

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Representative Dietz

A Bill

HOUSE BILL 1955

For An Act To Be Entitled

8 "AN ACT AMENDING TITLE 19, CHAPTER 11, SUBCHAPTER 2 OF THE
9 ARKANSAS CODE ANNOTATED TO ALLOW MULTI-YEAR CONTRACTS AND
10 LEASE/PURCHASE AGREEMENTS FOR COMMODITIES AND SERVICES TO
11 BE USED BY THE OFFICE OF STATE PURCHASING; AND FOR OTHER
12 PURPOSES."

Subtitle

15 "TO ALLOW MULTI-YEAR CONTRACTS AND
16 LEASE/PURCHASE AGREEMENTS FOR
17 COMMODITIES AND SERVICES TO BE USED BY
18 THE OFFICE OF STATE PURCHASING."

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

22 SECTION 1. Arkansas Code 19-11-238 is hereby amended to read as
23 follows:

24 "19-11-238. Multi-year contracts.

25 (a) Specified Period. Unless otherwise provided by law, a contract for
26 commodities or services may be entered into for periods of not more than
27 seven (7) years if funds for the first fiscal year of the contemplated
28 contract are available at the time of contracting. Payment and performance
29 obligations for succeeding fiscal years shall be subject to the availability
30 and appropriation of funds therefor.

31 (b) Determination Prior to Use. Prior to the utilization of a multi-year
32 contract, it shall be determined in writing that:

33 (1) Estimated requirements cover the period of the contract and are
34 reasonably firm and continuing; and

35 (2) Such a contract will serve the best interests of the state by

1 encouraging effective competition or otherwise promoting economies in state
2 procurement, and

3 (3) In the event of termination for any reason, the contract provides
4 for cessation of services and/or surrender by the state of the commodities
5 and repayment to the state of any accrued equity.

6 (c) Termination Due to Unavailability of Funds in Succeeding Years.
7 Original terms of such multi-year contracts shall terminate on the last day
8 of the current biennium and any renewals by the state based upon continuing
9 appropriation shall not exceed the next succeeding biennium. When funds are
10 not appropriated or otherwise made available to support continuation of
11 performance in a subsequent year of a multi-year contract, the contract for
12 such subsequent year shall be terminated and the contractor may be reimbursed
13 for the reasonable value of any nonrecurring costs incurred but not amortized
14 in the price of the commodities or services delivered under the contract. The
15 cost of termination may be paid from:

- 16 (1) Appropriations currently available for performance of the contract;
17 (2) Appropriations currently available for procurement of similar
18 commodities or services and not otherwise obligated; or
19 (3) Appropriations made specifically for the payment of such termination
20 costs."

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22 SECTION 2. All provisions of this act of a general and permanent
23 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
24 Code Revision Commission shall incorporate the same in the Code.

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26 SECTION 3. If any provision of this act or the application thereof to
27 any person or circumstance is held invalid, such invalidity shall not affect
28 other provisions or applications of the act which can be given effect without
29 the invalid provision or application, and to this end the provisions of this
30 act are declared to be severable.

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32 SECTION 4. All laws and parts of laws in conflict with this act are
33 hereby repealed.

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35 SECTION 5. EMERGENCY. It is hereby found and determined by the

1 General Assembly that the state is hampered in the execution of its duties by
2 the inability to use lease/purchase agreements to procure essential
3 commodities and services. Therefore, an emergency is hereby declared to
4 exist, and this act being immediately necessary for the preservation of the
5 public peace, health, and safety shall be in full force and effect from and
6 after its passage and approval.

7 */s/Rep. Dietz*

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