2024 Regular Session

HOUSE BILL NO. 845

BY REPRESENTATIVE DESHOTEL

PROCUREMENT: Provides relative to procurement of information technology

1	AN ACT		
2	To amend and reenact R.S. 24:673(A) and (C) and R.S. 39:198(A), (B)(introductory		
3	paragraph) and (1), (C)(1), (D)(introductory paragraph), (1), and (2),		
4	(E)(introductory paragraph) and (4), (G)(introductory paragraph) and (1)(a), (c), and		
5	(d), (I), and (M), to enact R.S. 39:197(20) through (22), 1556(63), 1593(6)(f), and		
6	1600.2, and to repeal R.S. 39:198(G)(4) and 200(I), relative to the procurement of		
7	information technology; to provide for authority of certain legislative committees		
8	to provide for review of certain contracts; to provide for methods of procurement		
9	to provide for invitation to negotiate as a method of procurement; to provide for the		
10	types of contracts that may be procured by certain methods; to provide relative to		
11	contract terms; to provide relative to procurement support; and to provide for related		
12	matters.		
13	Be it enacted by the Legislature of Louisiana:		
14	Section 1. R.S. 24:673(A) and (C) are hereby amended and reenacted to read as		
15	follows:		
16	§673. Budget requests and expenditure requests; technology funds, fees, and		
17	donations; review		
18	A. At the request of the Joint Legislative Committee on the Budget, the		
19	committee shall review any budget request or expenditure request The committee		
20	may review any budget request, expenditure request, or procurement request related		

1	to technology or cybersecurity. The committee shall review and approve a budget		
2	request, expenditure request, or procurement request if required by law or requested		
3	by the Joint Legislative Committee on the Budget. The committee shall perform it		
4	review and submit its comments and recommendations regarding the request to the		
5	Joint Legislative Committee on the Budget in a timely manner.		
6	* * *		
7	C. The committee may review all any technology fees and expenditure		
8	related to information technology and cybersecurity from dedicated funds any mean		
9	of finance and shall report its findings and recommendations as it deems appropriate.		
10	Section 2. R.S. 39:198(A), (B)(introductory paragraph) and (1), (C)(1),		
11	(D)(introductory paragraph), (1), and (2), (E)(introductory paragraph) and (4),		
12	(G)(introductory paragraph) and (1)(a), (c), and (d), (I), and (M) are hereby amended and		
13	reenacted and R.S. 39:197(20) through (22), 1556(63), 1593(6)(f), and 1600.2 are hereby		
14	enacted to read as follows:		
15	§197. Definitions		
16	For the purposes of this Part, the following words and phrases shall be		
17	defined as follows:		
18	* * *		
19	(20) "Consulting service" shall have the same meaning as provided in R.S.		
20	<u>39:1556.</u>		
21	(21) "Invitation to negotiate" means a written or electronically posted		
22	solicitation for competitive sealed replies to select one or more vendors with which		
23	to commence negotiations for the procurement of information technology systems,		
24	information technology services, software, professional services, or consulting		
25	services.		
26	(22) "Professional service" shall have the same meaning as provided in R.S.		
27	39:1556.		

1 §198. Types of contracts permitted 2 A. The types of contracts permitted in the procurement of information 3 technology systems, information technology services, and software, and professional 4 services contracts and consulting services contracts related to information 5 technology, are defined in this Part, and the provisions of this Part supersede, with 6 respect to such procurements, any existing conflicting statutory provisions and 7 supplement the provisions of R.S. 39:1551 through 1736. 8 B. The office of technology services, through the state purchasing office, 9 office of state procurement, may, on behalf of any state agency, enter into 10 information technology systems contracts, as well as professional services contracts 11 and consulting services contracts related to information technology, in accordance 12 with the following provisions: 13 (1) Contracts of this type shall be entered into through a request for 14 proposals as provided in R.S. 39:199. using one of the methods of source selection 15 provided in R.S. 39:1594, 1595, 1600(D), 1600.2, and 1702. An invitation to bid 16 format may be utilized with written approval from the state chief information officer. 17 18 C. The office of technology services, through the office of state procurement, 19 may on behalf of any state agency, enter into information technology services 20 contracts in accordance with the following provisions: 21 (1) Contracts of this type shall be entered into through a request for proposals as provided in R.S. 39:199. using one of the methods of source selection 22 provided in R.S. 39:1594, 1595, 1600(D), 1600.2, and 1702. An invitation to bid 23 24 format may be utilized with written approval from the state chief information officer. * * * 25 26 D. The office of technology services, through the office of state 27 procurement, may on behalf of any state agency, enter into a an information 28 technology systems lease contract for an operating lease, installment purchase, or

