

By: Zaffirini, et al.

S.B. No. 769

A BILL TO BE ENTITLED

1

AN ACT

2 relating to contracting issues of state agencies, including ethics
3 issues related to state contracting.

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

5 SECTION 1. Section 2113.102(a), Government Code, is amended
6 to read as follows:

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

10 (1) as provided by[+]

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

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

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

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

19 SECTION 2. Section 2162.103(a), Government Code, is amended
20 to read as follows:

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

23 (1) cost of supervising the work of a private
24 contractor; [~~and~~]

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

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

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

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

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

11 (5) cost of state unemployment claims for state
12 employees whose positions would be terminated if a private
13 contractor were awarded the contract; and

14 (6) total long-term cost to a state agency of
15 acquiring a private contractor's goods or services, including:

16 (A) the cost to the agency of replacing the
17 private contractor's goods or services if the private contractor
18 fails to fulfill the contractual obligation; and

19 (B) any economic impact to local governments
20 related to the loss of state employee positions in the region as a
21 result of the contract.

22 SECTION 3. Section 2177.052, Government Code, is amended by
23 amending Subsections (b), (c), and (f) and adding Subsection (g) to
24 read as follows:

25 (b) Each state agency shall provide the commission:

26 (1) copies of the following documents:

27 (A) [~~(1)~~] each major contract entered into by the

1 agency; and

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

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

7 (A) the name of the contractor;

8 (B) the contract value;

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

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

13 (E) cumulative payments and encumbrances under
14 the contract;

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

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

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

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

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

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

27 (f) The commission shall make the information searchable by

1 contract value, state agency, ~~and~~ vendor, and date, including
2 both the beginning date and the end date of the contract. The
3 commission may make the information searchable by other subjects as
4 appropriate.

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

7 SECTION 4. Section 2262.001, Government Code, is amended by
8 amending Subdivisions (3) and (4) and adding Subdivision (3-a) to
9 read as follows:

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

11 (A) is employed by a state agency; and

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

15 (3-a) "Executive director" means the administrative
16 head of a state agency.

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

19 SECTION 5. Subchapter A, Chapter 2262, Government Code, is
20 amended by adding Section 2262.0015 to read as follows:

21 Sec. 2262.0015. APPLICABILITY TO CERTAIN CONTRACTS. The
22 commission by rule shall establish threshold requirements that
23 exclude small or routine contracts, including purchase orders, from
24 the application of this chapter.

25 SECTION 6. The heading to Section 2262.053, Government
26 Code, is amended to read as follows:

27 Sec. 2262.053. TRAINING FOR CONTRACT MANAGERS.

1 SECTION 7. Section 2262.053, Government Code, is amended by
2 amending Subsections (a) and (d) and adding Subsections (e) and (f)
3 to read as follows:

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

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

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

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

17 SECTION 8. Subchapter B, Chapter 2262, Government Code, is
18 amended by adding Section 2262.0535 and Sections 2262.055 through
19 2262.068 to read as follows:

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

27 (b) All members of the governing body of a state agency

1 shall complete at least one course of the training developed under
2 this section. This subsection does not apply to a state agency that
3 does not enter into any contracts.

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

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

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

14 (b) Using the forms developed by the team under Sections
15 2262.104 and 2262.105, the state agency shall report to the
16 commission on the results of the review regarding the contractor's
17 performance under the contract.

18 Sec. 2262.058. CONTRACTOR PERFORMANCE DATABASE. (a) The
19 commission shall store in a database contractor performance reviews
20 as provided by this section.

21 (b) The commission shall evaluate the contractor's
22 performance based on the information reported under Section
23 2262.057 and criteria established by the commission.

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

27 (d) The commission shall develop a database that

1 incorporates the performance reviews and aggregates the reviews for
2 each contractor.

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

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

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

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

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

26 Sec. 2262.061. CONTRACT MANAGERS. (a) Each state agency
27 that enters into contracts other than interagency contracts shall

1 establish a career ladder program for contract management in the
2 agency.

