

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2021 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1242

AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 4-13-1-4.3 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.3. (a) As used in this section, "diversity business" refers to any of the following:**

- (1) A **minority business enterprise, as defined in IC 4-13-16.5-1(h).**
- (2) A **qualified agency, as defined in IC 5-22-13-1.**
- (3) A **veteran owned small business, as defined in IC 4-13-16.5-1(p).**
- (4) A **women's business enterprise, as defined in IC 4-13-16.5-1(q).**

(b) The department shall determine any upgrades to computer hardware and software systems, and any additional personnel, resources, and expenditures required to enable the department to collect and compile the following information regarding purchases made by state agencies from diversity businesses during a state fiscal year:

- (1) **For each diversity business from which a purchase was made, the following information:**
 - (A) **The classification of the diversity business as described in subsection (a).**



(B) The Internal Revenue Service principal business code for the diversity business.

(C) A description of each kind of supply item or service purchased from the diversity business.

(D) For each supply item purchased from the diversity business, the following information:

(i) The frequency of purchases.

(ii) The number or volume of supply items purchased.

(iii) The name of each state agency that has made purchases of the particular supply item.

(iv) For each state agency that has made purchases of that supply item, the total expenditures for that particular supply item.

(v) Whether the particular supply item is a newly added supply item from the previous year's report.

(E) For each kind of service purchased from a diversity business, the following information:

(i) The nature of the service.

(ii) The name of each state agency that has made purchases of that particular service.

(iii) For each state agency that has made purchases of that particular service, the total expenditures for that particular service.

(iv) Whether the particular service is a newly added service from the previous year's report.

(2) Totals of all amounts reported under subdivision (1).

(3) Specific information and examples relating to the reasons state agencies have not purchased supplies and services from diversity businesses, such as any of the following:

(A) Supplies or services needed by state agencies are not provided by diversity businesses.

(B) Supplies or services do not meet specifications.

(C) Supplies or services cannot be provided at a fair market price.

SECTION 2. IC 5-22-13-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) This section applies to a qualified agency that:

(1) participates in or, before January 1, 2022, participated in a pilot project; and

(2) before the qualified agency's participation in the pilot project, had a QPA awarded by the department to sell



supplies or services directly to governmental bodies that the qualified agency currently sells through the third party contractor under the pilot project.

(b) As used in this section, "department" refers to the Indiana department of administration created by IC 4-13-1-2.

(c) As used in this section, "pilot project" refers to a project established by the department through which a qualified agency sells supplies or services covered by this chapter to governmental bodies through a third party contractor that has been awarded a contract by the department under this article.

(d) As used in this section, "QPA" refers to a quantity purchase agreement.

(e) After a qualified agency withdraws from the pilot project, at the request of the qualified agency, the department shall award to the qualified agency a QPA for the same supplies or services that the qualified agency provided through the third party contractor. The department shall award a QPA to the qualified agency not later than thirty (30) days after the date of the qualified agency's request.

(f) The department shall award a QPA to the qualified agency:

- (1) without requiring a new procurement under this article; and
- (2) under the same terms and conditions, except for pricing, under which the qualified agency previously had a QPA with the department;

if the qualified agency agrees to provide the same supplies or services at a price less than the price provided for the supplies or services under the pilot project as of January 1 of the year the qualified agency withdraws from the pilot project.

(g) Section 5(b) of this chapter applies to the prices for the supplies and services of the QPA awarded under subsection (f).

(h) This section does not release a qualified agency from any contractual obligations that it might otherwise owe to the third party contractor.

SECTION 3. IC 5-22-13-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) As used in this section, "department" refers to the Indiana department of administration created by IC 4-13-1-2.

(b) As used in this section, "QPA" refers to a quantity purchase agreement awarded by the department.

(c) If a state agency wants to purchase supplies or services that



are covered by a QPA awarded to a qualified agency, the state agency must purchase those supplies or services from the qualified agency under the QPA.

SECTION 4. IC 16-32-2-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The Indiana department of administration shall, in consultation with the committee, adopt rules under IC 4-22-2 to do the following:

(1) Increase contracting opportunities for qualified nonprofit agencies with a goal to procure in each state fiscal year at least one and one-half percent (1.5%) of state contracts with qualified nonprofit agencies.

(2) Develop procurement policies and procedures to accomplish the goal described in subdivision (1), including guidelines to be followed by the Indiana department of administration in conducting the Indiana department of administration's procurement efforts.

(b) The procurement policies developed under subsection (a)(2) do not apply to a procurement of supplies and services to address immediate and serious government needs at a time of emergency, including a threat to the public health, welfare, or safety that may arise by reason of floods, epidemics, riots, acts of terrorism, major power failures, a threat proclaimed by the President of the United States or the governor, or a threat declared by the commissioner.

(c) The goal set under subsection (a) must be administered so as not to diminish any of the goals adopted under IC 4-13-16.5.

(d) The Indiana department of administration shall annually evaluate its progress in meeting the goal described in this section for the previous state fiscal year. After June 30 and before November 1 of each year, the Indiana department of administration shall submit a report to the governor, the committee, and the legislative council in an electronic format under IC 5-14-6. The report must include the following information:

(1) The percentage goal obtained by the Indiana department of administration during the previous state fiscal year.

(2) A summary of why the Indiana department of administration failed to meet the goal and what actions are being taken by the Indiana department of administration to meet the goal in the current state fiscal year.

(e) The Indiana department of administration shall post the report described in subsection (d) on the Indiana department of administration's Internet web site not later than thirty (30) days



after the report is submitted.

SECTION 5. An emergency is declared for this act.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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