

By: Isett, Swinford

H.B. No. 1516

Substitute the following for H.B. No. 1516:

By: Otto

C.S.H.B. No. 1516

A BILL TO BE ENTITLED

AN ACT

relating to the Department of Information Resources' management of state electronic services.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. STATE ELECTRONIC PROJECTS

SECTION 1.01. Subchapter C, Chapter 2054, Government Code, is amended by adding Section 2054.0565 to read as follows:

Sec. 2054.0565. USE OF CONTRACTS BY OTHER GOVERNMENTAL ENTITIES. (a) The department may include terms in a procurement contract entered into by the department, including a contract entered into under Section 2157.068, that allow the contract to be used by another state agency, a political subdivision of this state, or a governmental entity of another state.

(b) A political subdivision that purchases an item or service using a contract under this section satisfies any other law requiring the political subdivision to seek competitive bids for that item or service.

SECTION 1.02. Section 2054.071, Government Code, is amended to read as follows:

Sec. 2054.071. IDENTITY OF MANAGER; CONSOLIDATION. (a) The individual required to sign a state agency's strategic plan under Subchapter E, or that individual's designated representative, shall serve as the agency's information resources manager.

1        (b) A representative designated under Subsection (a) may be  
2 designated to serve as a joint information resources manager by two  
3 or more state agencies. The department must approve the joint  
4 designation.

5        SECTION 1.03. Section 2054.074, Government Code, is amended  
6 to read as follows:

7        Sec. 2054.074. RESPONSIBILITY TO PREPARE OPERATING PLANS.

8        (a) The information resources manager shall prepare the biennial  
9 operating plans under Subchapter E.

10       (b) A joint information resources manager may, to the extent  
11 appropriate, consolidate the operating plans of each agency for  
12 which the manager serves under Section 2054.071.

13        SECTION 1.04. Section 2054.096, Government Code, is amended  
14 by adding Subsection (c) to read as follows:

15       (c) Each state agency, other than an institution of higher  
16 education, shall use state commodity hardware configurations as a  
17 part of the agency's planning under this section. The department  
18 shall specify the state commodity hardware configurations in its  
19 instructions for the preparations of agency strategic plans.

20        SECTION 1.05. Subchapter E, Chapter 2054, Government Code,  
21 is amended by adding Section 2054.1015 to read as follows:

22       Sec. 2054.1015. PLANNED        PROCUREMENT        SCHEDULES        FOR  
23 COMMODITY ITEMS. (a) In this section:

24       (1) "Commodity items" has the meaning assigned by  
25 Section 2157.068.

26       (2) "State agency" does not include an institution of  
27 higher education.

1       (b) A state agency must provide a planned procurement  
2 schedule for commodity items to the department before the agency's  
3 operating plan may be approved under Section 2054.102.

4       (c) The department shall use information contained in the  
5 schedules to plan future vendor solicitations of commodity items.

6       (d) A state agency shall notify the department, the  
7 Legislative Budget Board, and the state auditor's office if the  
8 agency makes a substantive change to a planned procurement schedule  
9 for commodity items.

10       SECTION 1.06. Chapter 2054, Government Code, is amended by  
11 adding Subchapter J to read as follows:

12               SUBCHAPTER J. TEXAS PROJECT DELIVERY FRAMEWORK

13       Sec. 2054.301. APPLICABILITY. This subchapter applies only  
14 to a major information resources project.

15       Sec. 2054.302. GUIDELINES; FORMS. (a) A state agency shall  
16 prepare each document required by this subchapter in a manner  
17 consistent with department guidelines.

18       (b) The department, in consultation with the Legislative  
19 Budget Board and state auditor's office, shall develop and provide  
20 guidelines and forms for the documents required by this subchapter.

21       (c) The department shall work with state agencies in  
22 developing the guidelines and forms.

