

Amend **CSHB 3560** by adding the following appropriately number SECTIONS to read as follows:

SECTION _____. Subsection (a), Section 2113.102, Government Code, is amended to read as follows:

(a) A state agency may not use appropriated money to contract with a person to audit [~~the financial records or accounts of~~] the agency except:

(1) as provided by ~~+~~

~~[(1)]~~ Subsections (b), (c), and (d); and

(2) in accordance with Section 321.020 [~~Chapter 466, pertaining to the state lottery,~~

~~[(3) Chapter 2306, pertaining to the Texas Department of Housing and Community Affairs, and~~

~~[(4) Chapter 361, Transportation Code, pertaining to the Texas Turnpike Authority division of the Texas Department of Transportation].~~

SECTION _____. Subsection (a), Section 2162.103, Government Code, is amended to read as follows:

(a) In comparing the cost of providing a service, the council shall consider the:

(1) cost of supervising the work of a private contractor; ~~and~~

(2) cost of a state agency's performance of the service, including:

(A) the costs of the comptroller, attorney general, and other support agencies; and

(B) other indirect costs related to the agency's performance of the service;

(3) installation costs and any other initial costs associated with a contract with a private contractor;

(4) other costs associated with the transition to using a private contractor's goods or services; and

(5) cost savings to the state if a private contractor were awarded the contract.

SECTION _____. Section 2177.052, Government Code, is amended by amending Subsections (b), (c), and (f) and adding Subsection (g) to read as follows:

(b) Each state agency shall provide the commission:

(1) copies of the following documents:

(A) [~~(1)~~] each major contract entered into by the agency; and

(B) [~~(2)~~] each request for proposal, invitation to bid, or comparable solicitation related to the major contract; and

(2) information regarding each major contract entered into by the agency, including:

(A) the name of the contractor;

(B) the contract value;

(C) the beginning date and end date of the contract;

(D) a description of any amendments made to the contract;

(E) cumulative payments and encumbrances under the contract;

(F) key contract terms that are out of compliance in terms of timeliness standards; and

(G) any other information that the commission considers necessary.

(c) The commission shall include in the information posted on the electronic procurement marketplace:

(1) each major contract of a state agency, including the commission; ~~and~~

(2) each request for proposal, invitation to bid, or comparable solicitation related to the major contract; and

(3) information provided to the commission under Subsection (b)(2) regarding a major contract.

(f) The commission shall make the information searchable by contract value, state agency, ~~and~~ vendor, and date, including both the beginning date and the end date of the contract. The commission may make the information searchable by other subjects as appropriate.

(g) The commission shall set appropriate criteria to determine when and what information should be updated.

SECTION _____. Section 2262.001, Government Code, is amended

by amending Subdivisions (3) and (4) and adding Subdivision (3-a) to read as follows:

(3) "Contract manager" means a person who:

(A) is employed by a state agency; and

(B) has significant contract management duties for the state agency~~[, as determined by the agency in consultation with the state auditor]~~.

(3-a) "Executive director" means the administrative head of a state agency.

(4) "Major contract" means a contract, including a renewal of a contract, that has a value of at least \$1 million.

SECTION _____. Subchapter A, Chapter 2262, Government Code, is amended by adding Section 2262.0015 to read as follows:

Sec. 2262.0015. APPLICABILITY TO CERTAIN CONTRACTS.

(a) The commission by rule shall establish threshold requirements that exclude small or routine contracts, including purchase orders, from the application of this chapter.

(b) This chapter does not apply to an enrollment contract described by 1 T.A.C. Section 391.183 as that section existed on May 1, 2007.

SECTION _____. The heading to Section 2262.053, Government Code, is amended to read as follows:

Sec. 2262.053. TRAINING FOR CONTRACT MANAGERS.

SECTION _____. Section 2262.053, Government Code, is amended by amending Subsections (a) and (d) and adding Subsections (e), (f), and (g) to read as follows:

(a) In coordination with the comptroller, Department of Information Resources, ~~[and] state auditor~~, and Health and Human Services Commission, the commission or a private vendor selected by the commission shall develop ~~[or administer]~~ a training program for contract managers.

(d) The commission ~~[Texas Building and Procurement Commission]~~ shall administer the training program under this section.

(e) The commission shall certify contract managers who have completed the contract management training required under this section and keep a list of those contract managers.

(f) The program developed under this section must include a separate class on ethics and contracting.

