

Regular Session, 2014

HOUSE BILL NO. 437

BY REPRESENTATIVE FANNIN

PUBLIC CONTRACTS: Requires prior approval of the Joint Legislative Committee on the Budget of requests for proposals and contracts over a specific dollar amount

1 AN ACT

2 To enact R.S. 39:1498.3, relative to public contracts; to require prior approval of certain
3 actions related to the procurement of professional, personal, consulting, and social
4 services; to provide for exceptions; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 39:1498.3 is hereby enacted to read as follows:

7 §1498.3. Large purchases of professional, personal, consulting, or social services;
8 prior approval required

9 A.(1) Except as provided in Paragraph (2) of this Subsection, any request for
10 proposals for professional, personal, consulting, or social services contracts with a
11 total maximum compensation of one hundred million dollars or more shall be
12 reviewed and approved by the Joint Legislative Committee on the Budget prior to
13 its advertisement.

14 (2) Any request for proposals for professional, personal, consulting, or social
15 services contracts with a total maximum compensation of one hundred million
16 dollars or more for which the resulting contract must be approved by the Department
17 of Health and Human Services, Centers for Medicare and Medicaid Services, shall
18 be reviewed by the Joint Legislative Committee on the Budget prior to the
19 advertisement of the request for proposals.

1 B. No professional, personal, consulting, or social service contract with a
2 total maximum compensation of one hundred million dollars or more shall be
3 entered into on or after August 1, 2014, unless it has been reviewed and approved by
4 the Joint Legislative Committee on the Budget.

5 C. No request for proposals or contracts for professional, personal,
6 consulting, or social services shall be divided or otherwise separated into multiple
7 proposals or contracts in order to circumvent the requirement of this Section.
8 Accordingly, any subsequent or amended contract entered into with the same party
9 for the same purpose as an existing contract which causes payment to the party for
10 such purpose to exceed one hundred million dollars in a one-year period, regardless
11 of the actual dollar value of the subsequent or amended contract, shall be reviewed
12 or reviewed and approved by the Joint Legislative Committee on the Budget
13 consistent with the requirements of this Section.

14 D. No professional, personal, consulting, or social service contract with a
15 total maximum compensation of one hundred million dollars or more shall be valid
16 nor shall the state be bound by the contract unless all requirements of this Section
17 have been met.

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)]

Fannin

HB No. 437

Abstract: Requires prior actions of the Joint Legislative Committee on the Budget (JLCB) for certain requests for proposals (RFPs) and contracts over \$100 million.

Proposed law requires review and approval of the Joint Legislative Committee on the Budget (JLCB) of request for proposals (RFPs) for professional, personal, consulting, or social services contracts of more than \$100 million.

Proposed law requires prior review, but not approval, by the JLCB of RFPs for professional, personal, or consulting service contracts of more than \$100 million which must be approved by the U.S. Dept. of Health and Human Services, Centers for Medicare and Medicaid Services (CMS).

Proposed law invalidates any professional, personal, consulting, or social service contract with a total maximum compensation of \$100 million entered into after Aug. 1, 2014, unless it has been reviewed and approved by the JLCB.

Proposed law prohibits dividing or separating RFPs or contracts to circumvent the requirements of proposed law. Requires review and approval of the JLCB of any subsequent or amended contract with the same party for the same purpose as the existing contract which cause payment to the party to exceed \$100 million.

(Adds R.S. 39:1498.3)

Summary of Amendments Adopted by House

House Floor Amendments to the engrossed bill.

1. Added provisions requiring review, rather than approval, of RPFs for contracts which must be approved by CMS.
2. Added prohibition of the dividing or separating of RFPs or contracts to circumvent the requirements of proposed law relative to JLCB approval of certain subsequent or amended contracts.