

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 13-0916.01 Nicole Myers x4326

HOUSE BILL 13-1321

HOUSE SPONSORSHIP

Ryden,

SENATE SPONSORSHIP

Heath,

House Committees

Business, Labor, Economic, & Workforce Development

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE PROCUREMENT IMPROVEMENT**
102 **TASK FORCE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill creates the procurement improvement task force, which is required to meet after the first regular session of the 69th general assembly. The task force is directed to make recommendations to the general assembly regarding how to best support the state's economic growth by delivering social and environmental benefits, supporting

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

innovation, and promoting public procurement processes and systems that are transparent, streamlined, standardized, proportionate, fair, and business-friendly.

The bill specifies the number of people who will serve on the task force, the entities that those people shall represent, and who is required to appoint certain task force members.

The bill also specifies the duties of the task force, including researching procurement best practices and standards, reviewing the "Procurement Code" and making recommendations to the general assembly for its improvement, considering the factors that should be used to define a local Colorado company, considering how to incentivize state agencies to use local companies over out-of-state competitors, ways to streamline the procurement process to encourage more local companies to compete for state contracts, and methods for better coordination and maintenance of certain data.

The department of personnel (department) is authorized to accept and expend gifts, grants, or donations from any public or private entity for any direct or indirect costs associated with the duties and functions of the task force. By a specified date, the department is required to notify the speaker of the house of representatives and the president of the senate whether the department has received adequate moneys to conduct the work of the task force. The legislative council staff and the office of legislative legal services shall be available to assist the task force in carrying out its duties. In addition, the task force may call upon the department to assist and cooperate with the task force in carrying out its duties.

The bill specifies that the members of the task force serve without compensation; except that the department may cause moneys from any gifts, grants, or donations received by the department to be transmitted to the state treasurer, who shall credit the same to the legislative department cash fund, and if available, such moneys shall be used to provide payment of per diem and reimbursement for actual and necessary expenses as allowed by law to the legislative members of the task force.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 5 to article
3 101 of title 24 as follows:

4 **PART 5**

5 **PROCUREMENT IMPROVEMENT TASK FORCE**

6 **24-101-501. Legislative declaration.** (1) **THE GENERAL**

1 ASSEMBLY HEREBY FINDS AND DECLARES THAT:

2 (a) GOOD STEWARDSHIP OF PUBLIC MONEYS IS OF THE UTMOST
3 IMPORTANCE TO ENSURE THAT TAXPAYERS RECEIVE THE HIGHEST
4 POSSIBLE RETURN ON THE INVESTMENT OF THEIR MONEY;

5 (b) THE STATE OF COLORADO IS AN IDEAL PLACE TO START AND
6 GROW A COMPANY, AND THE STATE SHOULD CONTINUE TO SEEK
7 OPPORTUNITIES TO STRENGTHEN COLORADO'S BUSINESS ENVIRONMENT;

8 (c) IT IS IMPERATIVE THAT THE STATE RECOGNIZE AND REWARD
9 COMPANIES THAT ARE COMMITTED TO COLORADO AND PROVIDE A
10 PROCUREMENT PROCESS THAT IS FAIR AND ACCESSIBLE TO COLORADO'S
11 SMALL BUSINESSES;

12 (d) THE STATE HAS A RESPONSIBILITY TO PROCURE A RESPONSIBLE
13 CONTRACTOR FOR A PROJECT AND TO CONSIDER THE ECONOMIC IMPACT
14 ACHIEVED THROUGH THE CONTRACT AWARD;

15 (e) THE STATE SHOULD ENDEAVOR TO MAKE THE PROCUREMENT
16 PROCESS EFFICIENT, FAIR, ACCESSIBLE, AND EASY TO USE;

17 (f) MANY DIFFERENT STAKEHOLDERS ARE AFFECTED BY THE
18 PROCUREMENT PROCESS, INCLUDING BUT NOT LIMITED TO STATE
19 AGENCIES, BUSINESSES, BUSINESS ORGANIZATIONS, NONPROFITS, AND THE
20 GENERAL PUBLIC;