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1	financed lease for information technology systems in accordance with the following		
2	provisions:		
3	(1) All contracts of this type shall be entered into through a request for		
4	proposals as provided in R.S. 39:199. using one of the methods of source selection		
5	provided in R.S. 39:1594, 1595, 1600(D), 1600.2, and 1702.		
6	(2) The justification of such contracts must be approved by the office of		
7	technology services prior to issuance of a request for proposals or an invitation to		
8	negotiate. Such justification shall identify and consider all cost factors relevant to		
9	that contract.		
10	* * *		
11	E. Notwithstanding the provisions of R.S. 39:1615 to the contrary, the The		
12	use of a multi-year contract for information technology systems, and information		
13	technology services, and professional services contracts and consulting services		
14	contracts related to information technology shall be in accordance with rules and		
15	regulations and under the following conditions:		
16	* * *		
17	(4) A report of all multi-year contracts shall be provided to the Joint		
18	Legislative Committee on the Budget and the Joint Legislative Committee on		
19	Technology and Cybersecurity no later than ninety days after the end of each fiscal		
20	year.		
21	* * *		
22	G. Multiyear contracts other than direct order contracts and contracts for		
23	fiscal intermediary services. The office of technology services, through the office of		
24	state procurement, may on behalf of any state agency State agencies may enter into		
25	contracts for the lease or purchase of information technology systems, information		
26	technology services, or software, and professional services contracts and consulting		
27	services contracts related to information technology when the term of such lease or		
28	purchase is greater than twelve months or involves more than one fiscal year in		
29	accordance with the following provisions:		

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1	(1) General terms and conditions for multiyear contracts shall be as follows:	
2	(a) All contracts of this type shall be entered into through competitive sealed	
3	bidding using one of the methods of source selection as provided in R.S. 39:1594	
4	1595, 1600(D), 1600.2, and 1702.	
5	* * *	
6	(c)(i) The term of such contract shall not exceed sixty months be in	
7	accordance with Subsections B, C, and D of this Section.	
8	(ii) Notwithstanding Item (i) of this Subparagraph, contracts for electronic	
9	benefits issuance system services as required pursuant to R.S. 46:450.1 may be	
10	entered into for periods of up to ten years. The contracts shall be for an initial	
11	contract period of six years with the state having two options for two-year extensions	
12	up to a maximum of ten years.	
13	(iii) Notwithstanding Item (i) of this Subparagraph and Subsection I of this	
14	Section, contracts of this type may be entered into for periods of up to ten years with	
15	approval from the Joint Legislative Committee on Technology and Cybersecurity.	
16	The contracts shall be for an initial contract period of no more than six years with the	
17	state having two options for two-year extensions up to a maximum of ten years.	
18	(d)(i) All such contracts must shall contain the following annual	
19	appropriation dependency clause:	
20	"The continuation of this contract is contingent upon the continuation of an	
21	appropriation of funds by the legislature to fulfill the requirements of the contract.	
22	If the legislature fails to appropriate sufficient monies to provide for the continuation	
23	of a contract or if such appropriation is reduced by the veto of the governor or by any	
24	means provided in the Appropriation Act or Title 39 of the Louisiana Revised	
25	Statutes of 1950 to prevent the total appropriations for the year from exceeding	
26	revenues for that year or for any other lawful purpose and the effect of such	
27	reduction is to provide insufficient monies for the continuation of the contract, the	
28	contract shall terminate on the date of the beginning of the first fiscal year for which	
29	funds are not appropriated."	

