



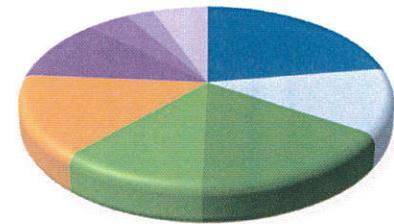
2016 Contracts Overview

Joint Legislative Committee on the Budget

Agenda

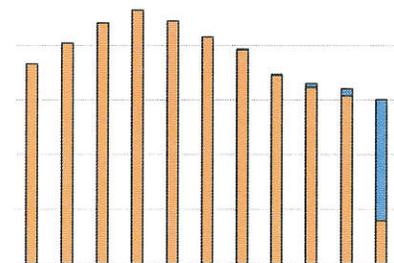
1) All Contracts: Number, types, costs and distribution

2) PPCS Contracts: Relevance to budget, SGF
[Professional, Personal, Consulting and Social Services Contracts]



3) Executive Order: Status Update

4) Next Steps: FY16+ Policy Changes



5) Transparency and Accountability Resources

Contract Systems

1) LaGov SRM (Supplier Relationship Management)

- Implemented statewide July 1, 2015
- All non-FPC contracts converted from CFMS
- Ties in directly to LaGov financial module
- Distinct from total LaGov Implementation (DOTD, DNR, DEQ, CPRA, WL&F only)
- 11,018 active LaGov SRM contracts as of 5/27/2016

2) CFMS (Contract Financial Management Subsystem)

- Legacy ISIS system, like AGPS (Advanced Government Purchasing System)
- Currently used only by Facility Planning & Control (FPC)
- FPC scheduled to migrate to LaGov SRM by 10/31/2016
- 3,919 active CFMS contracts as of 5/27/2016

3) Non-LaGov Agencies with Delegated Procurement Authority (DPA)

- Agencies approved by the Office of State Procurement to enter into small contracts
- Required by Act 87 to manually report monthly to OSP, which reports to the JLCB
- Predominantly institutions of higher education
- 86 active non-LaGov DPA contracts as of 6/2/2016