3 (b) An employee hired as a contract manager shall oversee
4 and may, as appropriate, engage in procurement planning, contract
5 solicitation, contract formation, price establishment, and other
6 contract activities.

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

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

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

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

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

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

1 Sec. 2262.064. CONSISTENT PRICING BY CONTRACTORS. (a) The
2 commission may solicit a contract for the creation of a mechanism
3 for tracking and comparing prices that state agencies pay for
4 similar products or services.

5 (b) On behalf of the state, a contractor awarded a contract
6 under Subsection (a) may renegotiate state agency contracts for
7 products or services to obtain the best value for the state when the
8 tracking and comparing mechanism shows a disparity in the price
9 paid for similar products or services. A contract under Subsection
10 (a) may allow the selected contractor to keep a percentage of the
11 savings obtained in the renegotiated contracts.

12 (c) A state agency shall give a contractor selected under
13 Subsection (a) the information the contractor requires for the
14 purpose of tracking and comparing prices that state agencies pay
15 for similar products and services.

16 (d) A contractor selected under Subsection (a) may not sell
17 information it receives under Subsection (c) or otherwise make use
18 of the information for a purpose other than performing its contract
19 with the state.

20 Sec. 2262.065. EXCEPTION TO RENEGOTIATION REQUIREMENT. (a)
21 A state agency may exclude a contract from the application of
22 Section 2262.064 if it determines that renegotiation of the
23 contract under that section will affect the state negatively. The
24 state agency must notify the commission, lieutenant governor, and
25 speaker of the house of representatives regarding this
26 determination and explain why renegotiation of the contract is
27 contrary to the state's overall interest.

1 (b) The commission shall adopt rules and procedures to
2 document this process, including a requirement that the executive
3 directors of the commission and the state agency making the
4 determination formally approve the determination by signature or
5 other appropriate method.

6 Sec. 2262.066. DEVELOPMENT OF OPTIMIZED MODEL FOR CERTAIN
7 CONTRACTS. (a) If a state agency determines that a proposed
8 contract or proposed contract extension or amendment would
9 outsource existing services or functions performed by the agency
10 that have a value of \$10 million or more, or that would lead to the
11 loss of 100 or more existing state employee positions, the agency
12 shall create an optimized model for the identified functions or
13 services to determine how and at what cost the agency could most
14 efficiently provide the functions or services.

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

- 17 (1) best practices in Texas and other states;
18 (2) available technology;
19 (3) access to benefits and services for clients; and
20 (4) program integrity.

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

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

1 Sec. 2262.067. ANALYSIS OF SERVICES AND FUNCTIONS. (a) In
2 this section, "inherently governmental in nature" means a function
3 or service that involves the exercise or use of governmental
4 authority or discretion.

5 (b) If a state agency determines that a proposed contract or
6 proposed contract extension or amendment would outsource existing
7 services or functions performed by the agency that have a value of
8 \$10 million or more, or would lead to the loss of 100 or more
9 existing state employee positions, then before the agency may issue
10 a competitive solicitation for the contract or amend or extend the
11 contract the agency shall contract with the State Council on
12 Competitive Government for its staff to perform an analysis to
13 determine if any of the services or functions to be performed under
14 the contract or contract extension or amendment are inherently
15 governmental in nature.

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

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

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

26 (d) The analysis required under this section must use the
27 standards and policies contained in the Office of Federal

1 Procurement Policy, Policy Letter 92-1, or comparable guidelines
2 developed by the State Council on Competitive Government.

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

11 Sec. 2262.068. FULL AND FAIR COST COMPARISON. (a) If a
12 state agency determines that a proposed contract or proposed
13 contract extension or amendment would outsource existing services
14 or functions performed by the agency that have a value of \$10
15 million or more, or that would lead to the loss of 100 or more
16 existing state employee positions, the agency shall:

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

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

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

26 (B) the anticipated return on investment in terms
27 of cost savings and efficiency for the proposed contract or

1 proposed contract extension or amendment.