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1	(ii) When funds are not appropriated or otherwise made available to support	
2	continuation of performance in the following fiscal year of a multiyear contract for	
3	professional or consulting services, the contract for the remaining term shall be	
4	cancelled and the contractor shall be reimbursed in accordance with the terms of the	
5	contract for the reasonable value of any nonrecurring costs incurred but not	
6	amortized in the price of services delivered pursuant to the contract. The cost of	
7	cancellation may be paid from appropriations made specifically for the payment o	
8	such cancellation costs or from unobligated funds of the using agency.	
9	(iii) With respect to all multiyear contracts for professional services and	
10	consulting services pursuant to this Subsection, there shall be no provisions for a	
11	penalty to the state for cancellation or early payment of the contract.	
12	* * *	
13	I. Contracts for fiscal intermediary services. (1) State agencies may enter	
14	into contracts for fiscal intermediary services: as follows: The term of the contract	
15	shall be one hundred twenty months. If special circumstances, as provided in	
16	Paragraph (9) of this Subsection, necessitate, additional one-year extensions of the	
17	contract may be granted. The award process and final contract shall include the	
18	following:	
19	(1) Contracts for fiscal intermediary services shall be awarded by	
20	competitive sealed proposals in accordance with R.S. 39:1595 or cooperative	
21	purchasing in accordance with R.S. 39:1702.	
22	(a) Contracts for fiscal intermediary services with a total contract value of	
23	ten million dollars or less, valued over the total period of performance, may be	
24	awarded by competitive sealed proposals in accordance with R.S. 39:1595 or	
25	cooperative purchasing in accordance with R.S. 39:1702.	
26	(b) Contracts for fiscal intermediary services with a total contract value	
27	greater than ten million dollars, valued over the total period of performance, shall be	
28	awarded by competitive sealed proposals in accordance with R.S. 39:1595.	

1	(2) Except as otherwise provided in this Section, the award process and final
2	contract shall comply with the following requirements:
3	(2) (a) Justification for the contract shall be submitted to the state central
4	purchasing agency office of state procurement and shall be submitted to the Joint
5	Legislative Committee on the Budget at least forty-five days prior to the issuance of
6	a solicitation for proposals. Joint Legislative Committee on Technology and
7	Cybersecurity. Within thirty days of receipt of the justification by the Joint
8	Legislative Committee on the Budget Joint Legislative Committee on Technology
9	and Cybersecurity, the committee may conduct a public hearing on the justification
10	which was submitted. This justification shall include identification and consideration
11	of all factors, including costs, relevant to the solicitation for proposals and the final
12	proposed contract.
13	(3) (b) The term of the contract shall be one hundred twenty months. The
14	one-hundred-twenty-month term of such contract shall be divided into one period of
15	between thirty-six months and sixty months, immediately followed by successive
16	twelve-month periods. The state shall have an option to renew such contract for each
17	of the twelve-month periods. If the state does not exercise its option to renew, the
18	contract shall be terminated. In the event special circumstances occur, as provided
19	in Paragraph (9) (3) of this Subsection, additional twelve-month extensions of the
20	contract may be granted.
21	(4) (c) In addition to other provisions as required by law or in the best
22	interests of the state, such contract shall contain provisions setting forth, (a) (i) the
23	amount and requirements of the contractor's performance bond, (b) (ii) penalty and
24	enforcement provisions for the failure of the contractor to perform in accordance
25	with the contract documents, (c) (iii) conditions for optional renewal of the contract
26	by the state in accordance with the provisions of this Subsection, and $\frac{(d)}{(iv)}$
27	requirements for termination of the contract by the state at any time, or for cause, or
28	upon the refusal of the state to exercise an option to renew such contract.

