



General Assembly

Substitute Bill No. 1181

January Session, 2007

* SB01181GAE__031907__ *

AN ACT CONCERNING PERSONAL SERVICE AGREEMENTS AND PURCHASE OF SERVICE CONTRACTS.

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 Section 4-212 of the general statutes is repealed and the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 July 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 Section 4-214 of the general statutes is repealed and the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 July 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 July*
53 *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 July 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 July 1, 2007*) (a) For purposes of this section:

146 (1) "Purchase of service contract" means a contract between a state

147 agency and a private provider organization or municipality for the
148 purpose of obtaining direct health and human services for agency
149 clients;

150 (2) "Secretary" means the Secretary of the Office of Policy and
151 Management;

152 (3) "State agency" means any department, board, council,
153 commission, institution or other executive branch agency of state
154 government;

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

159 (5) "Private provider organization" means a nonstate entity that is
160 either a nonprofit or proprietary corporation or partnership which
161 receives funds from the state, including state, federal or other funds, to
162 provide direct health or human services to agency clients.

163 (b) No state agency may hire a private provider organization or
164 municipality to provide direct health or human services to agency
165 clients without executing a purchase of service contract with such
166 private provider organization or municipality.

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

178 procedures established by the agency under this section.

179 (d) The standard policies and procedures described in subsection (c)
180 of this section shall include, but not be limited to, (1) standard
181 purchase of service contract language, (2) cost, budgeting and
182 reporting standards, and (3) other provisions necessary to manage the
183 health and human services contracting process. Purchase of service
184 contracts shall be subject to the competitive procurement provisions of
185 sections 4-212 to 4-219, inclusive, of the general statutes, as amended
186 by this act.

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

199 (f) No purchase of service contract shall be used for the exclusive
200 purpose of obtaining administrative or clerical services, material
201 goods, training or consulting services. No such purchase of service
202 contract shall be used for a contract with an individual.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	4-212
Sec. 2	<i>July 1, 2007</i>	4-214
Sec. 3	<i>July 1, 2007</i>	4-215(b)
Sec. 4	<i>July 1, 2007</i>	4-218
Sec. 5	<i>October 1, 2007</i>	4-70b

Sec. 6	July 1, 2007	New section
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Statement of Legislative Commissioners:

In section 6, the effective date was changed to "July 1, 2007" for internal consistency, and in the first sentence of section 6(e), "direct health and" was added for consistency with other provisions of the section.

GAE *Joint Favorable Subst.*