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

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

6 (2) use the methodology provided in Section 2162.103.

7 (c) A state agency shall submit the business case required
8 under Subsection (a)(2) to the governor, lieutenant governor,
9 speaker of the house of representatives, Legislative Budget Board,
10 and standing committees of the legislature that have primary
11 jurisdiction over the agency, over state appropriations, and over
12 state purchasing.

13 SECTION 9. Section 2262.101, Government Code, is amended to
14 read as follows:

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

18 (1) reviewing the solicitation of major contracts by
19 state agencies;

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

24 (3) providing recommendations to the commission
25 regarding:

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

1 (B) the training under Section 2262.053; and
2 (4) certifying that state agencies have complied with
3 Sections 2262.066 and 2262.068.

4 SECTION 10. Section 2262.102(a), Government Code, is
5 amended to read as follows:

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

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

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

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

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

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

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

16 SECTION 11. Subchapter C, Chapter 2262, Government Code, is
17 amended by adding Sections 2262.104, 2262.105, and 2262.106 to read
18 as follows:

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

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

25 Sec. 2262.105. FORMS FOR REPORTING CONTRACTOR PERFORMANCE.
26 As part of the uniform forms published under Section 2262.104, the
27 team shall develop forms for use by state agencies in reporting a

1 contractor's performance under Section 2262.057.

2 Sec. 2262.106. INDEPENDENT REVIEW AND ASSISTANCE. (a)

3 This section applies only to a proposed contract, contract
4 amendment, or contract extension:

5 (1) with an aggregate value of \$250 million or more;

6 (2) with an annual value of \$100 million or more; or

7 (3) for which a state agency requests assistance from
8 the team.

9 (b) The team shall:

10 (1) review a proposed contract, contract amendment, or
11 contract extension to determine whether the contract terms contain
12 certain provisions, including provisions providing for adequate
13 performance measures, formal deliverables, penalties for
14 noncompliance, continued monitoring, and other provisions the team
15 considers to be in the best interests of the state;

16 (2) recommend revisions to a proposed contract,
17 contract amendment, or contract extension if the team determines
18 that the proposed contract, contract amendment, or contract
19 extension does not contain the provisions required under
20 Subdivision (1); and

21 (3) assist contract managers during negotiations with
22 a contractor on a proposed contract, contract amendment, or
23 contract extension.

24 SECTION 12. Chapter 2262, Government Code, is amended by
25 adding Subchapters D, E, and F to read as follows:

26 SUBCHAPTER D. CONTRACT PROVISIONS

27 Sec. 2262.151. USE OF UNIFORM FORMS. A state agency may use

1 the forms developed under Section 2262.104 as templates, guides, or
2 samples for contracts entered into by the agency.

3 Sec. 2262.152. CONTRACT TERMS RELATING TO NONCOMPLIANCE.

4 (a) The team shall develop recommendations for contract terms
5 regarding penalties for contractors who do not comply with a
6 contract, including penalties for contractors who do not disclose
7 conflicts of interest under Section 2262.201. The team may develop
8 recommended contract terms that are generally applicable to state
9 contracts and terms that are applicable to important types of state
10 contracts.

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

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

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

20 (2) requires each subcontractor to disclose all
21 potential conflicts of interest to the state agency, according to
22 guidelines developed under Section 2262.201(b), when the
23 subcontractor contracts with or is otherwise hired by the
24 contractor.

25 Sec. 2262.154. REQUIRED CONTRACTOR DISCLOSURE STATEMENT;
26 STATE AGENCY EMPLOYEES. (a) The team shall develop a standard
27 contract provision requiring a contractor and subcontractor to

1 disclose each employee:

2 (1) who was employed by:

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

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

9 (2) who is:

10 (A) materially involved in the development of the
11 contract terms or the management of the contract; or

12 (B) employed at the executive level with the
13 contractor or subcontractor.

14 (b) A state agency shall include the provision in a contract
15 entered into by the agency.

