By: Cook of Colorado H.B. No. 3046

## A BILL TO BE ENTITLED

1	AN ACT

- 2 relating to the state purchasing powers and duties of the Texas
- 3 Building and Procurement Commission, including transferring
- 4 certain functions from the attorney general and state auditor to
- 5 the commission.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 7 SECTION 1. Section 2155.078(k), Government Code, is amended
- 8 to read as follows:
- 9 (k) The commission shall require a reasonable number of  $[\frac{24}{2}]$
- 10 hours of continuing education [each year] to maintain a
- 11 certification level. The commission may allow attendance at
- 12 equivalent certification training recognized by the commission to
- 13 count toward the required number of [up to 16] hours [of the
- 14 continuing education requirement]. Maintenance of the
- 15 certification level may be by yearly renewal or another reasonable
- 16 renewal period comparable to nationally recognized certification
- 17 requirements.
- 18 SECTION 2. Section 2155.141, Government Code, is amended to
- 19 read as follows:
- 20 Sec. 2155.141. [CERTAIN OTHER] PURCHASES FOR AUXILIARY
- 21 ENTERPRISE NOT WITHIN COMMISSION'S PURCHASING AUTHORITY. The
- 22 commission's authority does not extend to a purchase of goods and
- 23 services[÷
- (1) for resale;

- 1  $\left[\frac{(2)}{2}\right]$  for an auxiliary enterprise  $\left[\frac{1}{2}\right]$
- 2 [(3) for an organized activity relating to an
- 3 instructional department of an institution of higher learning or a
- 4 similar activity of another state agency].
- 5 SECTION 3. Subchapter I, Chapter 2155, Government Code, is
- 6 amended by adding Section 2155.510 to read as follows:
- 7 Sec. 2155.510. REBATES. The commission may collect a
- 8 rebate from a vendor under a contract listed on a schedule developed
- 9 under this subchapter.
- 10 SECTION 4. Section 2157.0611, Government Code, is amended
- 11 to read as follows:
- 12 Sec. 2157.0611. REQUIREMENT TO EVALUATE THREE PROPOSALS
- 13 WHEN POSSIBLE. A catalogue purchase or lease that exceeds \$2,000 or
- 14 a greater amount prescribed by commission rule shall, when
- 15 possible, be based on an evaluation of at least three catalogue
- 16 proposals made to the commission or other state agency by <a href="mailto:catalogue">catalogue</a>
- 17 [qualified] information systems vendors. If at least three
- 18 catalogue proposals are not evaluated by the commission or other
- 19 state agency before a purchase or lease that exceeds the threshold
- 20 amount is made, the commission or other agency shall document the
- 21 reasons for that fact before making the purchase or lease under
- 22 Section 2157.063.
- SECTION 5. Section 2157.062, Government Code, is amended to
- 24 read as follows:
- Sec. 2157.062. BASIC REQUIREMENTS FOR CATALOGUE
- 26 [APPLICATION PROCESS FOR QUALIFICATION AS] VENDOR. [(a) To sell or
- 27 lease an automated information system under this subchapter to a

- 1 state agency, a vendor must apply to the commission for designation
- 2 as a qualified information systems vendor. The commission shall
- 3 prescribe the application process. The commission may allow or
- 4 require a vendor to apply on-line.
- 5 [<del>(b)</del>] At a minimum, a catalogue information systems vendor
- 6 must [the commission shall require an applicant to submit]:
- 7 (1) <u>maintain</u> a catalogue containing each product and
- 8 service eligible for purchase by a state agency, including for each
- 9 product or service:
- 10 (A) a description;
- 11 (B) the list price; and
- 12 (C) the price to a state agency;
- 13 (2) <u>maintain</u> a maintenance, repair, and support plan
- 14 for each eligible product or service;
- 15 (3) <u>provide on request</u> proof of the applicant's
- 16 financial resources and ability to perform; and
- 17 (4) provide a guarantee that the vendor will make
- 18 available equivalent replacement parts for a product sold to the
- 19 state until at least the third anniversary of the date the product
- 20 is discontinued.
- 21 SECTION 6. Section 2157.063(a), Government Code, is amended
- 22 to read as follows:
- 23 (a) If a purchase or lease is the best value available and is
- 24 in the state's best interest, a state agency may under this
- 25 subchapter purchase or lease an automated information system
- 26 directly from a catalogue [qualified] information systems vendor
- 27 and may negotiate price and additional terms and conditions to be