23       Sec. 2054.303. BUSINESS CASE AND STATEWIDE IMPACT ANALYSIS.

24       (a) For each proposed major information resources project, a state  
25 agency must prepare:

26               (1) a business case providing the initial  
27 justification for the project, including the anticipated return on

1 investment in terms of cost savings and efficiency for the project;  
2 and

3 (2) a statewide impact analysis of the project's  
4 effect on the state's common information resources infrastructure,  
5 including the possibility of reusing code or other resources.

6 (b) The agency shall file the documents with the department,  
7 Legislative Budget Board, and state auditor's office when the  
8 agency files its legislative appropriations request.

9 (c) The department shall use the analysis to ensure that the  
10 proposed project does not unnecessarily duplicate existing  
11 statewide information resources technology.

12 Sec. 2054.304. PROJECT PLANS. (a) A state agency shall  
13 develop a project plan for each major information resources  
14 project.

15 (b) Except as provided by Subsection (c), the state agency  
16 must file the project plan with the quality assurance team and the  
17 Texas Building and Procurement Commission before the agency:

18 (1) spends more than 10 percent of allocated funds for  
19 the project; or

20 (2) first issues a vendor solicitation for the  
21 project.

22 (c) Unless the project plan has been filed under this  
23 section:

24 (1) the Texas Building and Procurement Commission may  
25 not issue a vendor solicitation for the project; and

26 (2) the agency may not post a vendor solicitation for  
27 the project in the state business daily under Section 2155.083.

1       Sec. 2054.305. PROCUREMENT PLAN AND METHOD FOR MONITORING  
2 CONTRACTS. Before issuing a vendor solicitation for a project, the  
3 state agency must develop, consistent with department guidelines:

4           (1) a procurement plan with anticipated service levels  
5 and performance standards for each vendor; and

6           (2) a method to monitor changes to the scope of each  
7 contract.

8       Sec. 2054.306. POST-IMPLEMENTATION REVIEW. After  
9 implementation of a major information resources project, a state  
10 agency shall prepare a post-implementation review. The agency  
11 shall provide the review to the agency's executive director, the  
12 department, and the state auditor's office.

13       Sec. 2054.307. APPROVAL OF DOCUMENTS AND CONTRACT CHANGES.

14 (a) A state agency's executive director, information resources  
15 manager, designated project manager, and the agency employee in  
16 charge of information security for the agency must approve and  
17 sign:

18           (1) each document required by this subchapter; and

19           (2) if the department requires the approval and  
20 signatures, any other document related to this subchapter.

21       (b) The state agency's executive director must approve a  
22 proposed contract amendment or change order for a major information  
23 resources project if the amendment or change order:

24           (1) changes the monetary value of the contract by more  
25 than 10 percent; or

26           (2) significantly changes the completion date of the  
27 contract.

1 SECTION 1.07. Chapter 2054, Government Code, is amended by  
2 adding Subchapter L to read as follows:

3 SUBCHAPTER L. STATEWIDE TECHNOLOGY CENTERS

4 Sec. 2054.375. DEFINITION. In this subchapter, "statewide  
5 technology center" means a statewide technology center established  
6 or operated under this subchapter.

7 Sec. 2054.376. APPLICABILITY. (a) This subchapter applies  
8 to all information resources technologies that are:

9 (1) obtained by a state agency using state money; or

10 (2) used by a state agency.

11 (b) This subchapter does not apply to federal databases or  
12 networks used for criminal justice or homeland security purposes or  
13 to the Texas equivalents of those databases or networks.

14 Sec. 2054.377. INSTITUTIONS OF HIGHER EDUCATION. The  
15 department may not establish or expand a statewide technology  
16 center that includes participation by an institution of higher  
17 education unless the Information Technology Council for Higher  
18 Education agrees to the establishment or expansion.

19 Sec. 2054.378. SCOPE OF OPERATION OF CENTERS. (a) The  
20 department may operate statewide technology centers to provide two  
21 or more state agencies, on a cost-sharing basis, services relating  
22 to:

23 (1) information resources and information resources  
24 technology; and

25 (2) the deployment and development of statewide  
26 applications.