(g) A state agency or educational entity may develop qualified contract manager training to supplement the training required under this section. The commission may incorporate the training developed by the agency or entity into the training program under this section.

SECTION ____ . Subchapter B, Chapter 2262, Government Code, is amended by adding Section 2262.0535 and Sections 2262.055 through 2262.066 to read as follows:

Sec. 2262.0535. TRAINING FOR GOVERNING BODIES. (a) The commission or a private vendor selected by the commission shall adapt the program developed under Section 2262.053 to develop an abbreviated program for training the members of the governing bodies of state agencies. The training may be provided together with other required training for members of state agency governing bodies.

(b) All members of the governing body of a state agency shall complete at least one course of the training developed under this section. This subsection does not apply to a state agency that does not enter into any contracts.

Sec. 2262.055. FEES FOR TRAINING. The commission shall set and collect a fee from state agencies that receive training under this subchapter in an amount that recovers the commission's costs for the training.

Sec. 2262.056. STATE AGENCY REPOSITORY. Each state agency shall maintain in a central location all contracts for that agency.

Sec. 2262.057. REPORTING CONTRACTOR PERFORMANCE. (a) After a contract is completed or otherwise terminated, each state agency shall review the contractor's performance under the contract.

(b) Using the forms developed by the team under Sections 2262.104 and 2262.105, the state agency shall report to the commission on the results of the review regarding the contractor's performance under the contract.

Sec. 2262.058. CONTRACTOR PERFORMANCE DATABASE. (a) The commission shall store in a database contractor performance reviews

as provided by this section.

(b) The commission shall evaluate the contractor's performance based on the information reported under Section 2262.057 and criteria established by the commission.

(c) The commission shall establish an evaluation process that allows vendors who receive an unfavorable performance review to protest any classification given by the commission.

(d) The commission shall develop a database that incorporates the performance reviews and aggregates the reviews for each contractor.

(e) A state agency may use the performance review database to determine whether to award a contract to a contractor reviewed in the database.

Sec. 2262.059. EXCLUDING CONTRACTOR FROM SOLICITATION PROCESS. Based on its own contractor performance reviews and on information in the database developed under Section 2262.058, a state agency may exclude a contractor from the solicitation process for a contract if the agency determines the contractor has performed poorly on a previous state contract without regard to whether the contractor has been barred under Section 2155.077.

Sec. 2262.060. PERFORMANCE MEASURES; REPORTS. (a) Each state agency shall develop a plan for incorporating performance measures into all contracts entered into by the agency. This includes ensuring that performance measures are written into each contract prior to execution.

(b) Not later than March 1 of each year, each state agency shall report to the team, governor, lieutenant governor, and speaker of the house of representatives regarding performance measures in the agency's contracts. The report must describe the agency's efforts to include performance-based provisions in the agency's contracts.

(c) The state agency shall make the report accessible to the public on the agency's website.

Sec. 2262.061. CONTRACT MANAGERS. (a) Each state agency that enters into contracts other than interagency contracts shall establish a career ladder program for contract management in the agency.

(b) An employee hired as a contract manager may engage in procurement planning, contract solicitation, contract formation, price establishment, and other contract activities.

(c) Each state agency shall determine, in consultation with the state auditor, the amount and significance of contract management duties sufficient for an employee to be considered a contract manager under this chapter.

Sec. 2262.062. APPROVAL OF CONTRACTS. (a) Each state agency shall establish formal guidelines regarding who may approve a contract for the agency.

(b) Each state agency shall adopt administrative rules to establish a monetary threshold above which agency contracts and amendments to or extensions of agency contracts require written authorization by the agency executive director.

(c) For state agency contracts valued in excess of \$1 million the agency executive director must authorize a contract amendment in writing.

(d) Each state agency shall annually report to the commission a list of each person authorized to approve contracts at the agency. The list must include the person's name, position, and supervisory responsibility, if any.

Sec. 2262.063. NEGOTIATION OF CONTRACT BY SINGLE EMPLOYEE PROHIBITED. A state agency may not negotiate a contract with only one employee engaging in the negotiation.

Sec. 2262.064. DEVELOPMENT OF OPTIMIZED MODEL FOR CERTAIN CONTRACTS. (a) If a state agency determines that a proposed contract or proposed contract extension or amendment would outsource existing services or functions performed by the agency that have a value of \$10 million or more, or that would lead to the loss of 100 or more existing state employee positions, the agency shall create an optimized model for the identified functions or services to determine how and at what cost the agency could most efficiently provide the functions or services.