21 (g) EACH STAKEHOLDER IN THE PROCUREMENT PROCESS CAN
22 OFFER A UNIQUE PERSPECTIVE AND PROVIDE VALUABLE INPUT; AND

23 (h) INPUT FROM STAKEHOLDERS CAN INFORM POLICYMAKERS AND
24 PROCUREMENT PROFESSIONALS AND BE USED TO IMPROVE THE
25 PROCUREMENT POLICIES OF THE STATE.

26 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT
27 IT IS IN THE BEST INTERESTS OF THE STATE TO ESTABLISH A TASK FORCE TO

1 STUDY COLORADO'S STATE PROCUREMENT PROCESS.

2 **24-101-502. Procurement improvement task force - creation -**

3 **membership.** (1) THERE IS HEREBY CREATED THE PROCUREMENT
4 IMPROVEMENT TASK FORCE, REFERRED TO IN THIS PART 5 AS THE "TASK
5 FORCE".

6 (2) THE TASK FORCE CONSISTS OF THE FOLLOWING MEMBERS:

7 (a) FOUR MEMBERS OF THE GENERAL ASSEMBLY APPOINTED AS
8 FOLLOWS:

9 (I) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES APPOINTED
10 BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES;

11 (II) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES APPOINTED
12 BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES;

13 (III) ONE MEMBER OF THE SENATE APPOINTED BY THE PRESIDENT
14 OF THE SENATE; AND

15 (IV) ONE MEMBER OF THE SENATE APPOINTED BY THE MINORITY
16 LEADER OF THE SENATE;

17 (b) THE DIRECTOR OF THE DIVISION OF FINANCE AND
18 PROCUREMENT IN THE DEPARTMENT OF PERSONNEL;

19 (c) THE DIRECTOR OF THE STATE PURCHASING OFFICE IN THE
20 DIVISION OF FINANCE AND PROCUREMENT;

21 (d) THE SUPPLIER DIVERSITY LIAISON IN THE DIVISION OF FINANCE
22 AND PROCUREMENT;

23 (e) THE PROCUREMENT DIRECTORS FROM TWO DIFFERENT
24 EXECUTIVE BRANCH STATE AGENCIES, WHICH AGENCIES SHALL BE
25 DETERMINED BY THE DIRECTOR OF THE STATE PURCHASING OFFICE IN THE
26 DIVISION OF FINANCE AND PROCUREMENT;

27 (f) THE DIRECTOR OF THE COLORADO OFFICE OF ECONOMIC

- 1 DEVELOPMENT OR THE DIRECTOR'S DESIGNEE;
- 2 (g) ONE SMALL BUSINESS OWNER OR HIS OR HER DESIGNEE,
3 APPOINTED BY THE GOVERNOR;
- 4 (h) ONE PERSON, APPOINTED BY THE GOVERNOR, WHO REPRESENTS
5 A CHAMBER OF COMMERCE THAT FOCUSES ON BUSINESS OWNERS WHO ARE
6 WOMEN;
- 7 (i) ONE PERSON, APPOINTED BY THE GOVERNOR, WHO REPRESENTS
8 A CHAMBER COALITION THAT FOCUSES ON BUSINESS OWNERS WHO ARE
9 MINORITIES;
- 10 (j) ONE PERSON, APPOINTED BY THE GOVERNOR, WHO REPRESENTS
11 A LOCAL BUSINESS ALLIANCE IN COLORADO;
- 12 (k) ONE BUSINESS OWNER, APPOINTED BY THE GOVERNOR, WHO IS
13 A PERSON WITH A DISABILITY OR WHO EMPLOYS ONE OR MORE PERSONS
14 WITH A DISABILITY;
- 15 (l) ONE PERSON, APPOINTED BY THE GOVERNOR, WHO REPRESENTS
16 A LOCAL NONPROFIT ORGANIZATION THAT OFFERS PROCUREMENT
17 TECHNICAL ASSISTANCE TO BUSINESSES REGARDING FEDERAL, STATE, AND
18 LOCAL PROCUREMENT;
- 19 (m) ONE PERSON WHO REPRESENTS A COLORADO ASSOCIATION
20 THAT WORKS IN THE AREAS OF COMMERCE AND INDUSTRY APPOINTED BY
21 THE GOVERNOR;
- 22 (n) ONE PERSON, APPOINTED BY THE GOVERNOR, WHO REPRESENTS
23 A LOCAL VENDOR WHO, AT THE TIME OF APPOINTMENT, IS DOING BUSINESS
24 WITH THE STATE AND WAS AWARDED ONE OF THE THIRTY LARGEST STATE
25 CONTRACTS; AND
- 26 (o) IF THE GRANT MONEYS OBTAINED BY THE DEPARTMENT OF
27 PERSONNEL PURSUANT TO SECTION 24-101-505 ALLOW, A PROFESSIONAL