27 (b) The department may operate a statewide technology

1 center directly or contract with another person to operate the  
2 center.

3 Sec. 2054.379. RULES. The department shall adopt rules and  
4 guidelines to implement this subchapter.

5 Sec. 2054.380. FEES. The department shall set and charge a  
6 fee to each state agency that receives a service from a statewide  
7 technology center in an amount sufficient to cover the direct and  
8 indirect cost of providing the service.

9 Sec. 2054.381. CONTRACTING; HISTORICALLY UNDERUTILIZED  
10 BUSINESSES. (a) In any procurement related to the establishment of  
11 a statewide technology center, the department shall maximize vendor  
12 competition and, to the extent feasible and cost-effective,  
13 interoperability.

14 (b) In contracting under this subchapter, the department  
15 shall follow the requirements of Chapter 2161 and related rules  
16 regarding historically underutilized businesses.

17 (c) The department shall provide to all qualified  
18 businesses the opportunity to compete for department contracts  
19 under this subchapter.

20 Sec. 2054.382. STATEWIDE TECHNOLOGY CENTERS FOR DATA OR  
21 DISASTER RECOVERY SERVICES; USE REQUIRED. (a) The department  
22 shall manage the operations of statewide technology centers that  
23 provide data center services or disaster recovery services for two  
24 or more state agencies, including management of the operations of  
25 the center on the campus of Angelo State University.

26 (b) The department by rule shall describe the data services  
27 provided by statewide technology centers.

1       (c) A state agency may not spend appropriated money to  
2 contract or issue purchase orders for data center services or  
3 disaster recovery services, including maintenance of those  
4 services, unless the executive director approves the expense. The  
5 department may establish appropriate thresholds and procedures for  
6 securing approval under this subsection.

7       (d) The Legislative Budget Board may not grant prior  
8 approval under Section 2054.386 in relation to services provided  
9 under this section.

10       Sec. 2054.383. ESTABLISHMENT OF ADDITIONAL STATEWIDE  
11 TECHNOLOGY CENTERS. (a) The department may establish additional  
12 statewide technology centers as provided by this section.

13       (b) The department may not establish a center under this  
14 section unless:

15               (1) the governor approves the establishment;

16               (2) the Legislative Budget Board approves the  
17 expenditures necessary for the establishment; and

18               (3) the executive director determines in writing that  
19 consolidating operations or services of selected state agencies  
20 will promote efficiency and effectiveness and provide the best  
21 value for the state.

22       (c) In the written determination under Subsection (b)(3),  
23 the executive director shall identify the selected state agencies  
24 that will be required to participate in the new center.

25       Sec. 2054.384. COST AND REQUIREMENTS ANALYSIS. (a) The  
26 department shall conduct a cost and requirements analysis for each  
27 state agency that the department intends to select for



1 participation in a statewide technology center.

2 (b) A selected state agency shall identify its particular  
3 requirements, operations costs, and requested service levels for  
4 the department. The department may require a state agency to  
5 validate or resubmit data related to these factors. The department  
6 shall fulfill the requirements and service levels of each state  
7 agency to the extent possible.

8 Sec. 2054.385. NOTICE OF SELECTION. After completion of  
9 the cost and requirements analysis for each state agency under  
10 Section 2054.384, the department shall provide notice to each state  
11 agency selected to receive services or operations through the  
12 statewide technology center. The notice must include:

13 (1) the state agency operations selected for  
14 consolidation at a statewide technology center;

15 (2) the scope of services to be provided to the agency;

16 (3) a schedule of anticipated costs for the agency;

17 and

18 (4) the implementation schedule for that agency.

