

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**  
4 **By: Senator Bookout**

# A Bill

**SENATE BILL 823**

## For An Act To Be Entitled

"AN ACT TO REQUIRE THE DEVELOPMENT AND USE OF PERFORMANCE  
BASED CONTRACTS BY STATE AGENCIES; AND FOR OTHER  
PURPOSES."

### Subtitle

"TO REQUIRE THE DEVELOPMENT AND USE OF PERFORMANCE BASED  
CONTRACTS BY STATE AGENCIES."

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

*SECTION 1. The General Assembly finds that in the absence of adequate attention to service quality, government programs often become wasteful, ineffective and unresponsive; that evaluating the quality of service provided under state agency contracts for professional and consulting services is necessary to protect the integrity of state funded programs; that requiring the inclusion of a performance evaluation provision in professional service contracts and consulting services contracts will provide a mechanism for evaluating the quality of service provided under those contracts; that requiring state agencies to report annually regarding performance evaluation to a Joint Interim Committee will encourage state agencies to conduct thorough performance evaluations, which may provide information that can help improve the programs and services they provide. Therefore, it is declared to be the intent of this legislature to require state agencies to include performance evaluation provisions in contracts for professional services and consulting services and to report at least annually regarding the evaluation of each contract.*

*SECTION 2. Subchapter 17, Chapter 4, Title 19 of the Arkansas Code is*

1 amended by adding the following new section:

2       *"19-4-1711. Performance Evaluation. (a) All new professional services*  
3 *contracts and consultant services contracts entered into by state agencies*  
4 *shall include a performance evaluation provision that outlines a method for*  
5 *evaluating the service provided under the contract. The provision shall*  
6 *identify the goals and performance indicators of the contract and how the*  
7 *state agency intends to evaluate the service provided.*

8       *(b) Each state agency shall actively seek appropriate remedy when*  
9 *contract performance is less than satisfactory.*

10       *(c) Each state agency shall report to the appropriate Joint Interim*  
11 *Committee at least annually regarding the performance evaluation of each*  
12 *professional services contract and each consulting services contract.*

13       *(d) No existing state agency professional services contract or*  
14 *consultant services contract shall be extended or renewed without including a*  
15 *provision for performance evaluation.*

16       *(e) This section shall only apply to contracts required to be submitted*  
17 *under §19-4-1710 and shall not apply to architectural and engineering services*  
18 *contracts."*

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20       SECTION 3. *Arkansas Code 19-4-1709(b)(1) is amended to read as follows:*

21       *"(1) A section setting forth in reasonable detail the objectives and*  
22 *scope of the contractual agreement, the methods to be used by the agency to*  
23 *determine whether the objectives specified have been achieved and a*  
24 *performance evaluation provision that outlines the methods to be used by the*  
25 *agency to evaluate the quality of service provided under the contractual*  
26 *agreement as required by §19-4-1711;*

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

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30       SECTION 5. *All provisions of this act of a general and permanent nature*  
31 *are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code*  
32 *Revision Commission shall incorporate the same in the Code.*

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34       SECTION 6. *If any provision of this act or the application thereof to*  
35 *any person or circumstance is held invalid, such invalidity shall not affect*

1 other provisions or applications of the act which can be given effect without  
2 the invalid provision or application, and to this end the provisions of this  
3 act are declared to be severable.

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

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8 SECTION 8. The General Assembly finds that contracts including a  
9 performance evaluation provision will not only protect the state\_s investment  
10 of tax dollars but will also provide information that can help improve  
11 programs and the services they provide; that this act provides for the  
12 inclusion of performance evaluation provisions in all state agency contracts;  
13 and that in order to protect the integrity of state funded programs, it is  
14 essential that state agencies entering into contracts immediately implement  
15 performance evaluations. Therefore, an emergency is hereby declared to  
16 exist and this act being necessary for the immediate preservation of the  
17 public peace, health, and safety, shall be in full force and effect from and  
18 after its passage and approval.

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*/s/Senator Bookout*

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***As Engrossed: 3/19/93 3/22/93 3/29/93 3/31/93***

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