1 PROCUREMENT CONSULTANT WHO SHALL BE CHOSEN BY THE EXECUTIVE
2 DIRECTOR OF THE DEPARTMENT OR THE EXECUTIVE DIRECTOR'S DESIGNEE.

3 (3) THE MEMBER OF THE HOUSE OF REPRESENTATIVES APPOINTED
4 BY THE SPEAKER OF THE HOUSE IS THE CHAIR OF THE TASK FORCE. THE
5 MEMBER OF THE SENATE APPOINTED BY THE MINORITY LEADER OF THE
6 SENATE IS THE VICE-CHAIR OF THE TASK FORCE.

7 (4) IN ADDITION TO THE PEOPLE DESIGNATED AS MEMBERS OF THE
8 TASK FORCE PURSUANT TO SUBSECTION (2) OF THIS SECTION, THE CHAIR
9 AND VICE-CHAIR OF THE TASK FORCE MAY INVITE REPRESENTATIVES FROM
10 THE BUSINESS COMMUNITY OR ANY OTHER INTERESTED PARTY TO ATTEND
11 AND PARTICIPATE IN THE MEETINGS OF THE TASK FORCE.

12 (5) ANY PERSON WHO IS REQUIRED TO MAKE AN APPOINTMENT
13 PURSUANT TO SUBSECTION (2) OF THIS SECTION SHALL MAKE SUCH
14 APPOINTMENT NO LATER THAN THIRTY DAYS AFTER THE DEPARTMENT
15 PROVIDES NOTIFICATION OF AVAILABLE MONEYS FOR THE OPERATION OF
16 THE TASK FORCE PURSUANT TO SECTION 24-101-504 (2).

17 **24-101-503. Task force - duties.** (1) THE TASK FORCE SHALL
18 MEET AS NECESSARY, AS DETERMINED BY THE MEMBERS OF THE TASK
19 FORCE, AFTER THE FIRST REGULAR SESSION OF THE SIXTY-NINTH GENERAL
20 ASSEMBLY; EXCEPT THAT THE TASK FORCE SHALL NOT MEET MORE THAN
21 SIX TIMES. THE TASK FORCE SHALL COMPLETE ITS WORK AND MAKE
22 RECOMMENDATIONS TO THE GENERAL ASSEMBLY AS SPECIFIED IN
23 SUBSECTION (3) OF THIS SECTION.