19 Sec. 2054.386. INTERAGENCY CONTRACT; PRIOR APPROVAL OF  
20 EXPENDITURES. (a) A state agency that is selected under Section  
21 2054.385 to receive services or to have operations performed  
22 through a statewide technology center may not, except as provided  
23 by Subsection (b), spend appropriated money for the identified  
24 operations and services without the prior approval of the  
25 Legislative Budget Board.

26 (b) Unless the Legislative Budget Board grants prior  
27 approval for the selected state agency to spend appropriated money

1 for the identified operations or services in another specified  
2 manner, the selected agency shall enter into an interagency  
3 contract with the department to receive the identified services and  
4 have the identified operations performed through the statewide  
5 technology center. Amounts charged to the selected agency under  
6 the interagency contract must be based on the fees set by the  
7 department under Section 2054.380 but may not exceed the amounts  
8 expected to be necessary to cover the direct and indirect costs of  
9 performing operations and providing services under the contract.  
10 Before executing an interagency contract or alternatively  
11 receiving prior approval from the Legislative Budget Board under  
12 this section, the state agency may only spend appropriated money  
13 for the selected service or operation if the executive director  
14 approves the expense.

15 (c) Not later than the 30th business day after the date the  
16 selected state agency is notified of its selection under Section  
17 2054.385, the agency may request the Legislative Budget Board to  
18 grant its prior approval for the agency to spend appropriated money  
19 for the identified operations or services in a manner other than  
20 through an interagency contract with the department under  
21 Subsection (b).

22 (d) The request to the Legislative Budget Board must:

23 (1) be in writing;

24 (2) include a copy of the selection notice made by the  
25 executive director; and

26 (3) demonstrate that the decision of the executive  
27 director to select the agency will probably:

1                   (A) fail to achieve meaningful cost savings for  
2 the state; or

3                   (B) result in an unacceptable loss of  
4 effectiveness or operational efficiency.

5           (e) If the Legislative Budget Board determines that an  
6 interagency contract between the department and the selected state  
7 agency under Subsection (b) will fail to achieve meaningful cost  
8 savings for the state or result in an unacceptable loss of  
9 effectiveness or operational efficiency at the selected agency, the  
10 Legislative Budget Board may grant its prior approval for the  
11 selected agency to spend appropriated money for the identified  
12 operations or services in another specified manner, in which event  
13 the selected agency is not required to enter into an interagency  
14 contract under Subsection (b).

15           (f) The Legislative Budget Board shall notify the state  
16 agency, the executive director, and the comptroller of its  
17 decision.

18           Sec. 2054.387. INTERAGENCY CONTRACT; COMPLIANCE WITH  
19 SERVICE LEVELS. The department shall ensure compliance with  
20 service levels agreed to in an interagency contract executed under  
21 this subchapter.

22           Sec. 2054.388. TRANSFER OF OWNERSHIP. (a) The department,  
23 subject to the governor's approval, may require a state agency that  
24 enters into an interagency contract under Section 2054.386 to  
25 transfer to the department ownership, custody, or control of  
26 resources that the department, in consultation with the agency,  
27 determines are used to support the operations or services selected

1 under Section 2054.385. These resources may include:

2 (1) information resources;

3 (2) information resources technologies;

4 (3) full-time equivalent positions; and

5 (4) any other resources determined necessary by the  
6 department to support the selected operations or services.

7 (b) The department shall advise the governor, lieutenant  
8 governor, speaker of the house of representatives, Legislative  
9 Budget Board, and state auditor's office regarding the expected  
10 savings to be received for each state agency from which ownership,  
11 custody, or control is transferred under this section.

12 (c) The department and the state agency shall work to  
13 reconcile any federal funding issues that arise out of a transfer  
14 under this section. The department, subject to the governor's  
15 approval, shall exclude applicable resources from the transfer if  
16 the federal funding issues cannot be reconciled.

17 (d) Chapter 2175 does not apply to information resources or  
18 information resources technologies transferred under this section.

19 Sec. 2054.389. TRANSITION SCHEDULES. The department shall  
20 establish transition schedules for the transfer of state agency  
21 operations and services to statewide technology centers under this  
22 subchapter.

