

SENATE BILL NO. 522

BY SENATOR WARD

1 AN ACT

2 To amend and reenact R.S. 39:1484(A)(4)(b) and 1540, relative to consulting service
3 contracts; to authorize the office of risk management to enter into consulting service
4 contracts with one or more licensed insurance producers; to provide for the definition
5 of consulting services; to provide for approvals of such contracts; and to provide for
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 39:1484(A)(4)(b) and 1540 are hereby amended and reenacted to
9 read as follows:

10 §1484. Definitions and objectives

11 A. When used in this Chapter, the words defined in this Section shall have
12 the meanings set forth below unless the context in which they are used clearly
13 requires a different meaning or a different definition is prescribed for a particular
14 Part or provision:

15 * * *

16 (4) * * *

17 (b) The term "consulting service" includes the procurement of supplies and
18 services by a contractor without the necessity of complying with provisions of the
19 Louisiana Procurement Code when such supplies and services are **either for**
20 **insurance procured directly by a licensed insurance producer pursuant to R.S.**
21 **39:1540(B), or are** merely ancillary to the provision of consulting services under a
22 contingency fee arrangement, even though the procurement of such supplies or
23 services directly by a governmental body would require compliance with the
24 Louisiana Procurement Code. Supplies or services ancillary to the provision of
25 consulting services are those supplies or services which assist the contractor in
26 fulfilling the objective of his contract when the cost for such supplies and services

1 is less than the cost of providing consulting services, as determined by the using
2 agency.

3 * * *

4 §1540. Competition

5 A. Every contract entered into by the state for the purchase of insurance or
6 for obtaining services relating to the operation of the insurance program shall be
7 awarded by either competitive sealed bidding or competitive negotiation.
8 Competitive negotiation shall be initiated by the issuance of a request for proposals
9 containing a description of the coverage required and the factors to be used in
10 evaluating the proposals. Where there is more than one offeror, written or oral
11 discussions shall be conducted with at least the three, or two if there are only two,
12 highest qualified offerors who submit proposals determined in writing to be
13 reasonably susceptible of being selected for award. The contract shall be awarded
14 with reasonable promptness by written notice to the responsible offeror whose
15 proposal meets the requirements and criteria set forth in the request for proposals and
16 whose proposal is most beneficial to the state, considering the price and the
17 evaluation factors set forth in the request for proposal. Public notice of the request
18 for proposals shall be provided in the same manner as established in ~~Part V of~~
19 ~~Chapter 1 of Title 39 of the Louisiana Revised Statutes~~ R.S. 39:1551, et seq.

20 B.(1) The office of risk management, under the direction of the
21 commissioner of administration, is authorized to contract for consulting services
22 with one or more licensed insurance producers upon a finding by the
23 commissioner that the contract is in the best interest of the state. The contract
24 authorized pursuant to the provisions of this Subsection may authorize one or
25 more producers to advise the office of risk management regarding the office's
26 insurance programs and to directly procure insurance.

27 (2) No contract executed for consulting services under the provisions of
28 this Subsection shall be effective until it has been approved by the Joint
29 Legislative Committee on the Budget.

30 (3) The division of administration shall provide a financial analysis and

1 shall report annually on contracts and lines of insurance coverage secured
2 under this Subsection to the Joint Legislative Committee on the Budget.
3 Additionally, the commissioner of administration shall report to the Joint
4 Legislative Committee on the Budget any contract award and all associated
5 proposals received for consulting services under these provisions in response to
6 each request for proposals.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____