- 1 included in a contract relating to the purchase or lease.
- 2 SECTION 7. Sections 2157.066(a), (c), (d), and (f),
- 3 Government Code, are amended to read as follows:

- 4 (a) A <u>catalogue</u> [<del>vendor designated by the commission as a</del>
  5 <del>qualified</del>] information systems vendor shall publish and maintain a
  6 catalogue described by <u>Section 2157.062(1)</u> [<del>Section</del>
  7 <del>2157.062(b)(1)</del>] in the manner required by the commission.
  - (c) The commission shall make the catalogue information available on the world wide web, or on a suitable successor to the world wide web if the technological developments involving the Internet make it advisable to do so. The commission shall require each <a href="mailto:catalogue">catalogue</a> [qualified] information systems vendor to maintain its approved catalogue on the web, or an analogous feature on a suitable successor, through which the vendor makes the vendor's current catalogue information publicly available. The commission shall maintain the necessary databases and indexing functions through which a state agency or the public may efficiently search for and find each <a href="mailto:catalogue">catalogue</a> [qualified] information systems vendor's catalogue information on the web or on a suitable successor.
  - (d) The commission shall phase in the requirement that all catalogue information must be available on the world wide web and shall allow or require <u>catalogue</u> [qualified] information systems vendors to publish catalogues on paper until the commission determines that the automated information capabilities of the state, of political subdivisions, and of vendors are sufficient for the commission to require that all catalogues be made available

- 1 electronically. The commission shall prescribe its requirements
- 2 and the timing of its requirements under this section by rule.
- 3 (f) The commission may audit a catalogue [qualified]
- 4 information systems vendor's approved catalogue for compliance
- 5 with Subsection (c).
- 6 SECTION 8. Section 2157.068(b), Government Code, is amended
- 7 to read as follows:
- 8 (b) The department shall negotiate with catalogue
- 9 [qualified] information systems vendors to attempt to obtain a
- 10 favorable price for all of state government on licenses for
- 11 commodity software items, based on the aggregate volume of
- 12 purchases expected to be made by the state. The terms and
- 13 conditions of a license agreement between a vendor and the
- 14 department under this section may not be less favorable to the state
- than the terms of similar license agreements between the vendor and
- 16 retail distributors.
- 17 SECTION 9. Section 2262.001, Government Code, is amended by
- 18 adding Subdivision (1-a) to read as follows:
- 19 (1-a) "Commission" means the Texas Building and
- 20 Procurement Commission.
- SECTION 10. Sections 2262.051(a) and (b), Government Code,
- 22 are amended to read as follows:
- 23 (a) In consultation with the <u>attorney general</u> [Texas
- 24 Building and Procurement Commission], the Department of
- 25 Information Resources, the comptroller, and the state auditor, the
- 26 commission [attorney general] shall develop or [and] periodically
- 27 update a contract management guide for use by state agencies.

