



General Assembly

January Session, 2007

**Raised Bill No. 1181**

LCO No. 4361

\*04361\_\_\_\_\_GAE\*

Referred to Committee on Government Administration and Elections

Introduced by:  
(GAE)

**AN ACT CONCERNING PERSONAL SERVICE AGREEMENTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4-212 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2007*):

3 As used in sections 4-212 to 4-219, inclusive:

4 (1) "Competitive negotiation" means a procedure for contracting for  
5 services in which (A) proposals are solicited from qualified persons,  
6 firms or corporations by a request for proposals, and (B) changes may  
7 be negotiated in proposals and prices after being submitted.

8 (2) "Personal service contractor" means any person, firm or  
9 corporation not employed by the state, who is hired by a state agency  
10 for a fee to provide services to the agency. The term "personal service  
11 contractor" shall not include (A) a person, firm or corporation  
12 providing "contractual services", as defined in section 4a-50, to the  
13 state, (B) a "consultant", as defined in section 4b-55, (C) a "consultant",  
14 as defined in section 13b-20b, providing services to the Department of

15 Transportation, (D) an agency of the federal government, of the state  
16 or of a political subdivision of the state, or (E) a person, firm or  
17 corporation providing consultant services for information and  
18 telecommunications systems authorized under subdivision (5) of  
19 subsection (c) of section 4d-2.

20 (3) "Personal service agreement" means a written agreement  
21 defining the services or end product to be delivered by a personal  
22 service contractor to a state agency, excluding any agreement with a  
23 personal service contractor that the state accounting manual does not  
24 require to be submitted to the Comptroller.

25 (4) "Secretary" means the Secretary of the Office of Policy and  
26 Management.

27 (5) "State agency" means a department, board, council, commission,  
28 institution or other executive branch agency [of the Executive  
29 Department] of the state government.

30 Sec. 2. Section 4-214 of the general statutes is repealed and the  
31 following is substituted in lieu thereof (*Effective October 1, 2007*):

32 (a) Each personal service agreement executed on or after July 1,  
33 1994, and having a cost of not more than twenty thousand dollars and  
34 a term of not more than one year shall be based, when possible, on  
35 competitive negotiation or competitive quotations.

36 (b) Not later than [thirty days after the end of each six-month  
37 period, beginning with the six-month period ending on December 31,  
38 1994, each state agency shall submit a report to] October 1, 2007, and  
39 annually thereafter, the secretary shall submit a report to the General  
40 Assembly indicating (1) for each personal service agreement described  
41 in subsection (a) of this section that [is] was executed by a state agency  
42 during the [six-month period] preceding fiscal year, the name of the  
43 personal service contractor, a description of the services [to be]  
44 provided, the term and cost of the agreement and the method of

45 selecting the contractor, and (2) for each personal service agreement  
46 described in said subsection (a) that [is] was in effect during the [six-  
47 month period] preceding fiscal year, the amount of all payments made  
48 during [the six-month period] such fiscal year to the contractor, by  
49 fund, and the amount of any federal or private funds allocated for such  
50 payments.

51 Sec. 3. Subsection (b) of section 4-215 of the general statutes is  
52 repealed and the following is substituted in lieu thereof (*Effective*  
53 *October 1, 2007*):

54 [(b) Each state agency shall submit the following information to the  
55 secretary concerning each proposed personal service agreement  
56 described in subsection (a) of this section, at the same time that it  
57 submits the agreement to the Commissioner of Administrative  
58 Services or the Attorney General: The name of the personal service  
59 contractor, a description of the services to be provided, the term and  
60 cost of the agreement, the method of selecting the contractor, the state  
61 fund from which the contractor will be paid and whether any federal  
62 or private funds will be allocated for such payments.]