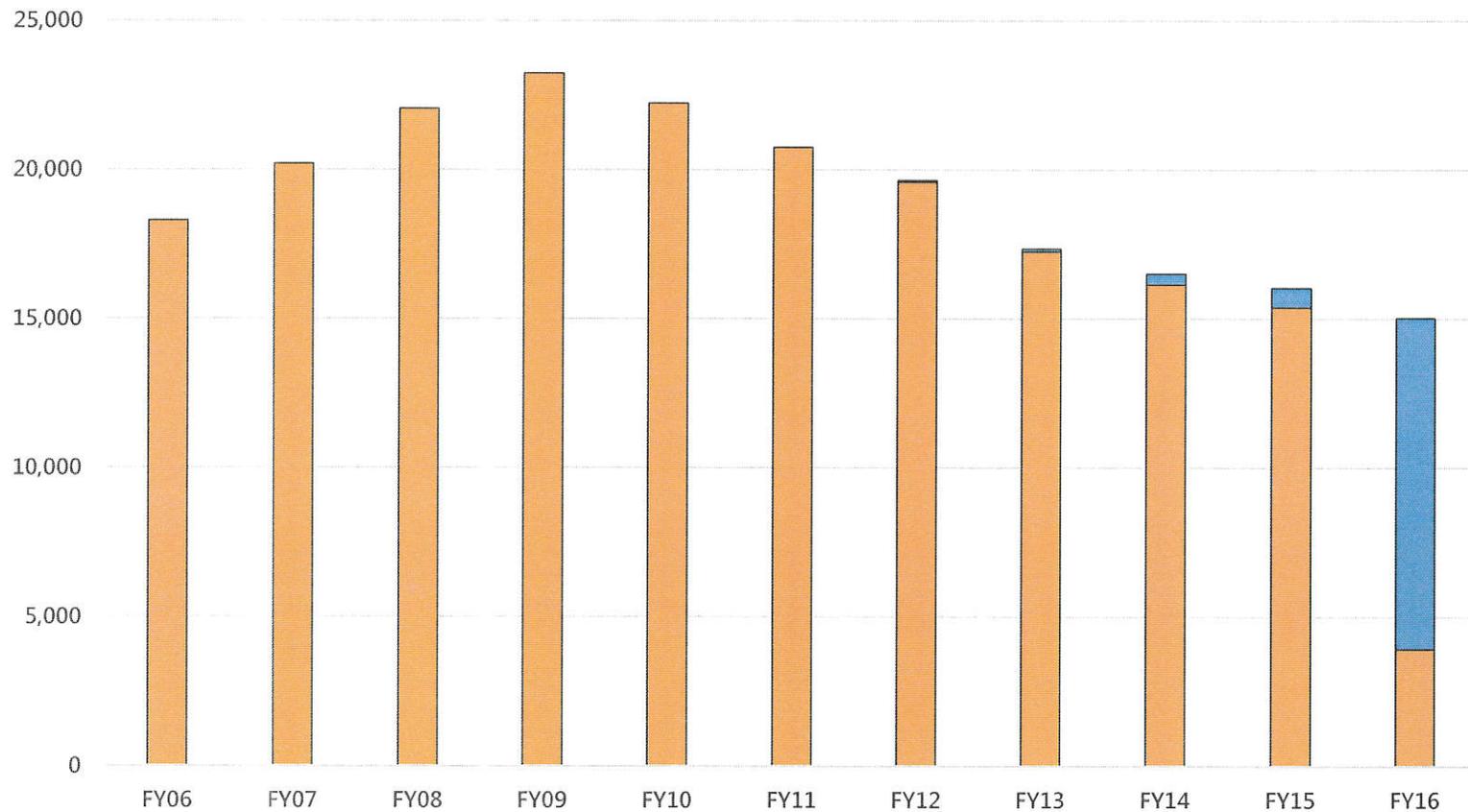
Contract Systems

4) Autonomous Contracting Agencies

- Legally exempted from DOA contracts oversight
- 10 regional human service districts (classified as political subdivisions, though in DHH budget)
- LSU System, BR, Alexandria, Eunice, AgCenter, Pennington (LSU procurement code)
- Recovery School District (R.S. 17:1990 grants RSD autonomy equivalent to local school systems)
- Patient's Compensation Fund (use of non-public funds is not subject to the procurement code)

1. How Many Contracts Do We Have?

Yearly contract counts have returned to pre-Hurricane Katrina levels



CFMS Contracts
LaGov Contracts

How Many Contracts Do We Have?

	<u>Contract Type</u>	<u>LaGov</u>	<u>CFMS</u>	<u>DPA</u>	<u>Total</u>
<u>Group 1</u>	OSP Professional	1,269	60	26	1,355
	OSP Personal	121	5	4	130
	OSP Consulting	722	4	50	776
	OSP Social Services	1,105	-	6	1,111
	SubTotal of OSP PPCS	3,217	69	86	3,372
<u>Group 2</u>	Non-OSP Prof./Cons.	1,096	659	-	1,755
	CEAs and MOUs	664	1,775	-	2,439
	Purchasing Contracts	1,698	-	-	1,698
	Construction-Related	785	1,415	-	2,200
	Sub-Total of Group 2	4,243	3,849	0	8,092
<u>Group 3</u>	Intergovernmental/IAT	1,664	-	-	1,664
	Grants Agreements	631	-	-	631
	Building Rentals	423	-	-	423
	Other/Miscellaneous	840	1	-	841
	SubTotal of Group 3	3,558	1	0	3,559
Total:		11,018	3,919	86	15,023

Contracts active as of 5/27/2016

Group 1 Contracts

<u>Contract Type</u>	<u>LaGov</u>	<u>CFMS</u>	<u>DPA</u>	<u>Total</u>
OSP Professional	1,269	60	26	1,355
OSP Personal	121	5	4	130
OSP Consulting	722	4	50	776
OSP Social Services	1,105	-	6	1,111
SubTotal of OSP PPCS	3,217	69	86	3,372

<u>Contract Type</u>	<u>Description / Examples</u>
OSP Professional	Doctors, attorneys, accountants, actuaries
OSP Personal	Court reporters, chaplains, interpreters, artists
OSP Consulting	IT consultants, appraisers, RNs, pharmacists
OSP Social Services	Case managers, counselors, social workers

Group 2 Contracts

<u>Contract Type</u>	<u>LaGov</u>	<u>CFMS</u>	<u>DPA</u>	<u>Total</u>
Non-OSP Prof./Cons.	1,096	659	-	1,755
CEAs and MOUs	664	1,775	-	2,439
Purchasing Contracts	1,698	-	-	1,698
Construction-Related	785	1,415	-	2,200
Sub-Total of Group 2	4,243	3,849	0	8,092

