

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 26, 2007

TO: Honorable Bill Callegari, Chair, House Committee on Government Reform

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2918 by Isett, Carl (Relating to state information technology contracting and procurement practices.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would allow an assistance organization to use a procurement contract entered into by the Department of Information Resources (DIR).

The bill would require that each state agency prepare a business case and statewide impact analysis for each proposed major contract. A "major contract" is a contract with a value of at least \$1 million under which a vendor will perform or manage an outsourced function or process.

The bill would require DIR to use this analysis to ensure the proposed major contract does not necessarily duplicate existing statewide information resources technology.

The bill would require state agencies to develop, for each major contract, a project plan and file the plan with the Quality Assurance Team and the Texas Building and Procurement Commission (TBPC) before the agency spends more than 10 percent of allocated funds for the major contract.

The bill would require TBPC to establish procedures for major contracts that outsource a state function or process to a contractor, including the use of the documents required by the Texas Project Delivery Framework.

The bill would require TBPC to develop and provide training to contract managers on the use and application of sourcing strategies, techniques, and tools.

The bill would require state agencies to purchase an automated information system using DIR information technology contracts or use a purchasing method designated by TBPC to obtain the best value for the state, including a request for offers method.

The bill would require agencies that have obtained an exemption from the Legislative Budget Board from using DIR's information technology commodity contracts to use a purchasing method designated by TBPC to obtain the best value for the state, including a request for offers method.

The bill would repeal sections of the Government Code relating to catalogue purchases of automated information systems.

It is assumed that any additional duties and responsibilities associated with implementing the provisions of the bill could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 303 Building and Procurement Commission, 313 Department of Information Resources

LBB Staff: JOB, RC, MN, EP