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1	(5) (d)(i) Issuance If procurement is pursuant to competitive sealed proposals		
2	pursuant to Subparagraph (1)(b) of this Subsection, issuance of specifications for a		
3	solicitation for proposals on a contract for fiscal intermediary services shall be made		
4	at least twelve months prior to the termination date of an existing contract, unless the		
5	contract termination is for cause or due to the refusal of the state to exercise an		
6	option to renew.		
7	(ii) If procurement is pursuant to Subparagraph (1)(b) of this Subsection, any		
8	award of a contract shall be in compliance with Subsection M of this Section.		
9	(6) (e) No If procurement is pursuant to Subparagraph (1)(a) of this		
10	Subsection, no award of the contract shall be made until the Joint Legislative		
11	Committee on the Budget Joint Legislative Committee on Technology and		
12	Cybersecurity has conducted a public hearing concerning the award.		
13	(7) (f) No award of the contract shall be made later than eight months prior		
14	to the termination date of an existing contract, unless the contract termination is for		
15	cause or due to the refusal of the state to exercise an option to renew.		
16	(8) (g) No option to renew the contract shall be exercised by the state until		
17	the following criteria have been satisfied:		
18	(a) (i) The Louisiana Department of Health has conducted a public hearing		
19	concerning such renewal.		
20	(b) (ii) The Louisiana Department of Health submits to the Joint Legislative		
21	Committee on the Budget Joint Legislative Committee on Technology and		
22	Cybersecurity a notice of intention by the Louisiana Department of Health to		
23	exercise the option to renew the contract and a copy of any public testimony which		
24	was taken at the public hearing held by the Louisiana Department of Health. The		
25	Joint Legislative Committee on the Budget may hold a public hearing concerning the		
26	renewal within thirty days following the receipt of a notice of intention by the		
27	Louisiana Department of Health to exercise the option to renew the contract.		
28	(c) (iii) The Joint Legislative Committee on the Budget Joint Legislative		
29	Committee on Technology and Cybersecurity has conducted a public hearing		

concerning the renewal or thirty days have elapsed from the date the Louisiana
Department of Health submitted a notice of intention to renew the contract to the
Joint Legislative Committee on the Budget Joint Legislative Committee on
Technology and Cybersecurity and the committee has not posted a public notice of
meeting concerning the renewal of the contract.

6 (h) If procurement is pursuant to competitive sealed proposals pursuant to 7 Subparagraph (1)(b) of this Subsection and the request for proposals references a 8 prior fiscal intermediary services procurement approved by the United States 9 Department of Health and Human Services, Centers for Medicare and Medicaid 10 Services and the prior procurement resulted in multiple pre-qualified suppliers, the 11 publication of any request for proposals required pursuant to this Subsection and R.S. 12 39:1595 may be limited to such pre-qualified suppliers, if the agency provides 13 written notice of the request for proposals to all pre-qualified suppliers.

14 (9) (3) In the event the Louisiana Department of Health or the United States 15 Department of Health and Human Services, Centers for Medicare and Medicaid 16 Services proposes substantial changes in the operations of the Medicaid program that 17 would materially impact the services performed by the fiscal intermediary, the 18 Louisiana Department of Health may, subject to the approval of the Joint Legislative 19 Committee on the Budget Joint Legislative Committee on Technology and 20 Cybersecurity, approve additional extensions of the contract until it is practical to 21 prepare a solicitation for proposals describing the revised services that would be 22 performed by the fiscal intermediary. During the time frame covered by any 23 extension beyond the original one-hundred-twenty-month period, the fiscal 24 intermediary may be required to perform additional functions to assist in preparing 25 the Louisiana Department of Health in the transition to the new program. These 26 functions may include existing fiscal intermediary services as well as efforts to 27 control fraud and abuse, program reports, beneficiary enrollment and program 28 information services, encounter data, and annual managed care negotiation data.

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1	M.(1)(a) Any contract entered into for a period of more than three years as	
2	authorized by this Section shall be subject to prior approval of the Joint Legislative	
3	Committee on the Budget. No award of any contract procured for a period of more	
4	than three years, inclusive of contract extension options, or with a cost of more than	
5	ten million dollars shall be made until the contract is reviewed and approved by the	
6	Joint Legislative Committee on Technology and Cybersecurity.	
7	(b) The issuing agency shall submit the contract for review and approval by	
8	the Joint Legislative Committee on Technology and Cybersecurity. The Joint	
9	Legislative Committee on Technology and Cybersecurity shall conduct a public	
10	hearing to consider approval of the award no later than thirty days after the contract	
11	is submitted by the issuing agency. Any request not approved within thirty days	
12	after the contract is submitted by the issuing agency shall automatically be referred	
13	by the chairman of the Joint Legislative Committee on Technology and	
14	Cybersecurity to the Joint Legislative Committee on the Budget for review and	
15	approval.	
16	(c) Any contract approved by the Joint Legislative Committee on	
17	Technology and Cybersecurity pursuant to this Subsection shall be reported to the	
18	Joint Legislative Committee on the Budget.	
19	(d) The chairman of the Joint Legislative Committee on Technology and	
20	Cybersecurity may, at his discretion, refer any request for review and approval	
21	directly to the Joint Legislative Committee on the Budget.	
22	(2) The office of technology services shall submit a monthly report of all	
23	multiyear contracts with a cost of more than one million dollars to the Joint	
24	Legislative Committee on Technology and Cybersecurity.	
25	(3) No award of any contract procured through an invitation to negotiate	
26	pursuant to this Part shall be made until after the contract has been reviewed by the	
27	Joint Legislative Committee on Technology and Cybersecurity.	
28	* * *	

