



1 agency through which information technology systems, information technology  
2 services, and software, except for fiscal intermediary services, may be leased or  
3 purchased for a term of more than one fiscal year, but the term shall not exceed sixty  
4 months.

5 ~~(b) Contracts for fiscal intermediary services.~~

6 \* \* \*

7 (16) "Related services" means and is limited to service activities affecting  
8 the maintenance of information technology equipment or software and the providing  
9 of fiscal intermediary services. ~~Notwithstanding any other provisions of law to the~~  
10 ~~contrary, "related services" shall also mean~~ and shall also include those consulting  
11 services ancillary to the procurement of information technology hardware or  
12 software that would otherwise be governed by the provisions of professional,  
13 personal, consulting, and social services procurement in Chapter 17 of Subtitle III  
14 of this Title, ~~provided those~~ Except for consulting services ancillary to the  
15 procurement of fiscal intermediary services by cooperative purchasing, such  
16 consulting services contracts are shall be limited to the lesser of twenty percent of  
17 the procurement amount or two hundred fifty thousand dollars.

18 \* \* \*

19 §198. Types of contracts permitted

20 \* \* \*

21 G. Multiyear contracts other than direct order contracts ~~and contracts for~~  
22 ~~fiscal intermediary services~~. State agencies may enter into contracts for the lease or  
23 purchase of information technology systems, information technology services, or  
24 software when the term of such lease or purchase is greater than twelve months or  
25 involves more than one fiscal year in accordance with the following provisions:

26 \* \* \*

27 I. Contracts for fiscal intermediary services. State agencies may enter into  
28 contracts for fiscal intermediary services either by competitive sealed proposals or  
29 cooperative purchasing.

1           (1) If the agency uses the competitive sealed proposals procurement method  
2           the procurement shall be made in accordance with in R.S. 39:1595 and the ~~The~~ term  
3           of the contract shall be one hundred twenty months. If special circumstances, as  
4           provided in ~~Paragraph (9)~~ Subparagraph (h) of this ~~Subsection~~ Paragraph,  
5           necessitate, additional one-year extensions of the contract may be granted. The  
6           award process and final contract shall include all of the following:

7           ~~(1) Contracts for fiscal intermediary services shall be awarded by~~  
8           ~~competitive sealed proposals in accordance with R.S. 39:1595 or cooperative~~  
9           ~~purchasing in accordance with R.S. 39:1702.~~

10           ~~(2)~~ (a) Justification for the contract shall be submitted to the state central  
11           purchasing agency and shall be submitted to the Joint Legislative Committee on the  
12           Budget at least forty-five days prior to the issuance of a solicitation for proposals.  
13           Within thirty days of receipt of the justification by the Joint Legislative Committee  
14           on the Budget, the committee may conduct a public hearing on the justification  
15           which was submitted. This justification shall include identification and consideration  
16           of all factors, including costs, relevant to the solicitation for proposals and the final  
17           contract.

18           ~~(3)~~ (b) The one-hundred-twenty-month term of such contract shall be divided  
19           into one period of between thirty-six months and sixty months, immediately followed  
20           by successive twelve-month periods. The state shall have an option to renew such  
21           contract for each of the twelve-month periods. If the state does not exercise its  
22           option to renew, the contract shall be terminated. In the event special circumstances  
23           occur, as provided in ~~Paragraph (9)~~ Subparagraph (h) of this ~~Subsection~~ Paragraph,  
24           additional twelve-month extensions of the contract may be granted.

25           ~~(4)~~ (c) In addition to other provisions as required by law or in the best  
26           interests of the state, such contract shall contain provisions setting forth, ~~(a)~~ all of the  
27           following: (i) the amount and requirements of the contractor's performance bond, (b)  
28           (ii) penalty and enforcement provisions for the failure of the contractor to perform  
29           in accordance with the contract documents, ~~(c)~~ (iii) conditions for optional renewal

1 of the contract by the state in accordance with the provisions of this Subsection, and  
2 ~~(d)~~ (iv) requirements for termination of the contract by the state at any time, or for  
3 cause, or upon the refusal of the state to exercise an option to renew such contract.

4 ~~(5)~~ (d) Issuance of specifications for a solicitation for proposals on a contract  
5 for fiscal intermediary services shall be made at least twelve months prior to the  
6 termination date of an existing contract, unless the contract termination is for cause  
7 or due to the refusal of the state to exercise an option to renew.

8 ~~(6)~~ (e) No award of the contract shall be made until the Joint Legislative  
9 Committee on the Budget has conducted a public hearing concerning the award.

10 ~~(7)~~ (f) No award of the contract shall be made later than eight months prior  
11 to the termination date of an existing contract, unless the contract termination is for  
12 cause or due to the refusal of the state to exercise an option to renew.

13 ~~(8)~~ (g) No option to renew the contract shall be exercised by the state until  
14 the following criteria have been satisfied:

15 ~~(a)~~ (i) The Louisiana Department of Health has conducted a public hearing  
16 concerning such renewal.

17 ~~(b)~~ (ii) The Louisiana Department of Health submits to the Joint Legislative  
18 Committee on the Budget a notice of intention by the Louisiana Department of  
19 Health to exercise the option to renew the contract and a copy of any public  
20 testimony which was taken at the public hearing held by the Louisiana Department  
21 of Health. The Joint Legislative Committee on the Budget may hold a public hearing  
22 concerning the renewal within thirty days following the receipt of a notice of  
23 intention by the Louisiana Department of Health to exercise the option to renew the  
24 contract.

25 ~~(c)~~ (iii) The Joint Legislative Committee on the Budget has conducted a  
26 public hearing concerning the renewal or thirty days have elapsed from the date the  
27 Louisiana Department of Health submitted a notice of intention to renew the contract  
28 to the Joint Legislative Committee on the Budget and the committee has not posted  
29 a public notice of meeting concerning the renewal of the contract.



## 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 512 Engrossed

2023 Regular Session

Hughes

**Abstract:** Modifies requirements for procurement of fiscal intermediary services contracts.

Present law establishes the criteria and processes for state procurement of information technology (IT) equipment, related services, and software.

Present law provides definitions for terms in the laws governing such contracts. One such definition is for "multiyear contract", which present law defines to include contracts for fiscal intermediary services in addition to contracts between suppliers of IT systems, services, and software. Proposed law removes fiscal intermediary services from this definition. Present law further defines "related services" to include consulting services contracts ancillary to the procurement of IT hardware or software and places a cap on the maximum amount of such contracts at the lesser of 20% of the procurement amount or \$250,000. Proposed law removes this cap for consulting services contracts ancillary to the procurement of fiscal intermediary services obtained through cooperative purchasing pursuant to present law.

Present law authorizes fiscal intermediary services to be procured through competitive sealed proposals or cooperative purchasing, both through procedures provided for in present law. Present law sets forth requirements for such procurements, including submission of justification for the contract to the state central purchasing agency and the Joint Legislative Committee on the Budget (JLCB), the requirement that the contract have a 120-month term, and that no award shall be made until approval is received by JLCB, among others. Proposed law retains present law for the competitive sealed proposals procurements. With the exception that no award shall be made until approval is received by JLCB, Proposed law removes these requirements for procurements by cooperative purchasing and further requires them to be conducted through the non-IT procurement process (R.S. 39:1702).

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 39:197(intro. para.), (13), and (16) and 198(G)(intro. para) and (D))

Summary of Amendments Adopted by House

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

1. Require JLCB approval of any cooperative purchasing contract prior to execution.