(b) The model must show consideration of all relevant factors, including:

- (1) best practices in Texas and other states;
- (2) available technology;

(3) access to benefits and services for clients;
(4) program integrity; and
(5) assessment of state agency skills available
throughout the life of the project.

(c) An agency that develops an optimized model under this section shall use it as the basis for cost comparison when deciding whether to outsource the identified functions or services.

(d) A model developed under this section is confidential and is not subject to disclosure under Chapter 552 until a final determination has been made to award the contract for which the model was developed.

Sec. 2262.065. ANALYSIS OF SERVICES AND FUNCTIONS. (a) In this section, "inherently governmental in nature" means a function or service that involves the exercise or use of governmental authority or discretion.

(b) If a state agency determines that a proposed contract or proposed contract extension or amendment would outsource existing services or functions performed by the agency that have a value of \$10 million or more, or would lead to the loss of 100 or more existing state employee positions, then before the agency may issue a competitive solicitation for the contract or amend or extend the contract the agency shall contract with the State Council on Competitive Government for its staff to perform an analysis to determine if any of the services or functions to be performed under the contract or contract extension or amendment are inherently governmental in nature.

(c) Except as provided by Subsection (e), if the State Council on Competitive Government determines that a service or function to be performed under the contract or contract extension or amendment is inherently governmental in nature, the state agency may not:

(1) contract with a private entity to perform the service or function; or

(2) amend or extend the contract, if a private entity is to perform the service or function under the contract extension or amendment.

(d) The analysis required under this section must use the

standards and policies contained in the Office of Federal Procurement Policy, Policy Letter 92-1, or comparable guidelines developed by the State Council on Competitive Government.

(e) A state agency may contract with a private entity to perform a service or function or amend or extend an existing contract to allow a private entity to perform a service or function that the State Council on Competitive Government determines to be inherently governmental in nature if the chief administrative officer of the agency issues a report stating that there is a compelling state interest in outsourcing the service or function.

Sec. 2262.066. FULL AND FAIR COST COMPARISON. (a) If a state agency determines that a proposed contract or proposed contract extension or amendment would outsource existing services or functions performed by the agency that have a value of \$10 million or more, or that would lead to the loss of 100 or more existing state employee positions, the agency shall:

(1) conduct a full and fair cost comparison to determine whether a private entity could perform the service or function with a comparable or better level of quality at a cost savings to the state; and

(2) prepare a business case providing the initial justification for the proposed contract or proposed contract extension or amendment that includes:

(A) the results of the comparison required under Subdivision (1); and

(B) the anticipated return on investment in terms of cost savings and efficiency for the proposed contract or proposed contract extension or amendment.

(b) To perform the comparison required by Subsection (a)(1), a state agency may:

(1) contract with the State Council on Competitive Government to have its staff perform the comparison; or

(2) use the methodology provided in Section 2162.103.

(c) A state agency shall submit the business case required under Subsection (a)(2) to the governor, lieutenant governor, speaker of the house of representatives, Legislative Budget Board, and standing committees of the legislature that have primary

jurisdiction over the agency, over state appropriations, and over state purchasing.

SECTION _____. Section 2262.101, Government Code, is amended to read as follows:

Sec. 2262.101. CREATION; DUTIES. (a) The Contract Advisory Team is created to assist state agencies in improving contract management practices by:

(1) ~~[reviewing the solicitation of major contracts by state agencies;~~

~~[(2)]~~ reviewing any findings or recommendations made by the state auditor, including those made under Section 2262.052(b), regarding a state agency's compliance with the contract management guide; ~~[and]~~

(2) ~~[(3)]~~ providing recommendations to the commission regarding:

(A) the development of the contract management guide; and

(B) the training under Section 2262.053; and

(3) certifying that state agencies have complied with Sections 2262.064 and 2262.066.

(b) The team shall consult with state agencies in developing forms, contract terms, guidelines, and criteria required under this chapter.

SECTION _____. Subsection (a), Section 2262.102, Government Code, is amended to read as follows:

(a) The team consists of the following six ~~[five]~~ members:

(1) one member from the attorney general's office;

(2) one member from the comptroller's office;

(3) one member from the Department of Information Resources;

(4) one member from the Texas Building and Procurement Commission; ~~[and]~~

(5) one member from the governor's office; and

(6) one member from the State Council on Competitive Government.

