

Regular Session, 2014

SENATE BILL NO. 315

BY SENATOR DONAHUE

PROCUREMENT CODE. Provides relative to group purchasing and cooperative purchasing provisions of certain public postsecondary education institutions. (7/1/14).

1 AN ACT

2 To enact R.S. 39:196(C) and 1554(J), relative to procurement; to provide relative to group
3 purchasing and cooperative purchasing provisions by certain public postsecondary
4 education institutions; to provide for an effective date; and to provide for related
5 matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:196(C) and 1554(J) are hereby enacted to read as follows:

8 §196. Application of Part: responsibility for determining; executive director of
9 information services

10 * * *

11 **C.(1) Notwithstanding any other provision of law of this Part or any**
12 **other law to the contrary, any public postsecondary education institution**
13 **seeking to utilize its own group purchasing and cooperative purchasing**
14 **procurement provisions shall submit a request for and obtain approval of its**
15 **management board and the Board of Regents.**

16 **(2)(a) The requesting public postsecondary education institution shall**
17 **adopt its own group purchasing and cooperative purchasing procurement**

1 provisions pursuant to rules and regulations in accordance with the
 2 Administrative Procedure Act. Notwithstanding the provisions of R.S.
 3 49:968(B)(19), the rules and regulations promulgated pursuant to this
 4 Subsection shall be submitted to the Senate Committee on Finance and the
 5 House Committee on Appropriations for review.

6 (b) Such rules shall include provisions for adequate public notice in the
 7 procurement process.

8 (3) Authority of an institution to participate in its own group purchasing
 9 and cooperative purchasing procurement provisions shall be for an initial term
 10 of three years. After the initial term, the institution may be authorized to
 11 participate in its own procurement provisions under this Section for an
 12 additional term of five years upon approval of the Joint Legislative Committee
 13 on the Budget.

14 (4) A report of all group purchasing or cooperative purchasing contracts
 15 by each institution authorized under these provisions shall be provided to the
 16 Joint Legislative Committee on the Budget no later than ninety days after the
 17 end of each fiscal year. Such report shall, at a minimum, include a
 18 measurement of the savings derived from the utilization of the group
 19 purchasing or cooperative purchasing process.

20 * * *

21 §1554. Application of this Chapter

22 * * *

23 J. The provisions of this Chapter relative to group purchasing and
 24 cooperative purchasing procurement shall not apply to any public
 25 postsecondary education institution if:

26 (1) The public postsecondary education institution has requested its own
 27 group purchasing and cooperative purchasing procurement provisions and has
 28 been approved by its management board and the Board of Regents.

29 (2)(a) The requesting public postsecondary education institution has

1 adopted its own group purchasing and cooperative purchasing procurement
2 provisions pursuant to rules and regulations adopted in accordance with the
3 Administrative Procedure Act. Notwithstanding the provisions of R.S.
4 49:968(B)(19), the rules and regulations promulgated pursuant to this
5 Subsection shall be submitted to the Senate Committee on Finance and the
6 House Committee on Appropriations for review.

7 (b) Such rules shall include provisions for adequate public notice in the
8 procurement process.

9 (3) Authority of an institution to participate in its own group purchasing
10 and cooperative purchasing procurement provisions shall be for an initial term
11 of three years. After the initial term, the institution may be authorized to
12 participate in its own procurement provisions under this Section for an
13 additional term of five years upon approval of the Joint Legislative Committee
14 on the Budget.

15 (4) A report of all group purchasing or cooperative purchasing contracts
16 by each institution authorized under these provisions shall be provided to the
17 Joint Legislative Committee on the Budget no later than ninety days after the
18 end of each fiscal year. Such report shall, at a minimum, include a
19 measurement of the savings derived from the utilization of the group
20 purchasing or cooperative purchasing process.

21 Section 2. This Act shall become effective on July 1, 2014; if vetoed by the governor
22 and subsequently approved by the legislature, this Act shall become effective on July 1,
23 2014, or on the day following such approval by the legislature, whichever is later.

The original instrument was prepared by Jay Lueckel. The following digest,
which does not constitute a part of the legislative instrument, was prepared
by Ann S. Brown.

DIGEST

Donahue (SB)

Present law provides for the purchase, lease, and rental of all data processing equipment, related services, and software. Also provides that the state central purchasing agency shall, subject to certain provisions, have sole authority and responsibility for defining the specific data processing equipment, related services, and software to which such provisions apply.

Proposed law provides that notwithstanding any other provision of proposed law or any other law to the contrary, any public postsecondary education institution seeking to utilize its own group purchasing and cooperative purchasing procurement provisions shall submit a request for and obtain the approval of its management board and the Board of Regents. The requesting public postsecondary education institution shall adopt rules and regulations in accordance with the Administrative Procedure Act.

Proposed law provides that notwithstanding the provisions of present law, the rules and regulations promulgated pursuant to this Subsection shall be submitted to the Senate Committee on Finance and the House Committee on Appropriations for review. Also provides that such rules shall include provisions for adequate public notice in the procurement process.

Proposed law authorizes an institution to participate in its own group purchasing and cooperative purchasing procurement provisions for an initial term of three years. After the initial term, the institution may be authorized to participate in its own procurement provisions for an additional term of five years upon approval of the Joint Legislative Committee on the Budget.

Proposed law requires a report of all group purchasing or cooperative purchasing contracts by each institution authorized to be provided to the Joint Legislative Committee on the Budget no later than 90 days after the end of each fiscal year. Such report shall, at a minimum, include a measurement of the savings derived from the utilization of the group purchasing or cooperative purchasing process.

Present law provides for the application of the Louisiana Procurement Code that provides for the acquisition of supplies, services, leases or major repairs. Present law also provides for group purchasing and cooperative purchasing by certain entities and with certain limitations.

Proposed law retains present law but further provides that the Louisiana Procurement Code provisions relative to group purchasing and cooperative purchasing shall not apply to any public postsecondary education institution if:

- (1) The public postsecondary education institution has requested its own group purchasing and cooperative purchasing procurement provisions and has been approved by its management board and the Board of Regents.
- (2) The requesting public postsecondary education institution has adopted its own group purchasing and cooperative purchasing procurement provisions pursuant to rules and regulations adopted in accordance with the Administrative Procedure Act.

Proposed law provides that notwithstanding the provisions of present law, the rules and regulations promulgated pursuant to this Subsection shall be submitted to the Senate Committee on Finance and the House Committee on Appropriations for review. Also provides that such rules shall include provisions for adequate public notice in the procurement process.

Proposed law authorizes an institution to participate in its own group purchasing and cooperative purchasing procurement provisions for an initial term of three years. After the initial term, the institution may be authorized to participate in its own procurement provisions for an additional term of five years upon approval of the Joint Legislative Committee on the Budget.

Proposed law requires a report of all group purchasing or cooperative purchasing contracts by each institution authorized to be provided to the Joint Legislative Committee on the Budget no later than 90 days after the end of each fiscal year. Such report shall, at a minimum, include a measurement of the savings derived from the utilization of the group

purchasing or cooperative purchasing process.

Effective July 1, 2014.

(Adds R.S. 39:196(C) and 1554(J))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Adds language regarding specific procedures for any rules and regulations promulgated pursuant to proposed law relative to group purchasing and cooperative purchasing.
2. Provides length of time for group purchasing and cooperative purchasing.
3. Requires a report be submitted to the Joint Legislative Committee on the Budget.