<u>Contract Type</u>	<u>Description / Examples</u>
Other Prof./Cons.	DOTD/FPC const./engin.; DOTD/LWC intergovernmental
CEAs and MOUs	FPC capital outlay co-ops; IGA; LED projects
Purchasing Contracts	Goods, equipment, commodities, operating services
Construction-Related	Construction and related service contracts

FPC = Facility Planning & Control
LWC = LA Workforce Commission
IGA = intergovernmental agreements
LED = LA Economic Development

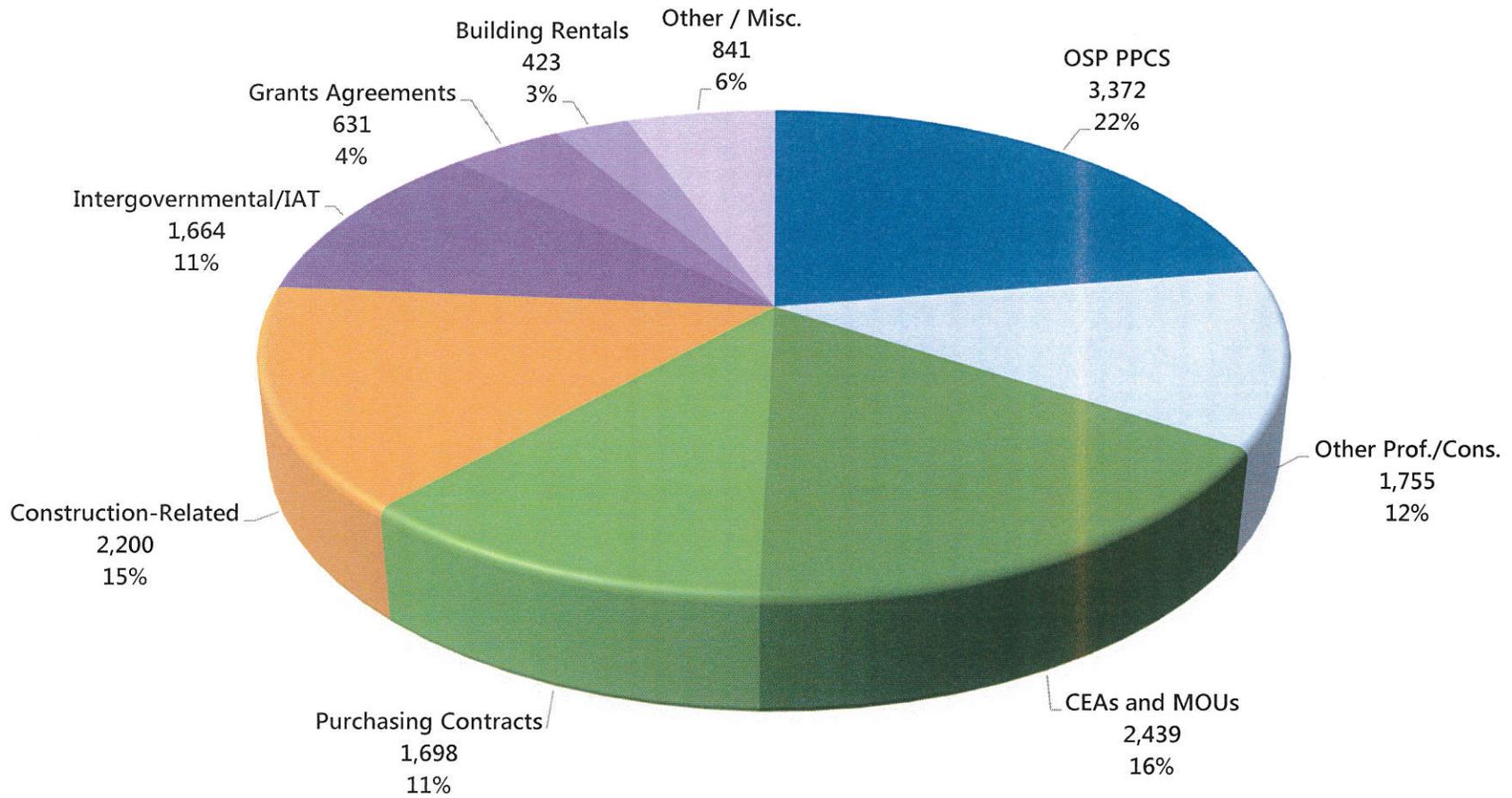
Group 3 Contracts

<u>Contract Type</u>	<u>LaGov</u>	<u>CFMS</u>	<u>DPA</u>	<u>Total</u>
Intergovernmental/IAT	1,664	-	-	1,664
Grants Agreements	631	-	-	631
Building Rentals	423	-	-	423
Other/Miscellaneous	840	1	-	841
SubTotal of Group 3	3,558	1	0	3,559