23 Sec. 2054.390. MIGRATION OF SERVICES. (a) The department  
24 shall prioritize the migration of services to the statewide  
25 technology center system established under this subchapter based on  
26 the size of the current technology center operational environment  
27 at a state agency, with the largest 25 technology center

1 environments ranking highest in priority.

2 (b) Unless the executive director determines that a  
3 migration under this section is not cost-effective, the department  
4 shall ensure the migration of at least three technology center  
5 environments to the statewide technology center system each fiscal  
6 year. This subsection expires September 1, 2013.

7 (c) A state agency shall comply with the department's  
8 request to migrate under this section.

9 (d) Any consolidation plan adopted by the department to  
10 execute this section must prioritize and fully use the existing  
11 capacity of the State Data Center located on the campus of Angelo  
12 State University.

13 Sec. 2054.391. USE OF STATEWIDE TECHNOLOGY CENTERS  
14 REQUIRED. (a) A state agency may not transfer services from a  
15 statewide technology center unless the executive director and the  
16 governor approve the transfer.

17 (b) If the department becomes aware that a state agency is  
18 not using a statewide technology center for operations or services  
19 in accordance with the interagency contract entered into under  
20 Section 2054.386 and as directed by the department, the department  
21 shall notify the comptroller, the Legislative Budget Board, the  
22 state auditor's office, and the affected state agency of the  
23 violation.

24 (c) After notification under Subsection (b), the state  
25 agency may not spend appropriated money for operations or services  
26 the agency was selected to receive through a statewide technology  
27 center without the prior approval of the executive director.

1 SECTION 1.08. Section 2157.068, Government Code, is amended  
2 to read as follows:

3 Sec. 2157.068. PURCHASE OF COMMODITY [~~SOFTWARE~~] ITEMS. (a)

4 In this section, "commodity[+

5 ~~[(1) "Commodity software]~~ items" means commercial  
6 software, hardware, or technology services [for personal  
7 ~~computers]~~ that are [is] generally available to businesses or the  
8 public and for which the department determines that a reasonable  
9 demand exists in two or more state agencies. The term includes seat  
10 management, through which a state agency transfers its personal  
11 computer equipment and service responsibilities to a private vendor  
12 to manage the personal computing needs for each desktop in the state  
13 agency, including all necessary hardware, software, and support  
14 services.

15 ~~[(2) "Department" means the Department of Information~~  
16 ~~Resources.]~~

17 (b) The department shall negotiate with catalog information  
18 systems vendors to attempt to obtain a favorable price for all of  
19 state government on licenses for commodity [~~software~~] items, based  
20 on the aggregate volume of purchases expected to be made by the  
21 state. The terms and conditions of a license agreement between a  
22 vendor and the department under this section may not be less  
23 favorable to the state than the terms of similar license agreements  
24 between the vendor and retail distributors.

25 (c) In contracting for commodity items under this section,  
26 the department shall make good faith efforts to provide contracting  
27 opportunities for, and to increase contract awards to, historically

1 underutilized businesses.

2       (d) The department may charge a reasonable administrative  
3 fee to a state agency, ~~[or]~~ political subdivision of this state, or  
4 governmental entity of another state that purchases commodity  
5 ~~[software]~~ items through the department in an amount that is  
6 sufficient to recover costs associated with the administration of  
7 this section.

8       (e) ~~[(d)]~~ The department shall compile and maintain a list  
9 of commodity ~~[software]~~ items available for purchase through the  
10 department that have a lower price than the prices for commodity  
11 ~~[software]~~ items otherwise available to state agencies under this  
12 chapter. The department shall make the list available on the world  
13 wide web or on a suitable successor to the world wide web if the  
14 technological developments involving the Internet make it  
15 advisable to do so.

