



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 431** HLS 23RS 501  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 21, 2023 9:47 AM	<b>Author:</b> DESHOTEL
<b>Dept./Agy.:</b> Office of Technology Services	
<b>Subject:</b> Information Technology Procurement	<b>Analyst:</b> Garrett Ordner

PROCUREMENT OR SEE FISC NOTE EX Page 1 of 1  
 Provides relative to procurement of information technology

Proposed law allows for the use of an invitation to negotiate as an alternative to a request for proposals when entering into contracts to procure information technology (IT) systems or services. Proposed law defines "invitation to negotiate" as a written or electronically posted solicitation for competitive sealed replies to select one or more vendors with which to commence negotiations for the procurement of commodities or contractual services. Proposed law provides criteria under which an invitation to negotiate may be utilized. Present law provides that all multiyear contracts for the procurement of IT systems or services which are entered into for a period of more than three years must be approved by the Joint Legislative Committee on the Budget (JLCB). Proposed law provides that a report of all multiyear contracts for the procurement of IT systems or services shall be provided to the Joint Legislative Committee on Technology and Cybersecurity (JLCTC) within 90 days of the end of each fiscal year, and that this committee shall review any such contract entered into for a period of more than three years.

<b>EXPENDITURES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	SEE BELOW					
Ded./Other	SEE BELOW					
Federal Funds	SEE BELOW					
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	\$0	\$0	\$0	\$0	\$0	\$0

**EXPENDITURE EXPLANATION**

The Division of Administration (DOA) indicates that utilization of the invitation to negotiate process may result in a decrease to the cost of state contracts for the procurement of IT systems and services; however, any such impact is indeterminable. The Office of State Procurement (OSP) reports that any additional workload for developing templates and procedures associated with the invitation to negotiate process, as well as providing relevant training to OSP and agency staff, will be accomplished with existing staff and resources. In addition, if OSP determines that it needs to contract with a consultant to provide this training, the cost will be less than \$20,000 and absorbed into the existing budget.

In addition, the proposed law requires the JLCTC to review any contract for the procurement of IT systems and services which is entered into for a period of more than three years. Present law only requires JLCB approval of these contracts. To the extent that the new requirement increases the frequency with which the JLCTC meets, there will be increased costs for per diem and travel allowances for committee members. The JLCTC has not held a meeting since November 18, 2021. OTS reports that if the proposed law requires the JLCTC to review any such contract for the procurement of IT systems and services before the contract can take effect, then the bill may lead to delays or gaps in implementing critical state services.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
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**Evan Brasseaux**  
 Interim Deputy Fiscal Officer