<u>Contract Type</u>	<u>Description / Examples</u>
Intergovernmental/IAT	Political Subdivisions, Higher Ed, State Agencies
Grants Agreements	DOTD local Port, Airport and Police IGA; DPS IGA
Building Rentals	Rental of facilities and other property
Other/Miscellaneous	Human Service District family subsidies; other

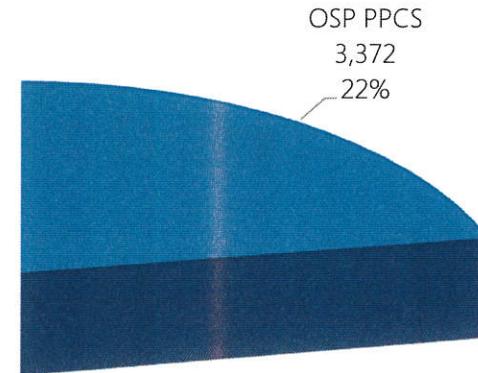
IGA = intergovernmental agreements
DPS = Dept. of Public Safety

How Many Contracts Do We Have?



2. PPCS Contracts Overview

- **Professional Services**
 - e.g. doctors, attorneys, accountants, actuaries, engineers
 - 1,355 contracts totaling \$568 million* in FY16
 - R.S. 39:1617: Not competitively sourced
- **Personal Services**
 - e.g. court reporters, chaplains, interpreters, artists
 - 130 contracts totaling \$10.2 million* in FY16
 - R.S. 39:1620: Not competitively sourced
- **Consulting Services**
 - e.g. IT consultants, appraisers, RNs, pharmacists
 - 776 contracts totaling \$10.2 billion* in FY16
 - R.S. 39:1621: RFPs for contracts of \$50,000+/yr.
- **Social Services**
 - e.g. case managers, counselors, social workers
 - 1,111 contracts totaling \$1.1 billion* in FY16
 - R.S. 39:1619: RFPs for contracts of \$250,000+/yr.



* Includes multi-year values

PPCS Contracts: Total Value, All MOFs

Department	Professional		Personal		Consulting		Social Services		Total	
	#	Value	#	Value	#	Value	#	Value	#	Value
01-107 Division of Admin.	31	4,685,874			13	35,147,471			44	39,833,345
01-109 Coastal (CPRA)	50	119,750,452	3	3,117,715	44	102,797,345			97	225,665,511
01-111 GOHSEP	4	60,331,279			3	38,250,000			7	98,581,279
01-133 Elderly Affairs	4	282,382	1	750	1	15,000	282	51,453,398	288	51,751,530
01. Other Exec. Dept.	120	23,457,912	6	1,121,238	31	1,941,251	-	-	157	26,520,401
03. Veterans Affairs	22	1,325,014			7	113,750			29	1,438,764
04. Elected Officials	109	14,760,612	4	98,550	30	5,878,526	11	709,005	154	21,446,693
05. Economic Dev.	22	21,228,298	7	1,952,112	12	16,932,503	5	946,000	46	41,058,913
06. Culture, Rec., Tourism	2	209,219	2	7,499	15	18,208,278			19	18,424,996
07. DOTD	44	14,183,565	7	1,174,650	22	30,443,172			73	45,801,387
08. Corrections	64	21,268,054	13	761,386	51	31,705,851	12	755,960	140	54,491,252
08. Juvenile Justice	19	2,554,437			2	20,414,510	32	52,093,267	53	75,062,214
08. Public Safety	15	1,958,138	1	70,000	3	380,289	8	1,233,888	27	3,642,315
09. Health and Hospitals	243	89,055,876	21	616,028	107	5,837,590,164	299	759,300,961	670	6,686,563,029
10. DCFS	117	64,545,691			7	371,705	290	154,009,196	414	218,926,593
11. Natural Resources	7	467,502	2	196,780	8	450,716			17	1,114,998
12. Revenue	14	2,711,667			5	12,821,767			19	15,533,434
13. DEQ	7	304,650	2	29,500	24	11,916,939			33	12,251,089
14. Workforce Comm.	11	1,203,500	16	1,988,500	9	2,001,445	20	6,580,712	56	11,774,157
16. Wildlife & Fisheries	25	1,532,848	6	99,958	24	3,260,900	1	200,000	56	5,093,705
17. Civil Service	7	220,745			1	5,000			8	225,745
19. DOE, Schools	43	5,111,566	19	146,070	156	43,413,981	84	84,697,070	302	133,368,687
19. Higher Education	128	104,805,480	16	1,784,249	115	9,214,201	67	4,714,913	326	120,518,843
21. OGB					9	3,654,010,000			9	3,654,010,000
21. OTS					42	263,137,436			42	263,137,436
21. Patients' Comp. Fund	190	5,717,625							190	5,717,625
21. Risk Management	1	198,000			7	55,837,182			8	56,035,182
Boards & Commissions	56	6,211,139	4	70,000	28	3,158,762			88	9,439,901
Grand Total	1,355	568,081,524	130	13,234,985	776	10,199,418,144	1,111	1,116,694,370	3,372	11,897,429,023