16       (f) ~~[(e)]~~ The department may adopt rules regulating a  
17 purchase by a state agency of a commodity ~~[software]~~ item under this  
18 section, including a requirement that, notwithstanding other  
19 provisions of this chapter, the agency must make the purchase in  
20 accordance with a contract developed by the department unless the  
21 agency obtains:

- 22               (1) an exemption [a waiver] from the department; or  
23               (2) express prior approval from the Legislative Budget  
24 Board for the expenditure necessary for the purchase.

25       (g) The Legislative Budget Board's approval of a biennial  
26 operating plan under Section 2054.102 is not an express prior  
27 approval for purposes of Subsection (f)(2). A state agency must

1 request an exemption from the department under Subsection (f)(1)  
2 before seeking prior approval from the Legislative Budget Board  
3 under Subsection (f)(2).

4 (h) The department shall, in cooperation with state  
5 agencies, establish guidelines for the classification of commodity  
6 items under this section. The department may determine when a  
7 statewide vendor solicitation for a commodity item will reduce  
8 purchase prices for a state agency.

9 SECTION 1.09. Sections 2170.051(c) and (d), Government  
10 Code, are amended to read as follows:

11 (c) A state agency shall use the consolidated  
12 telecommunications system to the fullest extent possible. A state  
13 agency may not acquire telecommunications services unless the  
14 department's executive director [~~telecommunications planning and~~  
15 ~~oversight council~~] determines that the agency's requirement for  
16 telecommunications services cannot be met at a comparable cost by  
17 the consolidated telecommunications system.

18 (d) A state agency may not enter into or renew a contract  
19 with a carrier or other provider of telecommunications services  
20 without obtaining a waiver from the department's executive director  
21 [~~telecommunications planning and oversight council~~] certifying  
22 that the requested telecommunications services cannot be provided  
23 at a comparable cost on the consolidated telecommunications system.  
24 The executive director [~~telecommunications planning and oversight~~  
25 ~~council~~] shall evaluate requests for waivers based on  
26 cost-effectiveness to the state government as a whole. A waiver may  
27 be granted only for a specific period and will automatically expire



1 on the stated expiration date unless an extension is approved [~~by~~  
2 ~~the telecommunications planning and oversight council~~]. A contract  
3 for telecommunications services obtained under waiver may not  
4 extend beyond the expiration date of the waiver. If the executive  
5 director [~~telecommunications planning and oversight council~~]  
6 becomes aware of any state agency receiving telecommunications  
7 services without a waiver, the executive director  
8 [~~telecommunications planning and oversight council~~] shall notify  
9 the agency and the comptroller. The state agency shall have 60 days  
10 after notification by the executive director [~~telecommunications~~  
11 ~~planning and oversight council~~] in which to submit a waiver request  
12 [~~to the telecommunications planning and oversight council~~]  
13 documenting the agency's reasons for bypassing the consolidated  
14 telecommunications system and otherwise providing all information  
15 required by the waiver application form.

16 ARTICLE 2. CONFORMING AMENDMENTS

17 SECTION 2.01. Section 2054.003, Government Code, is amended  
18 by adding Subdivision (8-a) to read as follows:

19 (8-a) "Institution of higher education" has the  
20 meaning assigned by Section 61.003, Education Code.

21 SECTION 2.02. Section 2157.001, Government Code, is amended  
22 to read as follows:

23 Sec. 2157.001. DEFINITIONS. In this chapter:

24 (1) "Automated information system" includes:

25 (A) the computers and computer devices on which  
26 an information system is automated, including computers and  
27 computer devices that the commission identifies in guidelines

1 developed by the commission in consultation with the department  
2 [~~Department of Information Resources~~] and in accordance with  
3 Chapter 2054 and rules adopted under that chapter;

4 (B) a service related to the automation of an  
5 information system, including computer software or computers;

6 (C) a telecommunications apparatus or device  
7 that serves as a component of a voice, data, or video communications  
8 network for transmitting, switching, routing, multiplexing,  
9 modulating, amplifying, or receiving signals on the network, and  
10 services related to telecommunications that are not covered under  
11 Paragraph (D); and

12 (D) for the department [~~Department of~~  
13 ~~Information Resources~~], as telecommunications provider for the  
14 state, the term includes any service provided by a  
15 telecommunications provider, as that term is defined by Section  
16 51.002, Utilities Code.