- 1 (b) The commission [attorney general] may adopt rules
- 2 necessary to develop or update the guide.
- 3 SECTION 11. Section 2262.052(b), Government Code, is
- 4 amended to read as follows:
- 5 (b) The state auditor shall:
- 6 (1) periodically monitor compliance with this
- 7 section;
- 8 (2) report any noncompliance to:
- 9 (A) the governor;
- 10 (B) the lieutenant governor;
- 11 (C) the speaker of the house of representatives;
- 12 and
- 13 (D) the team; and
- 14 (3) assist, in coordination with the commission
- 15 [attorney general] and the comptroller, a noncomplying state agency
- 16 to comply with this section.
- SECTION 12. Section 2262.053(a), Government Code, is
- 18 amended to read as follows:
- 19 (a) In coordination with the [Texas Building and
- 20 Procurement Commission, the comptroller  $[\tau]$  and the Department of
- 21 Information Resources, the <u>commission</u> [state auditor] shall
- develop or administer a training program for contract managers.
- 23 SECTION 13. Section 2262.054, Government Code, is amended
- 24 to read as follows:
- Sec. 2262.054. PUBLIC COMMENT. The <u>commission</u> [attorney
- 26 **general**] by rule may establish procedures by which each state
- 27 agency is required to invite public comment by publishing the

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- 1 proposed technical specifications for major contracts on the
- 2 Internet through the information service known as the Texas
- 3 Marketplace or through a suitable successor information service.
- 4 The guide must define "technical specifications."
- 5 SECTION 14. Section 2262.101, Government Code, is amended
- 6 to read as follows:
- 7 Sec. 2262.101. CREATION; DUTIES. The Contract Advisory
- 8 Team is created to assist state agencies in improving contract
- 9 management practices by:
- 10 (1) reviewing the solicitation of major contracts by
- 11 state agencies;
- 12 (2) reviewing any findings or recommendations made by
- the state auditor, including those made under Section 2262.052(b),
- 14 regarding a state agency's compliance with the contract management
- 15 guide; and
- 16 (3) providing recommendations to the commission
- 17 regarding:
- 18 (A) [the attorney general regarding] the
- 19 development of the contract management guide; and
- 20 (B) [the state auditor regarding] the training
- 21 under Section 2262.053.
- 22 SECTION 15. (a) Sections 2155.078(n), 2155.142, 2155.144,
- 23 2155.1441, 2157.001(2), 2157.064, 2157.065, and 2157.068,
- 24 Government Code, are repealed.
- 25 (b) Section 51.9335, Education Code, is repealed.
- 26 SECTION 16. The changes in law made by this Act to Section
- 27 2155.141, Government Code, apply only to a purchase made on or after

- 1 the effective date of this Act. A purchase made before the
- 2 effective date of this Act is covered by the law in effect when the
- 3 purchase was made, and the former law is continued in effect for
- 4 that purpose.
- 5 SECTION 17. (a) In this section, "commission" means the
- 6 Texas Building and Procurement Commission.
- 7 (b) Not later than February 1, 2004:
- 8 (1) the attorney general and state auditor shall
- 9 complete the transfer of powers and duties to the commission under
- 10 Chapter 2262, Government Code, as amended by this Act;
- 11 (2) a rule or form adopted by the attorney general or
- 12 state auditor under Chapter 2262, Government Code, is a rule or form
- 13 of the commission and remains in effect until changed by the
- 14 commission;
- 15 (3) the commission assumes, without a change in
- 16 status, the position of the attorney general or state auditor with
- 17 respect to any matter regarding which the duties of the attorney
- 18 general or state auditor under Chapter 2262, Government Code, have
- 19 been transferred to the commission;
- 20 (4) all property, including records, and rights and
- 21 obligations of the attorney general and state auditor related to
- those entities' express duties under Chapter 2262, Government Code,
- 23 are transferred to the commission; and
- 24 (5) all funds appropriated by the legislature to the
- 25 attorney general and state auditor related to those entities'
- 26 express powers and duties under Chapter 2262, Government Code, are
- 27 transferred to the commission.

- 1 SECTION 18. This Act takes effect immediately if it
- 2 receives a vote of two-thirds of all the members elected to each
- 3 house, as provided by Section 39, Article III, Texas Constitution.
- 4 If this Act does not receive the vote necessary for immediate
- 5 effect, this Act takes effect September 1, 2003.