

SENATE SUMMARY OF HOUSE AMENDMENTS**SB 407****2016 Regular Session****Milkovich****KEYWORD AND SUMMARY AS RETURNED TO THE SENATE**

PUBLIC CONTRACTS. Requires publication of certain contracts and reports on the Internet and creates a task force authorized to study and make annual assessments of state contracts. (7/1/16)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Adds state agency expenditure reporting requirements that are contained in HB 298 which is still in Senate finance committee - needs to be resolved.
2. Adds provisions creating the Contract Services Subcommittee of the Joint Legislative Committee on the Budget and provides for the duties and functions of the Subcommittee.
3. Adds specific items to be included in reports to the commissioner of administration.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE**DIGEST**

SB 407 Reengrossed

2016 Regular Session

Milkovich

Proposed law creates the Contract Services Subcommittee of the Joint Legislative Committee on the Budget (Subcommittee) composed of eight members of Joint Legislative Committee on the Budget (JLCB): four members of the Senate, appointed by the president of the Senate and four members of the House of Representatives, appointed by the speaker of the House of Representatives.

Provides that the Subcommittee review contracts and make recommendations to (JLCB) as to approval of certain professional, personal, consulting, and social services contracts. Authorizes the Subcommittee to review the processes by which these contracts are negotiated, drafted, procured, and executed.

Requires the president of the Senate to appoint a senator to chair the first meeting until officers can be elected from among the Subcommittee membership at the first meeting and requires a quorum of the Subcommittee membership to conduct business.

Proposed law requires annual report by the Subcommittee to JLCB to the presiding officers of the legislature and the governor not later than 60 days before a regular session as to recommendations for contract procedures that may require action.

Provides that provisions creating the Subcommittee become void on June 30, 2020.

Present law requires that the state chief procurement officer prepare reports regarding state purchasing as may be required by the commissioner of administration, including annual reports of all professional, personal, consulting, social services, and other contracts over which the office of state procurement has authority.

Proposed law retains these provisions and requires that all information on all contracts and the information contained in the annual report be published on the division of administration's website for access and ease of use.

Proposed law provides that the information to be submitted include the following:

- (1) If a legal entity, the official name and domicile address of the contracting entity as reflected in documentation submitted to the secretary of state's office.
- (2) If a natural person, the full name and physical address of the contracting entity.
- (3) If a legal entity, a complete and accurate listing of the owners of the contracting entity, whether in title or beneficial, unless it is a publicly traded entity, and a complete and accurate listing of the board of directors or equivalent governing body, if any, and officers, if any, of the contracting entity.
- (4) A statement regarding the percentage of minority, women, veteran, and Louisiana-based ownership of the contracting entity, unless it is a publicly traded entity.
- (5) A statement that all applicable federal, state, and payroll taxes owed by the contracting entity have been paid and are current.
- (6) If the contracting entity is a nonprofit organization, a statement that the contracting entity has filed a current IRS Form 990 and a copy of its most recent form.
- (7) A statement indicating the type or nature of the contract with the state agency, including whether the contract was publicly bid, competitively bid, competitively negotiated, or let through a noncompetitive process; the value of the contract; and the name of each state agency which is or would be a party to the contract.
- (8) The names and addresses of all agents, registered lobbyists, and other persons lobbying, as defined by law, on behalf of the contracting entity relative to a contract or potential contract with the state or an appropriation or grant.

Proposed law requires state agencies to report to the division of administration (DOA) by the 20th of each month information on all expenditures in the previous month which shall not include expenditures in the aggregate but be an itemized list of expenditures. Requires each agency to display on its website a link to the Louisiana Transparency and Accountability portal and online spending database (LaTrac).

Proposed law requires that LaTrac include the following;

- (1) A searchable database of all state expenditures reported by state agencies.
- (2) Ability for the public to search expenditures by agency, category of expense, and vendor or contractor.
- (3) Ability to aggregate expenditures by agency, category of expense, and vendor or contractor.
- (4) Ability for the public to download information from the website.

Proposed law requires LaTrac to include for each expenditure by a state agency the amount of the expenditure; date of payment; the vendor or contract to whom paid; and the state agency making the expenditure, including the name, phone number, electronic mail address, and physical address of an agency contact.

Requires that the website graphically present this information on the website regarding state agency expenditures, including charts and graphs.

Proposed law requires periodic and unscheduled audits by the legislative auditor of each agency to ensure compliance and that the auditor report to the state treasurer and JLCB any agencies not in compliance.

Present law requires the commissioner of administration (commissioner), in FY 2015-2016 through 2017-2018, to report each contract for professional, personal, consulting, services with a total dollar amount of \$40,000 or more per year that is funded solely with state general fund (direct) or the Overcollections Fund and is for discretionary purposes to the JLCB for review and approval prior to the effectiveness of the contract. Provides that the

contract is deemed approved if JLCB does not place the item on its agenda for action within 30 days of receipt of the contract.

Proposed law requires that each contract be referred to the Contract Services Subcommittee of the JLCB who shall meet within ten days of receipt of the contract to review the contract. Requires that within five days of each meeting of the subcommittee at which a contract is reviewed, the subcommittee is to make a recommendation on the contract to JLCB.

Proposed law provides that contracts for social services also be reported and removes the requirement that a contract be funded solely with state general fund or Overcollections Fund dollars. Reduces from 30 to ten days the time that JLCB is to place a contract on its agenda for action.

Effective July 1, 2016.

(Amends R.S. 39:1590(A), (B), (C)(intro para); Adds R.S. 36:653(N), R.S. 39:9, 10, 11, and 1567(B)(3) and (4))

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