

## **BILL ANALYSIS**

C.S.H.B. 1994  
By: Reynolds  
Technology  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Current law grants the Department of Information Resources (DIR) the authority to adopt rules requiring all state agencies other than institutions of higher education to purchase information technology commodity items using contracts developed by DIR. If DIR does not have the commodity item on an existing contract, an agency must request an exemption in writing and may not proceed until DIR responds. Interested parties note that, following an exemption granted by DIR, the state agency must undergo a procurement process that can take at least six weeks and that the need for such exemptions increases as the scope and rate of change in the technology industry outpaces DIR's ability to keep needed items on contract, since DIR's contract process may take as long as two years to award a contract. Interested parties contend that the technology industry is too broad and develops too rapidly for DIR to maintain all necessary commodity items on contract. C.S.H.B. 1994 seeks to make the procurement of information technology commodity items more efficient for state agencies by allowing such agencies to procure needed commodity items using a local government cooperative contract.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1994 amends the Government Code to exempt a state agency from Department of Information Resources (DIR) rules requiring a state agency to purchase an information technology commodity item in accordance with a contract developed by DIR if DIR certifies in writing that the commodity item is not available for purchase under an existing DIR-developed contract and to authorize an agency, under such exemption, to purchase a commodity item through a contract developed by a local government purchasing cooperative.

### **EFFECTIVE DATE**

September 1, 2013.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1994 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 2157.068, Government Code, is amended by amending	SECTION 1. Section 2157.068, Government Code, is amended by amending

83R 19947

13.92.759

Substitute Document Number: 83R 17425

Subsections (f) and (g) and adding Subsection (f-1) to read as follows:

(f) The department may adopt rules regulating a purchase by a state agency of a commodity item under this section, including a requirement that, notwithstanding other provisions of this chapter, the agency must make the purchase in accordance with a contract developed by the department unless ~~[the agency obtains]~~:

(1) the agency obtains:

(A) an exemption from the department; or  
(B) ~~[(2)]~~ express prior approval from the Legislative Budget Board for the expenditure necessary for the purchase; or

(2) the commodity item is not available for purchase under an existing contract developed by the department.

(f-1) A state agency may purchase a commodity item through a contract developed by a local government purchasing cooperative under Chapter 791 if the commodity item is not available for purchase under an existing contract developed by the department.

(g) The Legislative Budget Board's approval of a biennial operating plan under Section 2054.102 is not an express prior approval for purposes of Subsection ~~(f)(1)(B) [(f)(2)]~~. A state agency must request an exemption from the department under Subsection ~~(f)(1)(A) [(f)(1)]~~ before seeking prior approval from the Legislative Budget Board under Subsection ~~(f)(1)(B) [(f)(2)]~~.

SECTION 2. This Act takes effect September 1, 2013.

Subsections (f) and (g) and adding Subsection (f-1) to read as follows:

(f) The department may adopt rules regulating a purchase by a state agency of a commodity item under this section, including a requirement that, notwithstanding other provisions of this chapter, the agency must make the purchase in accordance with a contract developed by the department unless ~~[the agency obtains]~~:

(1) the agency obtains:

(A) an exemption from the department; or  
(B) ~~[(2)]~~ express prior approval from the Legislative Budget Board for the expenditure necessary for the purchase; or

(2) ~~the department certifies in writing that the commodity item is not available for purchase under an existing contract developed by the department.~~

(f-1) A state agency may purchase a commodity item through a contract developed by a local government purchasing cooperative under Chapter 791 if ~~the department certifies in writing that the commodity item is not available for purchase under an existing contract developed by the department.~~

(g) The Legislative Budget Board's approval of a biennial operating plan under Section 2054.102 is not an express prior approval for purposes of Subsection ~~(f)(1)(B) [(f)(2)]~~. A state agency must request an exemption from the department under Subsection ~~(f)(1)(A) [(f)(1)]~~ before seeking prior approval from the Legislative Budget Board under Subsection ~~(f)(1)(B) [(f)(2)]~~.

SECTION 2. Same as introduced version.