) calendar days after submission.

(ii) Upon approval, such policies and procedures shall become effective immediately and shall remain effective until amended, altered, or repealed.

(iii) If not approved, the procurement commission shall file a statement with the corporation stating its basis for non-approval. The corporation shall make any necessary revisions and file such revised policies and procedures with the procurement commission for review and approval.

(C) Any amendment to such policies and procedures shall be filed with the procurement commission for review and approval in a manner consistent with subdivision (a)(2)(B).

(b) In any bidding process, with approval of the procurement commission, the corporation may administer its own bidding and procurement or may utilize the services of the department of general services or other state agency or subdivision thereof.

(c) If the corporation determines that the requirement for competitive bidding should not apply to a major procurement contract regarding an on-line or instant ticket lottery vendor because such vendor is a single vendor having exclusive rights to offer a particular service or product, then, immediately upon making such a determination, the corporation shall file a request with the procurement commission stating the corporation's intent not to require competitive bidding and a statement of reasons supporting that determination. The procurement commission shall have thirty (30) calendar days to respond to such request. No such contract shall be executed, renewed or extended without express approval of such request by the procurement commission.

(d) Executed copies of major procurement contracts, renewals of such contracts and extensions of such contracts shall be filed with the procurement commission within five (5) business days of execution, renewal or extension thereof.

(e) Procurement documents, contracts, and any other documentation, or portions thereof, filed with the procurement commission by the corporation shall be subject to § 4-51-124. Such information shall retain its confidentiality, if any, and shall only be used by the commission in the performance of its official duties.

(f)

(1) Except for information deemed confidential pursuant to § 4-51-124, major procurement contracts entered into by the corporation regarding on-line

and instant ticket lottery vendors shall be posted, via link to “Major Procurement Contracts,” on the web page of the Tennessee education lottery corporation. The corporation may post additional major procurement contracts.

(2) The corporation shall post all major procurement contract procurement documents, via link to “Major Procurement Opportunities,” on the web page of the Tennessee education lottery corporation.

SECTION 3. Tennessee Code Annotated, Section 4-56-103, is amended by designating the existing language of the subsection (a) as subdivision (1) and by adding the following language as a new subdivision (2):

(2) The procurement commission shall review and approve policies and procedures concerning competitive bidding of major procurement contracts of the Tennessee education lottery corporation in accordance with § 4-51-126.

SECTION 4. Tennessee Code Annotated, Section 4-56-103, is amended by deleting subsection (e) in its entirety and by substituting instead the following:

(e) The commission shall not exercise authority over the award or administration of any particular contract or grant; provided, that the commission shall review and approve any request by the Tennessee lottery education corporation to award single vendor contracts in accordance with § 4-51-126(c).

SECTION 5. This act shall take effect October 1, 2011, the public welfare requiring it and shall apply to all contracts entered into or renewed on or after the effective date.