24 (2) THE TASK FORCE SHALL EXAMINE THE CURRENT PUBLIC
25 PROCUREMENT SYSTEM IN THE STATE. IN THE COURSE OF SUCH
26 EXAMINATION, THE TASK FORCE SHALL:

27 (a) RESEARCH PROCUREMENT BEST PRACTICES AND STANDARD

1 OPERATING PROCEDURES IN THE FIELD, INCLUDING THOSE OF LARGE
2 CORPORATIONS AND OTHER STATE GOVERNMENTS;

3 (b) REVIEW AND EVALUATE THE STATE'S CURRENT COOPERATIVE
4 CONTRACTS AND MAKE RECOMMENDATIONS TO THE GENERAL ASSEMBLY
5 REGARDING HOW TO IMPROVE SUCH CONTRACTS WHEN THEY ARE
6 RENEGOTIATED TO ENSURE EQUAL OPPORTUNITY FOR SMALL BUSINESSES
7 IN COLORADO;

8 (c) REVIEW THE FORM AND CONTENT OF THIS CODE AND MAKE
9 RECOMMENDATIONS TO THE GENERAL ASSEMBLY REGARDING POSSIBLE
10 STATUTORY CHANGES TO THIS CODE;

11 (d) CONSIDER THE FACTORS USED TO DEFINE A LOCAL COLORADO
12 COMPANY, INCLUDING THE NUMBER OF EMPLOYEES THE COMPANY
13 EMPLOYS IN THE STATE, WHETHER THE COMPANY HAS A MAILING ADDRESS
14 IN COLORADO, OR WHETHER THE COMPANY IS HEADQUARTERED IN
15 COLORADO;

16 (e) CONSIDER HOW TO BEST INCENTIVIZE STATE EXECUTIVE
17 BRANCH DEPARTMENTS AND OTHER STATE ENTITIES TO USE LOCAL
18 COLORADO COMPANIES OVER OUT-OF-STATE COMPETITORS, INCLUDING
19 COST-BENEFIT ANALYSES OF ANY SAVINGS TO TAXPAYERS, RETURN ON
20 INVESTMENT BY USING LOCAL COMPANIES, OR IMPACTS ON COLORADO
21 BUSINESSES' OPPORTUNITIES WHEN COMPETING FOR WORK IN OTHER
22 STATES;

23 (f) CONSIDER WAYS TO STREAMLINE THE PROCUREMENT PROCESS
24 TO ENCOURAGE MORE COLORADO COMPANIES TO COMPETE FOR STATE
25 BUSINESS;

26 (g) EXAMINE THE INFORMATION THAT IS READILY AND EASILY
27 ACCESSIBLE FROM THE STATE PURCHASING OFFICE ABOUT WITH WHOM THE

1 STATE DOES BUSINESS AND MAKE RECOMMENDATIONS TO THE GENERAL
2 ASSEMBLY REGARDING STANDARDIZED REPORTING METRICS SO THAT THE
3 STATE PURCHASING OFFICE CAN MOST EFFECTIVELY REPORT ON THIS
4 INFORMATION IN A TRANSPARENT AND MEANINGFUL MANNER; AND

5 (h) COORDINATE PROCUREMENT DATA WITH THE DATABASE OF
6 COLORADO BUSINESS THAT IS MAINTAINED BY THE SECRETARY OF STATE'S
7 OFFICE.

8 (3) THE TASK FORCE SHALL MAKE RECOMMENDATIONS TO THE
9 GENERAL ASSEMBLY REGARDING HOW TO BEST SUPPORT THE STATE'S
10 ECONOMIC GROWTH BY DELIVERING SOCIAL AND ENVIRONMENTAL
11 BENEFITS, SUPPORTING INNOVATION, AND PROMOTING PUBLIC
12 PROCUREMENT PROCESSES AND SYSTEMS THAT ARE TRANSPARENT,
13 STREAMLINED, STANDARDIZED, PROPORTIONATE, FAIR, AND
14 BUSINESS-FRIENDLY. THE TASK FORCE MUST MAKE ITS
15 RECOMMENDATIONS TO THE LEGISLATIVE COUNCIL BY JANUARY 1, 2014.

