By: Parker H.B. No. 4682

## A BILL TO BE ENTITLED

1	AN ACT
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- 2 relating to the procurement of contracts in the state
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 4 SECTION 1. relating to Section 2262.002(b), Government
- 5 Code, is amended to read as follows:
- 6 (b) Except as otherwise provided by this chapter, this
- 7 [This] chapter does not apply to contracts of the Texas Department
- 8 of Transportation that:
- 9 (1) relate to highway construction or highway
- 10 engineering; or
- 11 (2) are subject to Section 201.112, Transportation
- 12 Code.
- SECTION 2. 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  $\left[\frac{(2)}{2}\right]$  reviewing any findings or recommendations made
- 21 by the state auditor, including those made under Section
- 22 2262.052(b), regarding a state agency's compliance with the
- 23 contract management guide; and
- 24 (2) [<del>(3)</del>] providing recommendations to the commission

- 1 regarding:
- 2 (A) the development of the contract management
- 3 quide; and
- 4 (B) the training under Section 2262.053.
- 5 SECTION 3. Chapter 2262, Government Code, is amended by
- 6 adding Subchapter D to read as follows:
- 7 SUBCHAPTER D. COLLABORATION WITH PRIVATE PROCUREMENT SPECIALIST
- 8 Sec. 2262.151. DEFINITIONS. In this subchapter:
- 9 (1) "High-cost contract" means a state agency contract
- 10 that has a value of at least \$10 million;
- 11 (2) "Major information resources project" has the
- meaning assigned by Section 2054.003(10).
- 13 (3) "Solicitation" means a solicitation for bids,
- 14 offers, qualifications, proposals, or similar expressions of
- 15 interest for a high-cost contract.
- Sec. 2262.152. USE OF PRIVATE PROCUREMENT SPECIALIST. The
- 17 comptroller of public accounts shall establish rules for the
- 18 purchasing and procurement of contracts pursuant to the
- 19 requirements herein:
- 20 (1) Except as otherwise provided in 2262.153(c), all
- 21 high-cost contracts shall require the collaboration of a private
- 22 procurement specialist for the purposes of satisfying the
- 23 requirements found in 2262.153(a) and 2262.153(b);
- 24 (2) In assigning a private procurement specialist the
- 25 comptroller of public accounts and the respective state agency
- 26 shall take the following into account:
- (i) a private procurement specialist's relative

- 1 experience and knowledge on the given subject associated with the
- 2 high-cost contract, and
- 3 (ii) any fees or costs otherwise associated in
- 4 securing the services of the private procurement specialist.
- 5 (3) review and approve an action related to a
- 6 high-cost contract as provided by Section 2262.153;
- 7 (4) provide recommendations and assistance to state
- 8 agency personnel throughout the contract management process; and
- 9 (5) coordinate and consult with the assigned private
- 10 procurement specialist on all high-cost contracts relating to a
- 11 major information resources project.
- 12 Sec. 2262.153. REVIEW AND APPROVAL; WAIVER. (a) Each state
- 13 agency must collaborate with a private procurement specialist
- 14 before taking the following actions in relation to a high-cost
- 15 contract:
- 16 (1) publicly releasing solicitation documents;
- 17 (2) executing a final contract; and
- 18 (3) making a payment or a series of payments that equal
- 19 half of the contract value.
- 20 (b) In determining whether to approve an action described by
- 21 Subsection (a), the assigned private procurement specialist and the
- 22 comptroller of public accounts shall review related documentation
- 23 to ensure that potential risks related to the high-cost contract
- 24 have been identified and mitigated.
- 25 (c) The comptroller of public accounts by rule may adopt
- 26 criteria for waiving the review and approval requirements under
- 27 Subsections (a) and (b).

- 1 (d) The private procurement specialist's fee is to be paid
- 2 by the appropriate agency out of funds appropriated.
- 3 <u>Sec. 2262.155. SOLICITATION AND CONTRACT CANCELLATION.</u>
- 4 After review of and comment on the matter by the Legislative Budget
- 5 Board and the governor, the assigned private procurement specialist
- 6 may recommend the cancellation of a solicitation or a contract
- 7 during the review process under Section 2262.153 if:
- 8 (1) a proposed solicitation is not in the best
- 9 interest of the state;
- 10 (2) a proposed contract would place the state at an
- 11 unacceptable risk if executed; or
- 12 (3) an executed contract is experiencing performance
- 13 <u>failure or payment irregularities.</u>
- 14 SECTION 4. Section 2262.051(f), Government Code, is
- 15 repealed.
- SECTION 5. Subchapter D, Chapter 2262, Government Code, as
- 17 added by this Act, applies only in relation to a contract:
- 18 (1) for which the solicitation of bids, offers,
- 19 qualifications, proposals, or similar expressions of interest is
- 20 published on or after September 1, 2009;
- 21 (2) that is extended or modified on or after September
- 22 1, 2009; or
- 23 (3) for which a change order is submitted on or after
- 24 September 1, 2009.
- 25 SECTION 6. This Act takes effect immediately if it receives
- 26 a vote of two-thirds of all the members elected to each house, as
- 27 provided by Section 39, Article III, Texas Constitution. If this

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- 1 Act does not receive the vote necessary for immediate effect, this
- 2 Act takes effect September 1, 2009.