FY16 Act 87 General Fund Contracts

Department	Discretionary		Non-Discretionary		Total	
	#	Value	#	Value	#	Value
01. Executive Dept.	1	45,440	17	1,454,914	18	1,500,354
03. Veterans' Affairs	-	-	2	60,000	2	60,000
04. Elected Officials	-	-	4	1,126,006	4	1,126,006
05. Economic Dev.	2	275,000	-	-	2	275,000
06. Culture, Rec., Tourism	-	-	2	36,730	2	36,730
07. DOTD	-	-	-	-	-	-
08. Corrections	-	-	25	3,836,982	25	3,836,982
08. Juvenile Justice	1	5,000	23	11,921,611	24	11,926,611
08. Public Safety	-	-	-	-	-	-
09. Health & Hospitals	33	22,539,681	32	3,752,784,762	65	3,775,324,443
10. DCFS	2	89,144	20	2,991,522	22	3,080,665
11. Natural Resources	-	-	-	-	-	-
12. Revenue	-	-	-	-	-	-
13. DEQ	1	593,206	1	198,641	2	791,847
14. Workforce Commission	-	-	-	-	-	-
16. Wildlife & Fisheries	-	-	-	-	-	-
17. Civil Service	1	10,000	3	126,050	4	136,050
19. DOE, Schools	-	-	14	2,064,048	14	2,064,048
19. Higher Ed.	100	1,232,556	42	240,295,184	142	241,527,740
21. OGB	-	-	-	-	-	-
21. OTS	-	-	1	958,491	1	958,491
21. Patients' Comp. Fund	-	-	-	-	-	-
21. Risk Management	-	-	-	-	-	-
Boards & Commissions	-	-	-	-	-	-
Grand Total	141	24,790,027	186	4,017,854,940	327	4,042,644,967

Federal Funds Match:	46	25,104,819	47	6,133,227,640	93	6,158,332,459
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Of the \$11.9 billion in PPCS contracts, \$4 billion is FY16 General Fund.

99.4% of the \$4 billion in General Fund has been classified by departments as Non-Discretionary.

For both Discretionary and Non-Discretionary groups, Federal match levels exceed the General Fund amount.

Source: Act 87 Cumulative Monthly Reports, through May 2016

3. Executive Order Update

- **Executive Order JBE 16-05**
 - **All Executive Branch Departments and Agencies***
 - **Template-based spreadsheet overview of each agency's existing Professional, Personal and Consulting (PPC) Contracts, including:**
 - Contract #
 - Vendor
 - Description/Purpose of Contract
 - Start and End Dates
 - Total and FY16 Values, with Means of Finance (MOF)

 - Necessity – is contract mandated by Constitution, court order, Federal gov't, etc.?
 - Appropriate – has agency performed cost-benefit or service level analysis?