SECTION _____. Subchapter C, Chapter 2262, Government Code, is amended by adding Sections 2262.104 and 2262.105 to read as

follows:

Sec. 2262.104. UNIFORM DEFINITIONS AND FORMS. (a) The team shall develop and publish a uniform set of definitions for use as applicable in state contracts.

(b) The team shall develop and publish a uniform and automated set of forms that a state agency may use in the different stages of the contracting process.

Sec. 2262.105. FORMS FOR REPORTING CONTRACTOR PERFORMANCE. As part of the uniform forms published under Section 2262.104, the team shall develop forms for use by state agencies in reporting a contractor's performance under Section 2262.057.

SECTION ____ Chapter 2262, Government Code, is amended by adding Subchapters D, E, F, and G to read as follows:

SUBCHAPTER D. CONTRACT PROVISIONS

Sec. 2262.151. USE OF UNIFORM FORMS. A state agency may use the forms developed under Section 2262.104 as templates, guides, or samples for contracts entered into by the agency.

Sec. 2262.152. CONTRACT TERMS RELATING TO NONCOMPLIANCE. (a) The team shall develop recommendations for contract terms regarding penalties for contractors who do not comply with a contract, including penalties for contractors who do not disclose conflicts of interest under Section 2262.201. The team may develop recommended contract terms that are generally applicable to state contracts and terms that are applicable to important types of state contracts.

(b) A state agency may include applicable recommended terms in a contract entered into by the agency.

Sec. 2262.153. REQUIRED PROVISION RELATING TO SUBCONTRACTOR COMPLIANCE. Each state agency contract must require that each contractor provide a list of all subcontractors for the contract and include a provision that:

(1) holds the contractor responsible for the conduct of all subcontractors in complying with the contractor's contract with the state agency; and

(2) requires each subcontractor to disclose all potential conflicts of interest to the state agency, according to guidelines developed under Section 2262.201(b), when the

subcontractor contracts with or is otherwise hired by the contractor.

Sec. 2262.154. REQUIRED CONTRACTOR DISCLOSURE STATEMENT; STATE AGENCY EMPLOYEES. Before entering into a contract with the state, a contractor and subcontractor shall disclose each employee:

(1) who was employed by:

(A) the state at any time during the two years before the date of the disclosure and is now employed by the contractor or subcontractor; or

(B) the contractor or subcontractor at any time during the year before the date of the disclosure and is now employed by the state; and

(2) who is materially involved in the development of the contract terms or the management of the contract.

Sec. 2262.155. REQUIRED CONTRACTOR DISCLOSURE STATEMENT; OUTSOURCING. (a) Each contract entered into by a state agency must include a provision requiring disclosure of any services materially necessary to fulfill the contract, including services performed by a subcontractor, that will be or are performed in a country other than the United States. This section does not apply to services that are occasional, minor, or incidental to fulfilling the contract.

(b) The contract must include a provision allowing the state agency to terminate the contract and solicit a new contract, except as provided by Subsection (d), if:

(1) the contractor or a subcontractor of the contractor performs a service materially necessary to fulfill the contract in a country other than the United States; and

(2) the contractor does not disclose in the contract that the service will be performed in a country other than the United States.

(c) A state agency that decides not to solicit a new contract under circumstances in which the agency is authorized to do so under a contract provision required by Subsection (b) shall report this decision to:

(1) the governor;

(2) the lieutenant governor;

(3) the speaker of the house of representatives; and

(4) the team.

(d) A contractor may replace a subcontractor without termination of a contract under this section if the contractor determines that the subcontractor is performing a service materially necessary to fulfill the contract in a country other than the United States and did not disclose that fact to the contractor.

Sec. 2262.156. HIRING PREFERENCE PROVISION FOR CERTAIN LARGE CONTRACTS. If a state agency determines that a proposed contract or proposed contract extension or amendment would outsource existing services or functions performed by the agency that have a value of \$10 million or more, or that would lead to the loss of 100 or more existing state employee positions, the contract or contract amendment must contain a provision that requires the contractor to give preference in hiring to former employees of a state agency:

(1) whose employment is terminated because of the contract or contract extension or amendment;

(2) who satisfy the contractor's hiring criteria for that position; and

(3) whose salary requirements are competitive with market rates for positions with equivalent skills and experience.

SUBCHAPTER E. ETHICS; CONFLICT OF INTEREST

Sec. 2262.201. CONTRACTOR CONFLICTS OF INTEREST. (a) Each contractor who responds to a state agency's contract solicitation shall disclose in its response all potential conflicts of interest to the agency.

