

**ADVISORY GROUP ON** Civil Service and Employee Benefits **PROPOSAL #:** AGCS #46  
**SUBJECT:** Contract Review **DATE ADOPTED BY ADVISORY GROUP:** November 23, 2009  
**COMMISSION ACTION:** AMENDED \ ADOPTED **DATE:** December 1, 2009 **RECOMMENDATION #:** 172

**RECOMMENDATION:** Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>Each agency and department shall engage in a thorough review of its contracts and shall reduce the Fiscal Year 2009-2010 and Fiscal Year 2010-2011 cost of such contracts by ten percent each fiscal year, subject to exceptions submitted to and approved by the Commissioner of Administration. Each exception shall be reported to the Commission on Streamlining Government. Each agency and department shall report on such review and contract cost reductions to the Commission on Streamlining Government by December 1 of each year through 2011. The word "contracts" as used in this recommendation, shall not include contracts let pursuant to the Public Bid Law, contracts let pursuant to the Procurement Code, or contracts required by state or federal law. Statewide elected officials, the State Board of Elementary and Secondary Education and the Legislature are directed to reduce expenditures for private contracts with agencies by at least 10% from FY 2010 levels. Such reductions should target professional services contracts, under-performing contracts, and contracts funded exclusively with state dollars. All agency heads should review private contracts and identify underperforming and low-priority contracts, determine whether the contract is productive and fulfills an agency mission, whether the activity can be performed in-house with existing staff and budget, or if the activity should be completely eliminated. Agency heads should take immediate action and publish online an overview report at least thirty days before the 2010 Regular Session convenes. All new and renewed contracts with agencies should include information from the private entity as to the number of private sector jobs and the hours associated with each job that will be created or maintained under the contract.</p>	<p>Agencies, departments, legislature.</p>			<p>Too speculative to estimate.</p>	