 - Can savings be realized in FY16? If so, how much, and why?
 - **The Division of Administration has compiled and is reviewing these submittals, including an analysis of agency-identified savings**

** The Attorney General's Office failed to respond to the Executive Order.*

Executive Order Update

Agency-Identified Contract Savings Opportunities, per E.O. JBE 16-05

	General Fund	Fees, Self-Gen.	IAT	Stat. Ded.	Federal Funds	Total
01. Exec. Dept. (non-GOHSEP)	\$ 204,562	\$ 1,500	\$ 459,864	\$ 254,415	\$ 6,877	\$ 927,218
01-111 GOHSEP	\$ 9,000	\$ -	\$ -	\$ -	\$ 15,109,874	\$ 15,118,874
03. Veterans Affairs	\$ -	\$ -	\$ -	\$ -	\$ 5,500	\$ 5,500
04. Elected Officials	\$ 14,750	\$ 978,755	\$ -	\$ 20,000	\$ -	\$ 1,013,505
07. DOTD	\$ -	\$ -	\$ 15,554	\$ 2,151,436	\$ -	\$ 2,166,990
08. Corrections	\$ 181,140	\$ 55,000	\$ -	\$ -	\$ -	\$ 236,140
08. Juvenile Justice	\$ 73,935	\$ -	\$ -	\$ -	\$ -	\$ 73,935
08. Public Safety	\$ -	\$ 55,785	\$ 211,558	\$ 33,500	\$ -	\$ 300,843
09. Health and Hospitals	\$ 739,632	\$ 4,092	\$ 324,162	\$ 360,956	\$ 570,711	\$ 1,999,553
10. DCFS	\$ 34,000	\$ -	\$ -	\$ -	\$ 899,333	\$ 933,333
11. Natural Resources	\$ -	\$ -	\$ -	\$ 128,833	\$ -	\$ 128,833
12. Revenue	\$ -	\$ 395,919	\$ -	\$ -	\$ -	\$ 395,919
14. Workforce Commission	\$ -	\$ -	\$ -	\$ 56,160	\$ 103,614	\$ 159,773
16. Wildlife & Fisheries	\$ -	\$ -	\$ 40,000	\$ 261,810	\$ 147,026	\$ 448,837
17. Civil Service	\$ -	\$ -	\$ 10,020	\$ -	\$ -	\$ 10,020
19. DOE, Schools	\$ 141,300	\$ -	\$ 44,975	\$ -	\$ -	\$ 186,275
19. Higher Ed.	\$ 235,553	\$ 176,483	\$ -	\$ -	\$ 12,225	\$ 424,260
21. OGB	\$ -	\$ 47,916	\$ -	\$ -	\$ -	\$ 47,916
21. OTS	\$ -	\$ -	\$ 511,140	\$ -	\$ -	\$ 511,140
21. Risk Management	\$ -	\$ -	\$ 44,860	\$ -	\$ -	\$ 44,860
	\$ 1,429,310	\$ 1,713,949	\$ 1,202,269	\$ 3,012,695	\$ 16,848,283	\$ 25,133,723

* Does not include the AG's Office.

Next Steps

- The DOA will continue to analyze agencies' E.O. submittals
- The FY18 Operating Budget development process, starting July 2016, will include an expanded emphasis on contracts.
 - OSP and OPB will collaborate to annually compile and analyze updated contracts information (reported on OPB budget request form BR-17B).
 - OPB and the Commissioner's Office will prioritize the review and discussion of such contracts in regular budget meetings with each department.
- The HB 1 budget process is the most efficient and appropriate mechanism for compelling and realizing contract savings.
- The DOA remains committed to providing regular updates to the Legislature on its progress in realizing contract savings.

5. Transparency & Accountability Resources

- The DOA compiles, reports and posts online several public tools for examining all of the State's contracts, as well as related expenditures:



- LaTrac Transparency Portal

- Listing of all LaGov, CFMS contracts
- Act 87 Monthly and OSP-PC Annual PPCS Contracts Reports
- Listing of statewide expenditure data, including vendor payments

- Transparency Enhancements

- Improvements to LaGov SRM to mirror CFMS accountability features
 - Addition of Means of Finance % information
 - Addition of a meaningful contract description
- Contract Count Overview (similar to slides 4-6) will be updated monthly

- Existing Contract Reporting Requirements

- R.S. 39:1567: Annual Report of PPCS contracts administered by OSP-PC (OCR)
- R.S. 39:1567(E): Act 87 of 2015 monthly PPCS contract reporting to the JLCB
- R.S. 39:1615: Annual Report on Multi-Year Awarded Contracts
- R.S. 39:2007: Annual Report on the Hudson Initiative for Small Entrepreneurships
- R.S. 39:2177: Annual Report on Veteran-Owned Small Entrepreneurships