1	§1556. Definitions		
2	As used in this Chapter, the words defined in this Section shall have the		
3	meanings set forth below, unless the context in which they are used clearly requires		
4	a different meaning or a different definition is prescribed for a particular Part or		
5	provision:		
6	* * *		
7	(63) "Invitation to negotiate" means a written or electronically posted		
8	solicitation for competitive sealed replies to select one or more vendors with which		
9	to commence negotiations for the procurement of information technology systems,		
10	information technology services, software, professional services, or consulting		
11	services.		
12	* * *		
13	§1593. Methods of source selection		
14	Unless otherwise authorized by law, all state contracts shall be awarded by		
15	one of the following methods:		
16	* * *		
17	(6) R.S. 39:1600, other procurement methods:		
18	* * *		
19	(f) Invitation to negotiate.		
20	* * *		
21	§1600.2. Invitation to negotiate		
22	A. Notwithstanding any other provision of law to the contrary, with the		
23	written determination by the state chief procurement officer that the best interest of		
24	the state would be served, especially where the business need is complex or requires		
25	innovation, an invitation to negotiate may be utilized for procurements of any		
26	monetary amount, including small purchases.		
27	B. Before issuing an invitation to negotiate, the state chief procurement		
28	officer shall determine and specify in writing that procurement by the other methods		
29	outlined in R.S. 39:1594, 1595, 1600(D), and 1702 are not practicable.		

1	C. The invitation to negotiate shall describe the questions being explored, the		
2	facts being sought, and the specific goals or problems that are the subject of the		
3	solicitation, and shall be subject to all of the following conditions:		
4	(1) The solicitation shall specifically allow for the possibility of negotiation		
5	and describe, with as much specificity as possible, how negotiations may be		
6	conducted.		
7	(2) Only those vendors whose proposals or offers are determined to be		
8	acceptable, in accordance with criteria for negotiations set forth in the solicitation,		
9	shall be candidates for negotiations.		
10	(3) Negotiations shall be conducted with all acceptable candidates in		
11	accordance with the terms of the solicitation.		
12	(4) Auction techniques and disclosure of information derived from		
13	competing proposals are prohibited while negotiations are underway.		
14	(5) Any clarifications or changes resulting from negotiations shall be		
15	documented in writing.		
16	(6) If negotiations as provided for in this Section fail to result in a contract,		
17	as determined by the office of state procurement, the solicitation may be canceled.		
18	D. The office of state procurement may terminate negotiations at any time,		
19	in the best interest of the state, and shall provide the reasons therefor in writing.		
20	E. The contract file for the vendor selection through an invitation to		
21	negotiate shall contain a short plain statement that explains the basis for the selection		
22	of the vendor and that sets forth the vendor's deliverables and price, pursuant to the		
23	contract, along with an explanation of how the deliverables and price provide the		
24	best value to the state.		
25	F. In accordance with the Administrative Procedure Act, the division of		
26	administration, office of state procurement, is hereby authorized and directed to		
27	adopt and promulgate rules necessary for the administration of the provisions of this		
28	Section.		
29	Section 3. R.S. 39:198(G)(4) and 200(I) are hereby repealed in their entirety.		

- 1 Section 4. The Louisiana State Law Institute is hereby authorized and directed to
- 2 arrange in alphabetical order and renumber the definitions provided in R.S. 39:197 and 1556
- 3 as amended by this Act.

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)]

HB 845 Engrossed	2024 Regular Session	Deshotel
	202 . 10080101	2.0110.001

Abstract: Provides for methods of procurement for information technology.

<u>Present law</u> provides for the creation of the Joint Legislative Committee on Technology and Cybersecurity (JLCTC). Provides for the duties and functions of the committee, which include the authority to review budget or expenditure requests related to technology or cybersecurity.

<u>Proposed law</u> retains <u>present law</u> and adds the authority to review and approve procurement requests related to technology or cybersecurity.