16 **24-101-504. Task force funding.** (1) THE DEPARTMENT IS
17 AUTHORIZED TO RECEIVE AND EXPEND GIFTS, GRANTS, OR DONATIONS
18 FROM ANY PUBLIC OR PRIVATE ENTITY FOR ANY DIRECT OR INDIRECT
19 COSTS ASSOCIATED WITH THE DUTIES AND FUNCTIONS OF THE TASK FORCE
20 AS ESTABLISHED IN THIS PART 5. THE DEPARTMENT IS THE CUSTODIAN OF
21 ANY MONEYS RECEIVED FOR THE OPERATION OF THE TASK FORCE.

22 (2) NO LATER THAN JUNE 1, 2013, THE TASK FORCE SHALL NOTIFY
23 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF
24 THE SENATE WHETHER THE DEPARTMENT RECEIVED ADEQUATE MONEYS
25 TO COVER THE ANTICIPATED EXPENSES OF THE TASK FORCE FOR
26 CONDUCTING ITS WORK AND FOR THE OPERATION OF THE TASK FORCE
27 THROUGH JANUARY 1, 2014.

1 (3) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT MAY CAUSE
2 MONEYS FROM ANY GIFTS, GRANTS, OR DONATIONS RECEIVED BY THE
3 DEPARTMENT TO BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL
4 CREDIT THE SAME TO THE LEGISLATIVE DEPARTMENT CASH FUND,
5 CREATED IN SECTION 2-2-1601, C.R.S. ANY MONEYS CREDITED TO THE
6 LEGISLATIVE DEPARTMENT CASH FUND PURSUANT TO THIS SECTION SHALL
7 BE USED ONLY TO COMPENSATE THE LEGISLATIVE MEMBERS OF THE TASK
8 FORCE, AS ALLOWED PURSUANT TO SECTION 24-101-505.

9 (4) THE LEGISLATIVE COUNCIL STAFF AND THE OFFICE OF
10 LEGISLATIVE LEGAL SERVICES SHALL BE AVAILABLE TO ASSIST THE TASK
11 FORCE IN CARRYING OUT ITS DUTIES. IN ADDITION, THE TASK FORCE MAY
12 CALL UPON THE DEPARTMENT OF PERSONNEL TO ASSIST AND COOPERATE
13 WITH THE TASK FORCE IN CARRYING OUT ITS DUTIES.

14 **24-101-505. Compensation of task force members.** (1) EXCEPT
15 AS OTHERWISE PROVIDED IN SUBSECTION (2) OF THIS SECTION, THE
16 MEMBERS OF THE TASK FORCE SERVE WITHOUT COMPENSATION. THIS
17 SECTION SHALL NOT BE CONSTRUED TO PREVENT MEMBERS OF THE TASK
18 FORCE FROM RECEIVING THEIR REGULAR SALARY IF THEY PARTICIPATE IN
19 TASK FORCE MEETINGS DURING THEIR REGULAR BUSINESS HOURS.

20 (2) NOTWITHSTANDING THE PROVISIONS OF SECTION 2-2-307,
21 C.R.S., LEGISLATIVE MEMBERS OF THE TASK FORCE MAY RECEIVE
22 PAYMENT OF PER DIEM AND REIMBURSEMENT FOR ACTUAL AND
23 NECESSARY EXPENSES AUTHORIZED PURSUANT TO SAID SECTION AND ANY
24 OTHER DIRECT OR INDIRECT COSTS ASSOCIATED WITH THE DUTIES OF THE
25 LEGISLATIVE MEMBERS OF THE TASK FORCE ONLY WITH ANY MONEYS THAT
26 WERE CREDITED TO THE LEGISLATIVE DEPARTMENT CASH FUND PURSUANT
27 TO SECTION 24-101-504 (3).

1 **24-101-506. Repeal of part.** THIS PART 5 IS REPEALED, EFFECTIVE
2 JANUARY 1, 2015.

3 **SECTION 2. Safety clause.** The general assembly hereby finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, and safety.