

As Engrossed: 4/2/93

1 **State of Arkansas**

2 **79th General Assembly**

3 **Regular Session, 1993**

A Bill

HOUSE BILL 1797

4 **By: Representative Flanagin, Collier, Landers, S. Miller, Mitchell, Hogue, Willems, Rice,**
5 **Watts, Fairchild, Wagner, Wingfield, Goodwin, Gibson, Walker, Dietz, Thurman and**
6 **Calhoun**

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For An Act To Be Entitled

10 *"AN ACT TO REQUIRE THE STATE HOSPITAL BOARD AND THE*
11 *DEPARTMENT OF HUMAN SERVICES TO DEVELOP AND USE*
12 *PERFORMANCE BASED CONTRACTS; AND FOR OTHER PURPOSES."*

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Subtitle

15 *"TO REQUIRE THE STATE HOSPITAL BOARD AND THE DEPARTMENT OF*
16 *HUMAN SERVICES TO DEVELOP AND USE PERFORMANCE BASED*
17 *CONTRACTS."*

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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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22 *SECTION 1. The General Assembly finds that in the absence of adequate*
23 *attention to service quality, government programs often become wasteful,*
24 *ineffective and unresponsive; that evaluating the quality of service provided*
25 *under state agency contracts for professional and consulting services is*
26 *necessary to protect the integrity of state-funded programs; that the State*
27 *Hospital Board and Department of Human Services enter into many of these types*
28 *of contracts that involve millions of dollars of public funds; that requiring*
29 *the inclusion of a performance evaluation provision in professional service*
30 *contracts and consulting services contracts entered into by the State Hospital*
31 *Board and Department of Human Services will provide a mechanism for evaluating*
32 *the quality of service provided under those contracts; that requiring the*
33 *State Hospital Board and Department of Human Services to report annually*
34 *regarding performance evaluation to the Joint Interim Committee on Public*
35 *Health, Welfare and Labor will encourage the State Hospital Board and the*

1 Department of Human Services to conduct thorough performance evaluations,
2 which may provide information that can help improve the programs and services
3 they provide. Therefore, it is declared to be the intent of this legislature
4 to require the State Hospital Board and Department of Human Services to
5 include performance evaluation provisions in contracts for professional
6 services and consulting services and to report at least annually regarding the
7 evaluation of each contract.

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9 SECTION 2. Subchapter 17, Chapter 4, Title 19 of the Arkansas Code is
10 amended by adding the following new section:

11 "19-4-1711. Performance Evaluation. (a) All new professional services
12 contracts and consultant services contracts entered into by the State Hospital
13 Board and Department of Human Services shall include a performance evaluation
14 provision that outlines a method for evaluating the service provided under the
15 contract. The provision shall identify the goals and performance indicators
16 of the contract and how the state agency intends to evaluate the service
17 provided.

18 (b) The State Hospital Board and Department of Human Services shall
19 actively seek appropriate remedy when contract performance is less than
20 satisfactory.

21 (c) The State Hospital Board and Department of Human Services shall
22 report to the Joint Interim Committee on Public Health, Welfare and Labor at
23 least annually regarding the performance evaluation of each professional
24 services contract and each consulting services contract. The Joint Interim
25 Committee on Public Health, Welfare and Labor may refer contracts related to
26 the Division of Children and Family Services, Department of Human Services to
27 the Joint Interim Committee on Children and Youth.

28 (d) The State Hospital Board and Department of Human Services shall not
29 extend or renew an existing professional services contract or consultant
30 services contract unless the contract includes a provision for performance
31 evaluation.

32 (e) This section shall only apply to contracts required to be submitted
33 under §19-4-1710 and shall not apply to architectural and engineering services
34 contracts."

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1 SECTION 3. The Joint Interim Committee on Public Health, Welfare and
2 Labor shall report to the other Joint Interim Committees and to the General
3 Assembly on the success of including performance evaluation provisions in
4 professional services and consultant services contracts with regard to the
5 legislative intent of this act and make recommendations with regard to the
6 expansion, continuation or termination of the use of performance evaluation
7 provisions in professional services and consultant services contracts.

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9 SECTION 4. This act shall become effective July 1, 1993.

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11 SECTION 5. All provisions of this act of a general and permanent nature
12 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
13 Revision Commission shall incorporate the same in the Code.

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15 SECTION 6. If any provision of this act or the application thereof to
16 any person or circumstance is held invalid, such invalidity shall not affect
17 other provisions or applications of the act which can be given effect without
18 the invalid provision or application, and to this end the provisions of this
19 act are declared to be severable.

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21 SECTION 7. All laws and parts of laws in conflict with this act are
22 hereby repealed.

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24 SECTION 8. The General Assembly finds that contracts including a
25 performance evaluation provision will not only protect the state's investment
26 of tax dollars but will also provide information that can help improve
27 programs and the services they provide; that this act provides for the
28 inclusion of performance evaluation provisions in all state agency contracts;
29 and that in order to protect the integrity of state funded programs, it is
30 essential that state agencies entering into contracts immediately implement
31 performance evaluations. Therefore, an emergency is hereby declared to exist
32 and this act being necessary for the immediate preservation of the public
33 peace, health, and safety, shall be in full force and effect from and after
34 its passage and approval.

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/s/P. Flanagan, et al

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