17 (2) "Department" means the Department of Information  
18 Resources.

19 SECTION 2.03. Section 2157.003, Government Code, is amended  
20 to read as follows:

21 Sec. 2157.003. DETERMINING BEST VALUE FOR PURCHASES OF  
22 AUTOMATED INFORMATION SYSTEMS. "Best value" for purposes of this  
23 chapter means the lowest overall cost of an automated information  
24 system. In determining the lowest overall cost for a purchase or  
25 lease of an automated information system under this chapter, the  
26 commission or a state agency shall consider factors including:

27 (1) the purchase price;

1           (2) the compatibility to facilitate the exchange of  
2 existing data;

3           (3) the capacity for expanding and upgrading to more  
4 advanced levels of technology;

5           (4) quantitative reliability factors;

6           (5) the level of training required to bring persons  
7 using the system to a stated level of proficiency;

8           (6) the technical support requirements for the  
9 maintenance of data across a network platform and the management of  
10 the network's hardware and software;

11           (7) the compliance with applicable department  
12 [~~Department of Information Resources~~] statewide standards  
13 validated by criteria adopted by the department by rule; and

14           (8) applicable factors listed in Sections 2155.074 and  
15 2155.075.

16           SECTION 2.04. Section 2157.005(a), Government Code, is  
17 amended to read as follows:

18           (a) The commission and the department [~~Department of~~  
19 ~~Information Resources~~], in consultation with other state agencies  
20 and after public comment, shall develop a technology access clause  
21 to be included in all contracts entered into by the state or state  
22 agencies that involve the acquisition of an automated information  
23 system.

24           SECTION 2.05. Section 2157.063(b), Government Code, is  
25 amended to read as follows:

26           (b) In determining which goods or services are in the  
27 state's best interest, the agency shall consider:

- 1 (1) the installation and hardware costs;
- 2 (2) the overall life-cycle cost of the system or  
3 equipment;
- 4 (3) the estimated cost of employee training and  
5 estimated increase in employee productivity;
- 6 (4) the estimated software and maintenance costs; and
- 7 (5) the rules that prescribe applicable statewide  
8 standards adopted by the department [~~Department of Information~~  
9 ~~Resources~~].

10 SECTION 2.06. Sections 2157.121(b) and (c), Government  
11 Code, are amended to read as follows:

12 (b) A state agency, other than the department [~~Department of~~  
13 ~~Information Resources~~], shall send its proposal specifications and  
14 criteria to the commission for approval or request the commission  
15 to develop the proposal specifications and criteria.

16 (c) The department [~~Department of Information Resources~~]  
17 may acquire a telecommunications device, system, or service or an  
18 automated information system by using competitive sealed proposals  
19 without regard to whether the commission makes the determination  
20 required under Subsection (a) for other state agencies.

21 SECTION 2.07. Section 2157.181(a), Government Code, is  
22 amended to read as follows:

23 (a) The commission, with the concurrence of the department  
24 [~~Department of Information Resources~~], may negotiate with vendors  
25 preapproved terms and conditions to be included in contracts  
26 relating to the purchase or lease of a telecommunication device,  
27 system, or service or an automated information system awarded to a

1 vendor by a state agency.

2 SECTION 2.08. Section 2157.182, Government Code, is amended  
3 to read as follows:

4 Sec. 2157.182. VALIDITY OF PREAPPROVED TERMS AND  
5 CONDITIONS; RENEGOTIATION. (a) Preapproved terms and conditions  
6 to which a vendor, the commission, and the department [~~Department~~  
7 ~~of Information Resources~~] agree are valid for two years after the  
8 date of the agreement and must provide that the terms and conditions  
9 are to be renegotiated before the end of the two years.