63 (b) Not later than October 1, 2007, and annually thereafter, the  
64 secretary shall submit a report to the General Assembly indicating (1)  
65 for each personal service agreement described in subsection (a) of this  
66 section that was executed by a state agency during the preceding fiscal  
67 year, the name of the personal service contractor, a description of the  
68 services provided, the term and cost of the agreement and the method  
69 of selecting the contractor, and (2) for each personal service agreement  
70 described in said subsection (a) that was in effect during the preceding  
71 fiscal year, the amount of all payments made during such fiscal year to  
72 the contractor, by fund, and the amount of any federal or private funds  
73 allocated for such payments.

74 Sec. 4. Section 4-218 of the general statutes is repealed and the  
75 following is substituted in lieu thereof (*Effective October 1, 2007*):

76 (a) Not later than [thirty days after the end of each six-month  
77 period, beginning with the six-month period ending on December 31,  
78 1994, each contracting agency shall submit a report to] October 1, 2007,  
79 and annually thereafter, the secretary shall submit a report to the  
80 General Assembly indicating (1) for each personal service agreement  
81 executed by a state agency during [such six-month period] the  
82 preceding fiscal year with a person, firm or corporation providing  
83 "contractual services", as defined in section 4a-50, to the state, a  
84 "consultant", as defined in section 4b-55, or an agency of the federal  
85 government, of the state or of a political subdivision of the state, (A)  
86 the name of the person, firm or corporation, (B) a description of the  
87 services [to be] provided, (C) the term and cost of the agreement, and  
88 (D) the method of selecting the person, firm or corporation, and (2) for  
89 each such agreement either executed or otherwise in effect during the  
90 [six-month period] preceding fiscal year, (A) the amount of all  
91 payments made during [the six-month period] such preceding fiscal  
92 year to the person, firm or corporation, by fund, and (B) the amount of  
93 any federal or private funds allocated for such payments. No state  
94 agency utilizing contractual services hired by using a purchase order  
95 approved and committed by the State Comptroller shall be required to  
96 submit a report to the secretary.

97 (b) Not later than thirty days after the end of each [six-month]  
98 twelve-month period, beginning with the [six-month] twelve-month  
99 period ending on [December 31, 1995] June 30, 2007, the Department of  
100 Transportation shall submit a report to the secretary indicating (1) for  
101 each agreement executed during such [six-month] twelve-month  
102 period with a "consultant", as defined in section 13b-20b, or an agency  
103 of the federal government, of the state or of a political subdivision of  
104 the state, (A) the name of the person, firm or corporation, (B) a  
105 description of the services to be provided, (C) the term and cost of the  
106 agreement, and (D) the method of selecting the person, firm or  
107 corporation, and (2) for each such agreement either executed or  
108 otherwise in effect during the [six-month] twelve-month period, (A)  
109 the amount of all payments made during the [six-month] twelve-

110 month period to the person, firm or corporation, by fund, and (B) the  
111 amount of any federal or private funds allocated for such payments.

112 (c) Not later than [September 1, 1995] October 1, 2007, and annually  
113 thereafter, the secretary shall submit a report to the General Assembly  
114 summarizing information received pursuant to subsection (b) of this  
115 section [4-214, subsection (b) of section 4-215, subsection (a) of section  
116 4-216, and subsections (a) and (b) of section 4-218] for the preceding  
117 fiscal year.

118 Sec. 5. Section 4-70b of the general statutes is repealed and the  
119 following is substituted in lieu thereof (*Effective October 1, 2007*):

120 (a) The Secretary of the Office of Policy and Management shall  
121 establish an Office of Finance under the direction of an executive  
122 financial officer. The secretary shall assist the Governor in his duties  
123 respecting the formulation of the budget and the correlating and  
124 revising of estimates and requests for appropriations of all budgeted  
125 agencies and shall also assist the Governor in his duties respecting the  
126 investigation, supervision and coordination of the expenditures and  
127 other fiscal operations of such budgeted agencies.

128 (b) Said secretary shall direct internal management consultant  
129 services to state agencies in such areas as administrative management,  
130 facility planning and review, management systems and program  
131 evaluation and such other special studies and analyses as he deems  
132 necessary.