Present law provides for definitions related to the procurement of information technology.

<u>Proposed law</u> retains <u>present law</u> and adds the definitions of "consulting service", "invitation to negotiate", and "professional service".

<u>Present law</u> provides for the types of contracts permitted in the procurement of information technology systems, information technology services, and software. Provides for contracts to be entered into through a request for proposals.

<u>Proposed law</u> retains <u>present law</u> and adds professional services contracts and consulting services contracts related to information technology to the types of contracts permitted in <u>present law</u> provisions that govern procurement of information technology. Adds competitive sealed bids, competitive sealed proposals, reverse auction, cooperative purchasing, and an invitation to negotiate as methods of procurement for information technology.

<u>Present law</u> provides for multi-year contracts in the procurement of information technology systems, information technology services, and software.

<u>Proposed law</u> retains <u>present law</u> and adds professional services contracts and consulting services contracts related to information technology to the types of contracts eligible for multi-year contracts. Provides that professional services contracts and consulting services contracts related to information technology shall not exceed an initial term of six years with two options for two-year extensions for a maximum of ten years. Provides that contracts for electronic benefit issuance system services shall be for an initial contract period of six years with an option for two options for two-year extensions up to a maximum of ten years.

<u>Present law</u> requires all multi-year contracts to contain language concerning the appropriation of funds to fulfill the requirements of the contracts. <u>Proposed law</u> retains <u>present law</u> and provides for when funds are not appropriated to continue a multi-year contract and the cost of cancellation of a contract.

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<u>Present law</u> provides for the procurement of contacts for fiscal intermediary services. Provides for the term of the contract to be one hundred twenty months. Provides for additional one-year extensions.

<u>Proposed law</u> retains <u>present law</u> and removes the authorization for additional one-year extensions.

<u>Present law</u> provides for contracts for fiscal intermediary services to be awarded by competitive sealed proposals or cooperative purchasing. <u>Proposed law</u> requires competitive sealed proposals or cooperative purchasing for fiscal intermediary contracts with a value of \$10 million or less. Further requires competitive sealed proposals for fiscal intermediary contracts with a value greater than \$10 million. Otherwise retains <u>present law</u>.

<u>Present law</u> requires justification for a fiscal intermediary contract to be submitted to the Joint Legislative Committee on the Budget (JLCB). Further authorizes JLCB to conduct a public hearing on the justification which was submitted. <u>Proposed law</u> changes JLCB to JLCTC.

<u>Present law</u> requires certain provisions to be included in fiscal intermediary contracts. <u>Proposed law</u> retains present law.

<u>Present law</u> requires the issuance of specifications for a solicitation of proposals on a contract for fiscal intermediary services to be made at least 12 months prior to the termination of the existing contract. <u>Proposed law</u> removes this requirement for contracts for fiscal intermediary services when procured by competitive sealed proposals or cooperative purchasing with a total contract value of \$10 million or less. <u>Proposed law</u> limits the requirement regarding issuance of specifications to contracts procured by a competitive sealed proposal with a total contract value greater than \$10 million. <u>Proposed law</u> further requires contracts for fiscal intermediary services with a total contract value greater than \$10 million. <u>Proposed law</u> further requires contracts for fiscal intermediary services with a total contract value greater than \$10 million.

<u>Present law</u> provides for JLCB to review a notice of intention by the Louisiana Dept. of Health (LDH) to exercise an option to renew a fiscal intermediary contract. Further provides for JLCB to hold a public hearing concerning the renewal following the receipt of notice of intention. <u>Proposed law</u> changes the authority of JLCB to JLCTC.

<u>Proposed law</u> authorizes state agencies to limit a proposal for fiscal intermediary services to a limited list of pre-qualified suppliers when using a competitive sealed proposal with a total contract value greater than \$10 million that references a prior fiscal intermediary services procurement approved by CMS and the prior procurement resulted in multiple pre-qualified suppliers.

<u>Present law</u> provides for a report of all multi-year contracts to be provided to JLCB each fiscal year. Provides that any contract entered into for more than three years is subject to approval by JLCB.

