

# PROPOSED AMENDMENT

## HB 1242 # 3

### DIGEST

Purchasing. Removes the contents from the bill that require the Indiana department of administration (department) to annually report purchases made by state agencies from diversity businesses. Adds provisions requiring the department to: (1) determine the technological upgrades and other expenditures required to collect and compile information regarding purchases made by state agencies from diversity businesses; and (2) submit a report of the department's determination to the general assembly not later than September 1, 2022. Provides that if a nonprofit agency for individuals with disabilities (qualified agency) withdraws from a department pilot project through which the qualified agency sells products or services to governmental bodies through a third party contractor, the department must award the qualified agency a quantity purchase agreement (QPA) for the same products and services and under the same terms under which the qualified agency had a QPA with the department before participating in the pilot project.

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- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 4-13-1-4.3 IS ADDED TO THE INDIANA CODE
- 3 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 4 UPON PASSAGE]: **Sec. 4.3. (a) As used in this section, "diversity**
- 5 **business" refers to any of the following:**
- 6 (1) A minority business enterprise, as defined in
- 7 IC 4-13-16.5-1(h).
- 8 (2) A qualified agency, as defined in IC 5-22-13-1.
- 9 (3) A veteran owned small business, as defined in
- 10 IC 4-13-16.5-1(p).
- 11 (4) A women's business enterprise, as defined in
- 12 IC 4-13-16.5-1(q).
- 13 (b) The department shall determine any upgrades to computer
- 14 hardware and software systems, and any additional personnel,
- 15 resources, and expenditures required to enable the department to
- 16 collect and compile the following information regarding purchases
- 17 made by state agencies from diversity businesses during a state
- 18 fiscal year:
- 19 (1) For each diversity business from which a purchase was
- 20 made, the following information:
- 21 (A) The classification of the diversity business as described

- 1 in subsection (a).
- 2 **(B) The Internal Revenue Service principal business code**
- 3 **for the diversity business.**
- 4 **(C) A description of each kind of supply item or service**
- 5 **purchased from the diversity business.**
- 6 **(D) For each supply item purchased from the diversity**
- 7 **business, the following information:**
- 8 **(i) The frequency of purchases.**
- 9 **(ii) The number or volume of items purchased.**
- 10 **(iii) The name of each state agency that has made**
- 11 **purchases of the particular supply item.**
- 12 **(iv) For each state agency that has made purchases of**
- 13 **that supply item, the total expenditures for that**
- 14 **particular supply item.**
- 15 **(v) Whether the particular supply item is a newly added**
- 16 **supply item from the previous year's report.**
- 17 **(E) For each kind of service purchased from a diversity**
- 18 **business, the following information:**
- 19 **(i) The nature of the service.**
- 20 **(ii) The name of each state agency that has made**
- 21 **purchases of that particular service.**
- 22 **(iii) For each state agency that has made purchases of**
- 23 **that particular service, the total expenditures for that**
- 24 **particular service.**
- 25 **(iv) Whether the particular service is a newly added**
- 26 **service from the previous year's report.**
- 27 **(2) Totals of all amounts reported under subdivision (1).**
- 28 **(3) Specific information and examples relating to the reasons**
- 29 **state agencies have not purchased supplies and services from**
- 30 **diversity businesses, such as any of the following:**
- 31 **(A) Supplies or services needed by state agencies are not**
- 32 **provided by diversity businesses.**
- 33 **(B) Supplies or services do not meet specifications.**
- 34 **(C) Supplies or services cannot be provided at a fair**
- 35 **market price.**
- 36 **(c) The department shall prepare a report of the department's**
- 37 **determination under subsection (b) not later than September 1,**
- 38 **2022, and submit a copy of the report to the executive director of**
- 39 **the legislative services agency for distribution to members of the**
- 40 **general assembly in an electronic format under IC 5-14-6.**

1       SECTION 2. IC 5-22-13-6 IS ADDED TO THE INDIANA CODE  
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: **Sec. 6. (a) This section applies to a qualified**  
4 **agency that:**

5       **(1) participates in a pilot project; and**

6       **(2) before the qualified agency's participation in the pilot**  
7 **project, had a QPA awarded by the department to sell**  
8 **products or services directly to governmental bodies that the**  
9 **qualified agency currently sells through the third party**  
10 **contractor under the pilot project.**

11       **(b) As used in this section, "department" refers to the Indiana**  
12 **department of administration created by IC 4-13-1-2.**

13       **(c) As used in this section, "pilot project" refers to a project**  
14 **established by the department through which a qualified agency**  
15 **sells products or services covered by this chapter to governmental**  
16 **bodies through a third party contractor that has been awarded a**  
17 **contract by the department under this article.**

18       **(d) As used in this section, "QPA" refers to a quantity purchase**  
19 **agreement.**

20       **(e) After a qualified agency withdraws from the pilot project, at**  
21 **the request of the qualified agency, the department shall award to**  
22 **the qualified agency a QPA for the same supplies or services that**  
23 **the qualified agency provided through the third party contractor.**  
24 **The department shall award a QPA to the qualified agency not**  
25 **later than thirty (30) days after the date of the qualified agency's**  
26 **request.**

27       **(f) The department shall award a QPA to the qualified party:**

28       **(1) without requiring a new procurement under this article;**  
29 **and**

30       **(2) under the same terms and conditions under which the**  
31 **qualified agency previously had a QPA with the department.**

32       **(g) This section does not release a qualified agency from any**  
33 **contractual obligations that it might otherwise owe to the third**  
34 **party contractor.**

35       **SECTION 3. An emergency is declared for this act.**

(Reference is to HB 1242 as introduced.)