

Strike section 23 and replace with the following:

SECTION 23: Subchapter B, Chapter 2055 Government Code, is amended by adding Section 2055.061 to read as follows:

Sec. 2055.061: State Data Center.

(a) In this section:

(1) "Center" means the State Data Center.

(2) "Best value" has the meaning assigned under Section 2157.003. Government Code,

(b) The department shall operate, or through cooperative agreement, manage operations of the State Data Center on the campus of Angelo State University. It is the intent of the Legislature that all state agencies and institutions of higher education utilize the Center for data center operations, testing disaster recovery plans, and for disaster recovery services. None of the funds appropriated by this Act may be expended for entering into or renewing contracts or issuing purchase orders for data center operations, disaster recovery plan testing services, or disaster recovery services from other state agencies or other providers of these services without first obtaining a waiver from the Legislative Budget Board certifying that the requested service requirements cannot be provided at reasonable costs through the Center. Waiver requests will be evaluated by the Legislative Budget Board, based on best value to the State, rather than best value to the state agency or institution of higher education requesting the waiver. Prior to requesting a waiver from the Legislative Budget Board, agencies and institutions of higher education must first provide the operational vendor of the Center with a comprehensive statement of work sufficient for the operational vendor to provide an accurate cost estimate for cost comparison purposes. Prior to initiating the waiver process, state agencies and institutions of higher education must also coordinate with the department regarding appropriate time frames for preparation of the statement of work, pricing, cost comparison and transition.

Agencies and institutions of higher education shall use the State Auditor's Report 95-139 in evaluating cost comparison. The Legislative Budget Board, may request assistance from the State

Auditor's Office in validating cost evaluations. Waivers may be granted for specific periods of time and any contracts for services obtained under waiver may not extend beyond the expiration date of the waiver. Once a waiver has been granted, state agencies and institutions of higher education must provide a comparison of actual costs versus the projected costs used to obtain the waiver on an annual basis to the Legislative Budget Board.

(c) State agencies and institutions of higher education that use the Center shall do so under contract with the department. The department may collect fees for these services in amounts that offset the direct and indirect costs of providing the services. The department may request assistance from the State Auditor regarding the billing system formula for offsetting service costs. In order for the state to realize maximum cost savings and operational efficiencies, the department, in consultation with the Legislative Budget Board, the State Auditor's Office and the Center's operational vendor, will develop a comprehensive information technology consolidation plan and provide information relating to the use of the Center as a location for one of the state's consolidated data centers. The department shall file a written report of the plan with the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives not later than May 31, 2004.