10 (b) The commission and the department [~~Department~~  
11 ~~of Information Resources~~] jointly shall establish procedures to  
12 ensure that terms and conditions are renegotiated before they  
13 expire in a contract between the vendor and a state agency.

14 SECTION 2.09. Section 2157.184, Government Code, is amended  
15 to read as follows:

16 Sec. 2157.184. NOTIFICATION OF STATE AGENCIES AND VENDORS.  
17 The commission and the department [~~Department of Information~~  
18 ~~Resources~~] jointly shall establish procedures to notify state  
19 agencies and potential vendors of the provisions of this subchapter  
20 regarding preapproved terms and conditions.

21 ARTICLE 3. REPEALER; TRANSITION; EFFECTIVE DATE

22 SECTION 3.01. Sections 2054.201(c) and 2055.061,  
23 Government Code, are repealed.

24 SECTION 3.02. (a) The Department of Information Resources  
25 shall conduct a statewide assessment of information technology  
26 security resources and practices of state agencies.

27 (b) Not later than December 31, 2005, the department shall

1 report the results of its assessment to the governor, the  
2 lieutenant governor, the speaker of the house of representatives,  
3 and the state auditor's office.

4 (c) The assessment and report prepared under this section  
5 are confidential. Chapter 552, Government Code, does not apply to  
6 the assessment or the report.

7 SECTION 3.03. (a) The Department of Information Resources,  
8 in coordination with the Legislative Budget Board, the Texas  
9 Building and Procurement Commission, and the comptroller, shall  
10 analyze current automated information systems of state agencies to  
11 determine how the systems may be combined to more effectively  
12 synchronize strategic planning, budgeting, and reporting of  
13 technology expenditures, assets, and projects.

14 (b) Not later than December 31, 2005, the department shall  
15 report the results of its analysis to the governor, the lieutenant  
16 governor, the speaker of the house of representatives, and the  
17 state auditor's office.

18 SECTION 3.04. (a) In this section:

19 (1) "Department" means the Department of Information  
20 Resources.

21 (2) "State agency" has the meaning assigned by Section  
22 2054.003, Government Code, except that the term does not include an  
23 institution of higher education as defined by Section 61.003,  
24 Education Code.

25 (b) Not later than March 31, 2006, each state agency shall  
26 enter into an interagency contract with the department for services  
27 that the agency is required to obtain through a statewide

1 technology center under Subchapter L, Chapter 2054, Government  
2 Code, as added by this Act, that establishes a time line for the  
3 transfer of ownership of resources to the department in accordance  
4 with Subchapter L.

5 (c) Not later than August 31 of 2006 and 2007, the  
6 department shall report on the status of the statewide technology  
7 center system migration and consolidation under Section 2054.390,  
8 Government Code, as added by this Act, describing reviews and  
9 transfers during the fiscal year, and an update on the status of any  
10 contracts relating to the statewide technology centers. The  
11 department shall file the report with:

- 12 (1) the governor;
- 13 (2) the lieutenant governor;
- 14 (3) the speaker of the house of representatives;
- 15 (4) the chairs of the house and senate committees with  
16 primary oversight over the department;
- 17 (5) the chairs of the senate finance and the house of  
18 representatives appropriations committees;
- 19 (6) the state auditor's office; and
- 20 (7) each member of the Legislative Budget Board.

21 SECTION 3.05. The changes in law made by this Act with  
22 regard to contracts apply only to a contract for which the initial  
23 notice soliciting bids or proposals is given on or after the  
24 effective date of this Act. A contract for which the initial notice  
25 soliciting bids or proposals is given before that date is governed  
26 by the law in effect when the initial notice is given, and the  
27 former law is continued in effect for that purpose.

1 SECTION 3.06. This Act takes effect September 1, 2005.