

By: Gattis

H.B. No. 2733

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation of an office of state contract management
3 at the Texas Building and Procurement Commission.

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

5 SECTION 1. Section 2262.002(b), Government Code, is amended
6 to read as follows:

7 (b) Except as otherwise provided by this chapter, this
8 [~~This~~] chapter does not apply to contracts of the Texas Department
9 of Transportation that:

10 (1) relate to highway construction or highway
11 engineering; or

12 (2) are subject to Section 201.112, Transportation
13 Code.

14 SECTION 2. Section 2262.101, Government Code, is amended to
15 read as follows:

16 Sec. 2262.101. CREATION; DUTIES. The Contract Advisory
17 Team is created to assist state agencies in improving contract
18 management practices by:

19 (1) [~~reviewing the solicitation of major contracts by~~
20 ~~state agencies,~~

21 [~~(2)~~] reviewing any findings or recommendations made
22 by the state auditor, including those made under Section
23 2262.052(b), regarding a state agency's compliance with the
24 contract management guide; and

1 (2) [~~(3)~~] providing recommendations to the commission
2 regarding:

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

5 (B) the training under Section 2262.053.

6 SECTION 3. Chapter 2262, Government Code, is amended by
7 adding Subchapter D to read as follows:

8 SUBCHAPTER D. STATE OFFICE OF CONTRACT MANAGEMENT

9 Sec. 2262.151. DEFINITIONS. In this subchapter:

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

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

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

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

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

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

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

24 Sec. 2262.152. TEXAS DEPARTMENT OF TRANSPORTATION.
25 Notwithstanding any other law, this subchapter applies to contracts
26 of the Texas Department of Transportation that:

27 (1) relate to highway construction or highway

1 engineering; or

2 (2) are subject to Section 201.112, Transportation
3 Code.

4 Sec. 2262.153. ESTABLISHMENT; GENERAL DUTIES. The
5 commission shall establish a state office of contract management
6 to:

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

9 (2) review and approve an action related to a
10 high-risk contract as provided by Section 2262.154;

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

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

16 Sec. 2262.154. REVIEW AND APPROVAL; WAIVER. (a) Each state
17 agency must receive approval from the office before taking the
18 following actions in relation to a high-risk contract:

19 (1) publicly releasing solicitation documents;

20 (2) executing a final contract; and

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

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

27 (c) The commission by rule may adopt criteria for waiving

1 the review and approval requirements under Subsections (a) and (b).

2 Sec. 2262.155. SOLICITATION AND CONTRACT CANCELLATION.

3 After review of and comment on the matter by the Legislative Budget
4 Board and the governor, the office may recommend the cancellation
5 of a solicitation or a contract during the review process under
6 Section 2262.154 if:

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

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

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

13 SECTION 4. Section 2262.051(f), Government Code, is
14 repealed.

15 SECTION 5. Subchapter D, Chapter 2262, Government Code, as
16 added by this Act, applies only in relation to a contract:

17 (1) for which the solicitation of bids, offers,
18 qualifications, proposals, or similar expressions of interest is
19 published on or after September 1, 2007;

20 (2) that is extended or modified on or after September
21 1, 2007; or

22 (3) for which a change order is submitted on or after
23 September 1, 2007.

24 SECTION 6. This Act takes effect immediately if it receives
25 a vote of two-thirds of all the members elected to each house, as
26 provided by Section 39, Article III, Texas Constitution. If this
27 Act does not receive the vote necessary for immediate effect, this

H.B. No. 2733

1 Act takes effect September 1, 2007.