<u>Proposed law</u> retains <u>present law</u> and adds that the report shall be provided to JLCTC. <u>Proposed law</u> requires that any contract entered into for more than three years, inclusive of initial contract extension options and later executed contract extensions, or has a cost of more than \$10 million is subject to review and approval by JLCTC. Provides a deadline for such review by JLCTC and provides for the referral of the contract to JLCB when JLCTC does not approve the contract prior to the deadline. Requires any contract approved by JLCTC to be reported to JLCB. Authorizes the chairman of JLCTC, at his discretion, to refer any contract for review and approval to JLCB. Requires a contract procured through an invitation to negotiate to be reviewed by JLCTC. Further requires the office of technology services to submit a monthly report of all multi-year contracts with a cost of more than \$1 million to JLCTC.

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<u>Proposed law</u> provides for the invitation to negotiate and sets the parameters for the procurement method.

<u>Present law</u> requires certain contracts to be entered into with the assistance of a procurement support team. Requires assistance in the evaluation of bids and negotiation of contracts. Provides for the composition of the procurement support team.

Proposed law repeals present law.

(Amends R.S. 24:673(A) and (C) and R.S. 39:198(A), (B)(intro. para.) and (1), (C)(1), (D)(intro. para.), (1), and (2), (E)(intro. para.) and (4), (G)(intro. para.) and (1)(a), (c), and (d), (I), and (M); Adds R.S. 39:197(20)-(22), 1556(63), 1593(6)(f), and 1600.2; Repeals R.S. 39:198(G)(4) and 200(I))

Summary of Amendments Adopted by House

- The Committee Amendments Proposed by <u>House Committee on Appropriations</u> to the <u>original</u> bill:
- 1. Authorize the Joint Legislative Committee on Technology and Cybersecurity (JLCTC) to approve budget requests, expenditure requests, or procurement requests.
- 2. Remove language concerning items that may be procured with an invitation to negotiate. Remove commodities or contractual services and replace with information technology systems, information technology services, software, professional services, or consulting services.
- 3. Authorize the office of technology services to enter into multi-year contracts for up to ten years, with an initial contract period of six years and two options to extend a contract for two-year extensions.
- 4. Authorize the office of technology services to award a contract for fiscal intermediary services with a total contract value of \$10 million or less using competitive sealed proposals or cooperative purchasing. Require this type of contract to be reviewed by JLCTC prior to the award of a contract.
- 5. Authorize the office of technology services to award a contract for fiscal intermediary services with a total contract value greater than \$10 million using competitive sealed proposals. Require this type of contract to issue specification for a solicitation of proposals to be made at least 12 months prior to the termination date of an existing contract. Require this type of contract to be in compliance with the requirements for all other multi-year contracts.
- 6. Change the authority to review and approve a fiscal intermediary contract, the option to renew, or an extension of a contract from the Joint Legislative Committee on the Budget (JLCB) to JLCTC.
- 7. Authorize state agencies to limit a proposal for fiscal intermediary services to a limited list of pre-qualified suppliers when using a competitive sealed proposal with a total contract value greater than \$10 million that references a prior fiscal intermediary services procurement approved by CMS and the prior procurement resulted in multiple pre-qualified suppliers.
- 8. Change the threshold for a multi-year contract to be reviewed and approved from \$2 million to \$10 million.

- 9. Change the authority to review and approve a multi-year contract for a period of more than three years or with a cost of more than \$10 million from JLCB to JLCTC. Remove the provision that the review of this type of contract would also apply to the extension of the contract.
- 10. Require JLCTC to conduct a public a hearing to consider the approval of a contract no later than 30 days after the contract is submitted by the issuing agency. Authorize any contract not approved within the 30 days shall automatically be referred by the chairman of JLCTC to JLCB for review and approval.
- 11. Require any contract approved by JLCTC to be reported to JLCB.
- 12. Authorize the chairman of JLCTC, at his discretion, to refer any request for review and approval directly to JLCB.
- 13. Remove the requirement that pending multi-year contracts be reported to JLCTC.
- 14. Remove the language that an invitation to negotiate may be utilized for the acquisition of materials, supplies, services of any type, products, equipment, or consulting services of any monetary amount, including small purchases. Add language that the invitation to negotiate may be utilized for procurement of any monetary amount, including small purchases.
- 15. Provide that auction techniques and disclosure of information derived from competing proposals are prohibited during negotiations.
- 16. Remove language regarding ranking proposals or offers resulting from an invitation to negotiate.
- 17. Make technical changes.