(b) The team shall develop guidelines to aid contractors and state agencies in identifying potential conflicts of interest.

Sec. 2262.202. EXECUTIVE DIRECTORS; ETHICS IN CONTRACTING CLASS. Each executive director of a state agency shall annually complete the ethics and contracting class developed under Section 2262.053(f). This section does not apply to a state agency that does not enter into any contracts.

SUBCHAPTER F. CHANGES TO CONTRACTS

Sec. 2262.251. CONTRACT AMENDMENTS, EXTENSIONS, AND CHANGE

ORDERS. (a) An extension of or amendment to a contract, including a change order, is subject to the same approval processes as the original contract.

(b) A state agency may not extend or amend a contract unless:

(1) the agency complies with the same approval processes for the extension or amendment as required for the original contract; and

(2) a contract manager for the agency states in writing why the extension or amendment is necessary.

(c) This section does not affect whether a state agency is required to undertake a new solicitation process in the manner required for a new contract in order to extend or amend a contract.

Sec. 2262.252. LARGE CHANGE IN CONTRACT VALUE. (a) If a proposed contract amendment or extension changes the monetary value of a contract by \$1 million or more, the state agency must obtain review and approval from the team and the agency's executive director before the agency amends or extends the contract.

(b) This section does not apply to a proposed contract amendment required by a state or federal statute.

Sec. 2262.253. CERTAIN CONTRACT EXTENSIONS. This subchapter does not apply to contract extensions that are specifically established as a component of the original procurement.

SUBCHAPTER G. STATE OFFICE OF CONTRACT MANAGEMENT

Sec. 2262.301. DEFINITIONS. In this subchapter:

(1) "High-risk contract" means a state agency contract that:

(A) has a value of at least \$10 million; or

(B) has a value of less than \$10 million, but has high-risk factors as identified by the office.

(2) "Major information resources project" has the meaning assigned by Section 2054.003(10).

(3) "Office" means the state office of contract management.

(4) "Quality assurance team" means the quality assurance team established under Section 2054.158.

(5) "Solicitation" means a solicitation for bids, offers, qualifications, proposals, or similar expressions of interest for a high-risk contract.

Sec. 2262.302. ESTABLISHMENT; GENERAL DUTIES. The commission shall establish a state office of contract management to:

(1) develop criteria for identifying high-risk factors in contracts;

(2) review and approve an action related to a high-risk contract as provided by Section 2262.303;

(3) provide recommendations and assistance to state agency personnel throughout the contract management process; and

(4) coordinate and consult with the quality assurance team on all high-risk contracts relating to a major information resources project.

Sec. 2262.303. REVIEW AND APPROVAL; WAIVER. (a) Each state agency must receive approval from the office before taking the following actions in relation to a high-risk contract:

(1) publicly releasing solicitation documents;

(2) executing a final contract; and

(3) making a payment or a series of payments that equal half of the contract value.

(b) In determining whether to approve an action described by Subsection (a), the office shall review related documentation to ensure that potential risks related to the high-risk contract have been identified and mitigated.

(c) The commission by rule may adopt criteria for waiving the review and approval requirements under Subsections (a) and (b).

Sec. 2262.304. SOLICITATION AND CONTRACT CANCELLATION. After review of and comment on the matter by the Legislative Budget Board and the governor, the office may recommend the cancellation of a solicitation or a contract during the review process under Section 2262.303 if:

(1) a proposed solicitation is not in the best interest of the state;

(2) a proposed contract would place the state at an unacceptable risk if executed; or

(3) an executed contract is experiencing performance failure or payment irregularities.

SECTION _____. Section 2262.003, Government Code, is transferred to Subchapter D, Chapter 2262, Government Code, as added by this Act, is redesignated as Section 2262.157, Government Code, and is amended to read as follows:

Sec. 2262.157 [~~2262.003~~]. REQUIRED [~~CONTRACT~~] PROVISION RELATING TO AUDITING. (a) Each state agency shall include in each of its contracts a term that provides that:

(1) the state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the contract or indirectly through a subcontract under the contract;

(2) acceptance of funds directly under the contract or indirectly through a subcontract under the contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds; and

(3) under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

(b) The state auditor shall provide assistance to a state agency in developing the contract provisions.

SECTION _____. Section 51.923, Education Code, is amended to read as follows:

Sec. 51.923. QUALIFICATIONS OF CERTAIN BUSINESS ENTITIES TO ENTER INTO CONTRACTS WITH AN INSTITUTION OF HIGHER EDUCATION.

