

First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 11-0747.01 Troy Bratton

SENATE BILL 11-185

SENATE SPONSORSHIP

Johnston,

HOUSE SPONSORSHIP

(None),

Senate Committees
Local Government

House Committees

A BILL FOR AN ACT

101 CONCERNING A CLAUSE IN STATE CONTRACTS THAT REQUIRES A
102 VENDOR TO NOTIFY THE STATE IF THE VENDOR OUTSOURCES
103 DUTIES PERFORMED PURSUANT TO THE CONTRACT TO A LOCALE
104 OUTSIDE THE UNITED STATES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill requires state contracts between a governmental body and a vendor with a value of \$250,000 or more to contain a clause that would

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

require any vendor who outsources duties performed pursuant to the contract to a locale outside the United States to notify the executive director of the department of personnel of such outsourcing. The notice must include the specific duties outsourced and the reason the duties were outsourced. The executive director is required to post the notice on the official web site of the department. If a vendor fails to notify the executive director of outsourcing, the contract, at the governmental body's discretion, may be voided, and the vendor is subject to a fine equal to 1% of the total price of the contract.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Article 103.5 of title 24, Colorado Revised Statutes,
3 is amended BY THE ADDITION OF A NEW SECTION to read:

4 **24-103.5-102. Outsourcing of contract duties by vendor -**
5 **notice - penalty.** (1) EACH CONTRACT ENTERED INTO OR RENEWED BY A
6 GOVERNMENTAL BODY, AS DEFINED IN SECTION 24-101-301 (10),
7 PURSUANT TO THIS CODE WITH A VALUE OF TWO HUNDRED FIFTY
8 THOUSAND DOLLARS OR MORE SHALL CONTAIN A CLAUSE THAT REQUIRES
9 THE VENDOR TO PROVIDE WRITTEN NOTICE TO THE EXECUTIVE DIRECTOR
10 IF ANY DUTIES PERFORMED BY THE VENDOR OR BY ANY SUBCONTRACTOR
11 PURSUANT TO THE CONTRACT ARE OUTSOURCED TO LOCALES OUTSIDE THE
12 UNITED STATES. THE CLAUSE SHALL REQUIRE THE VENDOR TO PROVIDE
13 THE WRITTEN NOTICE TO THE EXECUTIVE DIRECTOR NO LATER THAN TEN
14 DAYS FROM THE TIME THE OUTSOURCED DUTIES ARE PERFORMED OUTSIDE
15 THE UNITED STATES; EXCEPT THAT, IF THE VENDOR KNOWS PRIOR TO THE
16 TIME THE CONTRACT IS ENTERED INTO THAT CERTAIN DUTIES PERFORMED
17 PURSUANT TO THE CONTRACT WILL BE OUTSOURCED, THE VENDOR SHALL
18 PROVIDE THE WRITTEN NOTICE NO LATER THAN TEN DAYS AFTER THE
19 EXECUTION OF THE CONTRACT. THE CLAUSE SHALL ALSO CONTAIN THE
20 PENALTY PROVISIONS FOR FAILURE TO NOTIFY AS SPECIFIED IN SUBSECTION

1 (3) OF THIS SECTION.

2 (2) THE NOTIFICATION REQUIRED BY SUBSECTION (1) OF THIS
3 SECTION SHALL INCLUDE, BUT IS NOT LIMITED TO, THE SPECIFIC DUTIES
4 OUTSOURCED AND THE REASON THE JOBS WERE OUTSOURCED.

5 (3) IF A VENDOR FAILS TO NOTIFY THE EXECUTIVE DIRECTOR OF
6 ANY OUTSOURCED DUTIES AS SPECIFIED IN THIS SECTION:

7 (a) THE GOVERNMENTAL BODY MAY, IN THE GOVERNMENTAL
8 BODY'S DISCRETION, VOID THE CONTRACT.

9 (b) THE VENDOR SHALL BE SUBJECT TO A FINE IN AN AMOUNT
10 EQUAL TO ONE PERCENT OF THE TOTAL PRICE OF THE CONTRACT.

11 (4) THE EXECUTIVE DIRECTOR SHALL POST ANY NOTICE RECEIVED
12 FROM A VENDOR PURSUANT TO THIS SECTION ON THE OFFICIAL WEB SITE
13 OF THE DEPARTMENT. IN ADDITION, THE EXECUTIVE DIRECTOR SHALL
14 POST AND MAINTAIN A LIST OF ALL VENDORS PROHIBITED FROM
15 CONTRACTING WITH A GOVERNMENTAL BODY FOR FAILURE TO PROVIDE
16 NOTICE OF OUTSOURCED DUTIES ON THE OFFICIAL WEB SITE OF THE
17 DEPARTMENT.

18 **SECTION 2. Act subject to petition - effective date -**
19 **applicability.** (1) This act shall take effect January 1, 2012; except that,
20 if a referendum petition is filed pursuant to section 1 (3) of article V of
21 the state constitution against this act or an item, section, or part of this act
22 within the ninety-day period after final adjournment of the general
23 assembly, then the act, item, section, or part shall not take effect unless
24 approved by the people at the general election to be held in November
25 2012 and shall take effect on the date of the official declaration of the
26 vote thereon by the governor.

1 (2) The provisions of this act shall apply to contracts entered into
2 or renewed on or after the applicable effective date of this act.