

RÉSUMÉ DIGEST

HB 884

2024 Regular Session

Hughes

Existing law (R.S. 39:1551, et seq.) establishes the La. Procurement Code, which generally governs procurement of goods and services by state entities. Establishes regulations for procurement of social services and consulting services pursuant to the La. Procurement Code.

Proposed law, as more fully described below, would have authorized each public postsecondary education management board to enter into contracts for consulting services and social services on behalf of each institution under its supervision and control. Further would have authorized entering into master service contracts for such services without necessity of competitive bidding or competitive negotiation.

SOCIAL SERVICES CONTRACTS

Existing law defines "social service" as work rendered by any person, firm, corporation, organization, governmental body, or governmental entity in furtherance of the general welfare of the citizens of Louisiana, including but not limited to rehabilitation and health supports, habilitation and socialization services, and improvement of living conditions.

Existing law (R.S. 39:1619) authorizes social service contracts to be awarded without necessity of competitive bidding or competitive negotiation if the state chief procurement officer determines that any one of certain enumerated conditions is present, including that the services are available only from a sole source provider, local matching funds in excess of 10% of the contract amount are required to be contributed by the contractor, or the total contract amount is less than \$250,000 per 12-month period. Proposed law would have created an exception for public postsecondary education management boards, including those participating in the higher education procurement code pursuant to existing law. Would have authorized such management boards, without involvement of the state chief procurement officer, to enter into social service contracts on behalf of each institution under its supervision and control, including the authority to enter into a master service contract for social services with a vendor for similar or the same services to be provided at multiple institutions within its supervision and control. Additionally, would have authorized any such master service contract to contain a combined total compensation to a vendor with compensation for each institution serviced by the agreement if the management board entered into the contract pursuant to the provisions of proposed law.

Proposed law would have provided that a master service contract pursuant to the provisions of proposed law could be entered into without the necessity of competitive bidding or competitive negotiation if the compensation for each social service contract for each institution does not exceed \$250,000 per 12-month period.

CONSULTING SERVICES CONTRACTS

Existing law defines "consulting service" to mean work, other than professional, personal, or social service, rendered by either individuals or firms who possess specialized knowledge, experience, and expertise to investigate assigned problems or projects and to provide counsel, review, design, development, analysis, or advice in formulating or implementing programs or services, or improvements in programs or services, including but not limited to such areas as management, personnel, finance, accounting, planning, information technology, pharmacy benefit managers, and advertising contracts, except for printing associated therewith.

Existing law (R.S. 39:1621) authorizes contracts for consulting services to be awarded without competitive bidding or competitive negotiation if the total maximum amount of compensation is less than \$75,000 per 12-month period. For consulting services contracts in excess of this amount, existing law establishes certain required procurement methods to obtain such services. Proposed law would have created an exception for public postsecondary education management boards, including those participating in the higher education procurement code pursuant to existing law. Would have authorized such management boards to enter into consulting services contracts on behalf of each institution under its supervision and control, including the authority to enter into a master service contract for consulting services with a vendor for similar or the same services to be provided

at multiple institutions within its supervision and control. Additionally, would have authorized any such master service contract to contain a combined total compensation to a vendor with compensation for each institution serviced by the agreement if the management board entered into the contract pursuant to the provisions of proposed law.

Proposed law would have provided that a master service contract pursuant to the provisions of proposed law could be entered into without the necessity of competitive bidding or competitive negotiation if the compensation for each consulting service contract for each institution does not exceed \$75,000 per 12-month period.

(Amends R.S. 39:1619(B)(intro. para.); Adds R.S. 39:1619(E) and 1621(D))

VETO MESSAGE:

"Please be advised I have vetoed House Bill 884 of the 2024 Regular Session.

This bill purports to revise procurement of social services and consulting services for public postsecondary education management boards. Notably, this bill allows postsecondary education management boards to enter into "master service" contracts for social services for amounts that do not exceed \$250,000 per year and for consulting services that do not exceed \$75,000 per year, per institution serviced, all without the necessity of competitive bidding or competitive negotiation.

Current law already allows exceptions for such social service contracts for \$250,000 per year and consulting service contracts for \$75,000 per year. R.S. 39:1619(8)(7); R.S. 39:1621(A). These existing laws provide adequate and sufficient safeguards regarding the competitive bid process for postsecondary education institutions, and they are both already exceptions to the general rules governing such contracts. I find this bill unnecessary and duplicative.

For these reasons, House Bill 884 will not become law."