(a) In this section:

(1) "Business entity [~~Corporation~~]" means any entity recognized by law through which business for profit is conducted, including a sole proprietorship, partnership, firm, corporation, limited liability company, holding company, joint stock company, receivership, or trust [~~a corporation for profit organized under the laws of this state or under laws other than the laws of this state~~].

(2) "Governing board" has the meaning assigned by Section 61.003 of this code.

(3) "Institution of higher education" has the meaning assigned by Section 61.003 of this code.

(4) "Nonprofit corporation" means any organization exempt from federal income tax under Section 501 of the Internal Revenue Code of 1986 that does not distribute any part of its income to any member, director, or officer.

(b) A nonprofit corporation is not disqualified from entering into a contract or other transaction with an institution of higher education even though one or more members of the governing board of the institution of higher education also serves as a member, ~~[or]~~ director, or officer of the nonprofit corporation.

(c) A business entity ~~[corporation]~~ is not disqualified from entering into a contract or other transaction with an institution of higher education even though one or more members of the governing board of the institution of higher education has a substantial interest in the business entity ~~[also serves as a stockholder or director of the corporation provided that no member of the governing board owns or has a beneficial interest in more than five percent of the corporation's outstanding capital stock and further provided that the contract or transaction is:~~

~~[(1) an affiliation, licensing, or sponsored research agreement, or~~

~~[(2) awarded by competitive bidding or competitive sealed proposals].~~

(d) An institution of higher education is not prohibited from entering into a contract or other transaction with a business entity in which a member of the governing board of the institution of higher education has a substantial interest ~~[described in this section]~~ if the ~~[any]~~ board member ~~[having an interest described in this section in the contract or transaction]~~ discloses that interest in a meeting held in compliance with Chapter 551, Government Code, and refrains from voting on the contract or transaction. Any such contract or transaction requiring board approval must be approved by an affirmative majority of the board members voting on the contract or transaction.

(e) For purposes of this section, a member of a governing board has a substantial interest in a business entity if:

(1) the member owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity;

(2) funds received by the member from the business entity exceed 10 percent of the member's gross income for the previous year; or

(3) an individual related to the member in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has an interest in the business entity as described by Subdivision (1) or (2).

(f) A violation of this section does not render an action of the governing board voidable unless the contract or transaction that was the subject of the action would not have passed the governing board without the vote of the member who violated this section.

(g) This section preempts the common law of conflict of interests as applied to members of a governing board of an institution of higher education.

SECTION _____. Subsection (f), Section 2262.051, Government Code, is repealed.

SECTION _____. (a) Sections 2262.063 through 2262.066 and 2262.154, Government Code, and Subchapter G, Chapter 2262, Government Code, as added by this Act, apply only to a contract for which a state agency first advertises or otherwise solicits bids, proposals, offers, or qualifications on or after the effective date of this Act.

(b) Subsection (a), Section 2262.201, Government Code, as added by this Act, applies only in relation to a contract for which a state agency first solicits bids, proposals, offers, or qualifications on or after the date that the Contract Advisory Team's guidelines regarding potential conflicts of interest take effect.

SECTION _____. Not later than May 1, 2008, the Texas Building and Procurement Commission shall develop the training program,

including the ethics and contracting class, required by Section 2262.053, Government Code, as amended by this Act, and Section 2262.0535, Government Code, as added by this Act.

SECTION _____. A member of a governing body of a state agency is not required to complete the training developed under Section 2262.0535, Government Code, as added by this Act, until September 1, 2009.

SECTION _____. An executive director of a state agency is not required to comply with Section 2262.202, Government Code, as added by this Act, until September 1, 2009.

SECTION _____. A contract manager is not required to be certified under Chapter 2262, Government Code, as amended by this Act, until September 1, 2009.

SECTION _____. (a) As soon as practicable, and not later than May 1, 2008, the Contract Advisory Team shall develop the forms, criteria, recommendations, and provisions required by this Act, including Sections 2262.104, 2262.105, and 2262.152 and Subsection (b), 2262.201, Government Code, as added by this Act.

(b) A state agency is not required to comply with Sections 2262.056 through 2262.062 and Sections 2262.153, 2262.155, and 2262.156, Government Code, as added by this Act, until September 1, 2009. A state agency may comply earlier if the forms, electronic requirements, database, or other items are available before that date.