133 [(c)The secretary shall establish uniform policies and procedures for  
134 obtaining, managing and evaluating the quality and cost effectiveness  
135 of human services purchased from private providers. The secretary  
136 shall ensure all state agencies which purchase human services comply  
137 with such policies and procedures. The secretary shall report to the  
138 General Assembly on or before January 1, 1994, and biennially  
139 thereafter, on the system for the purchase of such services in the state.  
140 The report shall include an analysis of (1) the relationship between the

141 number of providers of a particular service in a region and the cost of  
142 the service and (2) the impact of the state's policies and procedures for  
143 the purchase of human services on the cost of purchasing such  
144 services.]

145 Sec. 6. (NEW) (*Effective October 1, 2007*) (a) For purposes of this  
146 section:

147 (1) "Purchase of service" means a contract between a state agency  
148 and a private provider organization or municipality entered for the  
149 purpose of obtaining direct health and human services for agency  
150 clients. "Purchase of service" does not include contracts between a  
151 state agency and a vendor or individual for administrative or clerical  
152 services, material goods, training, or consulting services;

153 (2) "Secretary" means the Secretary of the Office of Policy and  
154 Management;

155 (3) "State agency" means any department, board, council,  
156 commission, institution or other executive branch agency of state  
157 government;

158 (4) "Municipality" means a town or any other political subdivisions  
159 of the state, including any local board of education or health district  
160 that is created or designated by the town to act on behalf of the town;  
161 and

162 (5) "Private provider organization" means a nonstate entity that  
163 receives funds from the state, including state, federal or other funds, to  
164 provide direct health or human services to agency clients. "Private  
165 provider organization" does not include any nonprofit or proprietary  
166 corporation or partnership.

167 (b) No state agency may hire a private provider organization or  
168 municipality to provide direct health or human services to agency  
169 clients without executing a purchase of service contract with such  
170 providers.

171 (c) The secretary shall establish standard policies and procedures for  
172 obtaining, managing and evaluating the quality and cost effectiveness  
173 of health and human services purchased by state agencies from a  
174 private provider organization or municipality. Not later than January  
175 1, 2008, each state agency shall establish written procedures  
176 implementing the standards established by the secretary and submit  
177 such procedures to the secretary for approval. If the secretary  
178 disapproves an agency's procedures, the secretary shall return the  
179 procedures to the agency with recommendations for revision. On and  
180 after July 1, 2008, no state agency may execute a purchase of service  
181 contract unless the secretary has approved procedures established by  
182 the agency under this section.

183 (d) The standard policies and procedures described in subsection (c)  
184 of this section shall include, but not be limited to, (1) standard  
185 purchase of service contract language, (2) cost, budgeting and  
186 reporting standards, and (3) other provisions necessary to manage the  
187 health and human services contracting process.

188 (e) Not later than October 1, 2007, and annually thereafter, the  
189 secretary shall report to the General Assembly on the purchase of  
190 human services in the state. Such report shall include for each  
191 purchase of service agreement either executed by a state agency or  
192 otherwise in effect during the preceding fiscal year with a private  
193 provider organization or municipality providing health and human  
194 services to the state, (1) the name of the contractor, (2) a description of  
195 the services provided, (3) the term and cost of the agreement, (4) the  
196 method of selecting the contractor, (5) the amount of all payments  
197 made during the preceding fiscal year to the contractor, by fund, and  
198 (6) the amount of any federal or private funds allocated for such  
199 payments.

This act shall take effect as follows and shall amend the following sections:

|           |                        |       |
|-----------|------------------------|-------|
| Section 1 | <i>October 1, 2007</i> | 4-212 |
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|--------|------------------------|-------------|
| Sec. 2 | <i>October 1, 2007</i> | 4-214       |
| Sec. 3 | <i>October 1, 2007</i> | 4-215(b)    |
| Sec. 4 | <i>October 1, 2007</i> | 4-218       |
| Sec. 5 | <i>October 1, 2007</i> | 4-70b       |
| Sec. 6 | <i>October 1, 2007</i> | New section |

**Statement of Purpose:**

To change the process and timing for the filing of reports concerning personal service agreements executed by state agencies and the process for purchase of service agreements.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*