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

23 (b) The contract must include a provision allowing the state
24 agency to terminate the contract and solicit a new contract if:

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

1 (2) the contractor did not disclose in the contract at
2 the time the contract was originally entered into that the service
3 would be performed in a country other than the United States.

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

8 (1) the governor;

9 (2) the lieutenant governor;

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

11 (4) the team.

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

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

23 (2) who satisfy the contractor's hiring criteria for
24 that position.

25 [Sections 2262.157-2262.200 reserved for expansion]

26 SUBCHAPTER E. ETHICS; CONFLICT OF INTEREST

27 Sec. 2262.201. CONTRACTOR CONFLICTS OF INTEREST. (a) Each

1 contractor who responds to a state agency's contract solicitation
2 shall disclose in its response all potential conflicts of interest
3 to the agency.

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

6 Sec. 2262.202. EXECUTIVE DIRECTORS; ETHICS IN CONTRACTING
7 CLASS. Each executive director of a state agency shall annually
8 complete the ethics and contracting class developed under Section
9 2262.053(f). This section does not apply to a state agency that
10 does not enter into any contracts.

11 [Sections 2262.203-2262.250 reserved for expansion]

12 SUBCHAPTER F. CHANGES TO CONTRACTS

13 Sec. 2262.251. CONTRACT AMENDMENTS, EXTENSIONS, AND CHANGE
14 ORDERS. (a) An extension of or amendment to a contract, including
15 a change order, is subject to the same approval processes as the
16 original contract.

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

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

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

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

27 Sec. 2262.252. LARGE CHANGE IN CONTRACT VALUE. If a

1 proposed contract amendment or extension changes the monetary value
2 of a contract by more than 10 percent, the state agency must obtain
3 review and approval from the team and the agency's executive
4 director before the agency amends or extends the contract.

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

9 SECTION 13. Section 2262.003, Government Code, is
10 transferred to Subchapter D, Chapter 2262, Government Code, as
11 added by this Act, is redesignated as Section 2262.157, Government
12 Code, and is amended to read as follows:

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

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

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

25 (3) under the direction of the legislative audit
26 committee, an entity that is the subject of an audit or
27 investigation by the state auditor must provide the state auditor

1 with access to any information the state auditor considers relevant
2 to the investigation or audit.

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

5 SECTION 14. (a) Sections 2262.063, 2262.066 through
6 2262.068, and 2262.106, Government Code, as added by this Act,
7 apply only to a contract for which a state agency first advertises
8 or otherwise solicits bids, proposals, offers, or qualifications on
9 or after the effective date of this Act.

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

15 SECTION 15. Not later than May 1, 2008, the Texas Building
16 and Procurement Commission shall develop the training program,
17 including the ethics and contracting class, required by Section
18 2262.053, Government Code, as amended by this Act, and Section
19 2262.0535, Government Code, as added by this Act.

20 SECTION 16. A member of a governing body of a state agency
21 is not required to complete the training developed under Section
22 2262.0535, Government Code, as added by this Act, until September
23 1, 2009.

24 SECTION 17. An executive director of a state agency is not
25 required to comply with Section 2262.202, Government Code, as added
26 by this Act, until September 1, 2009.

27 SECTION 18. A contract manager is not required to be

1 certified under Chapter 2262, Government Code, as amended by this
2 Act, until September 1, 2009.

3 SECTION 19. (a) As soon as practicable, and not later than
4 May 1, 2008, the Contract Advisory Team shall develop the forms,
5 criteria, recommendations, and provisions required by this Act,
6 including Sections 2262.104, 2262.105, 2262.152, 2262.154, and
7 2262.201(b), Government Code, as added by this Act.

8 (b) A state agency is not required to comply with Sections
9 2262.056 through 2262.062 and Sections 2262.153, 2262.154,
10 2262.155, and 2262.156, Government Code, as added by this Act,
11 until September 1, 2009. A state agency may comply earlier if the
12 forms, electronic requirements, database, or other items are
13 available before that date.

14 SECTION 20. This Act takes effect November 1, 2007.