

Proposed law would have required review and approval by 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 would have required 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 would have prohibited entering into any professional, personal, consulting, or social service contract with a total maximum compensation of \$100 million after Aug. 1, 2014, unless it had been reviewed and approved by the JLCB.

Proposed law would have prohibited dividing or separating RFPs or contracts to circumvent the requirements of proposed law. Would have required 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 caused payment to the party to exceed \$100 million.

Proposed law would have invalidated any professional, personal, consulting, or social service contract of more than \$100 million that did not meet the requirements of proposed law.

Would have been effective Aug. 1, 2014.

(Proposed to add R.S. 39:1498.3)

VETO MESSAGE "House Bill No. 437 adds an additional layer of bureaucracy to the contracting process, which could delay the contracting process and introduce uncertainty. Such uncertainty could discourage businesses from contracting with the state and competing to provide high quality services to our citizens. Partnering with the private sector has saved Louisiana taxpayers millions of dollars, while improving services for our people. Unlike smaller value Requests for Proposals (RFPs), large value contracts often have a very small pool of potential bidders due to their scale and scope. In order to ensure that we have the widest and most competitive process possible, it is important to ensure that these companies have a streamlined, fair, and transparent bidding process.

I am committed to such a process to achieve the highest quality services for the best expenditure of taxpayer dollars, which is why the Division of Administration has sought continually to improve the RFP and contracting processes. That's also why I have instructed agencies to work with the Legislature and provide opportunities for input and oversight on these significant RFPs and contracts. In addition, this year, I have signed Senate Bill No. 480 by Senator Mike Walsworth, which Representative Fannin graciously sponsored on the House side of the Legislature and which streamlines and clarifies the Procurement Code. However, House Bill No. 437 could have unintended negative consequences and, therefore, I have vetoed it and hereby return it to the House of Representatives."