By: Harper-Brown

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	A BILL TO BE ENTITLED
1	AN ACT
2	relating to state contracting issues, including the duties of the
3	comptroller, quality assurance team, and Contract Advisory Team.
4	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
5	SECTION 1. Section 2054.158, Government Code, is amended to
6	read as follows:
7	Sec. 2054.158. QUALITY ASSURANCE TEAM <u>; DUTIES</u> . <u>(a)</u> The
8	state auditor, Legislative Budget Board, and department shall:
9	(1) create a quality assurance team to perform the
10	duties specified in this chapter and other law; and
11	(2) specify in writing the responsibilities of the
12	state auditor, Legislative Budget Board, and department in
13	performing the duties.
14	(b) The quality assurance team shall:
15	(1) develop and recommend policies and procedures to
16	improve state agency contract management practices;
17	(2) develop and recommend procedures to improve
18	value-based decision making in state agency contracting practices;
19	and
20	(3) monitor state agencies to determine whether the
21	agencies are meeting the needs of the persons to whom the agencies
22	provide services.
23	SECTION 2. Subchapter B, Chapter 2155, Government Code, is
24	amended by adding Sections 2155.088 and 2155.089 to read as

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1 follows:

<u>Sec. 2155.088. REPORTING VENDOR PERFORMANCE. (a) After a</u>
 <u>contract is completed or otherwise terminated, each state agency</u>
 shall review the vendor's performance under the contract.

5 (b) The state agency shall report to the comptroller, using 6 the tracking system described by Section 2155.089, on the results 7 of the review regarding a vendor's performance under a contract.

8 <u>Sec. 2155.089. VENDOR PERFORMANCE TRACKING SYSTEM. (a)</u> 9 <u>The comptroller shall evaluate a vendor's performance based on the</u> 10 <u>information reported under Section 2155.088 and criteria</u> 11 <u>established by the comptroller.</u>

12 (b) The comptroller shall establish an evaluation process 13 that allows vendors who receive an unfavorable performance review 14 to protest any classification given by the comptroller.

15 (c) The comptroller shall include the performance reviews
 16 in a vendor performance tracking system.

17 (d) A state agency shall use the vendor performance tracking
 18 system to determine whether to award a contract to a vendor reviewed
 19 in the database.

20 <u>(e) The comptroller shall make the vendor performance</u> 21 <u>tracking system accessible to the public on the comptroller's</u> 22 <u>Internet website.</u>

23 SECTION 3. Section 2155.132(e), Government Code, is amended 24 to read as follows:

(e) Competitive bidding, whether formal or informal, is
required for a purchase by a state agency if the purchase:

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(1) exceeds <u>\$25,000</u> [\$5,000]; and

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(2) is made under a written contract.

2 SECTION 4. Section 2262.051(d), Government Code, is amended 3 to read as follows:

4 (d) The guide must include model provisions for state agency5 contracts. The guide must:

6 (1) distinguish between essential provisions that a 7 state agency must include in a contract to protect the interests of 8 this state and recommended provisions that a state agency may 9 include in a contract;

10 (2) recognize the unique contracting needs of an 11 individual state agency or program and provide sufficient 12 flexibility to accommodate those needs, consistent with protecting 13 the interests of this state; [and]

14 (3) include maximum contract periods under which a new
15 competitive solicitation is not necessary; and

16 <u>(4) include the model contract management process</u> 17 <u>developed under Section 2262.104 and recommendations on the</u> 18 <u>appropriate use of the model</u>.

SECTION 5. Section 2262.101, Government Code, is amended to read as follows:

21 Sec. 2262.101. CREATION; DUTIES. The Contract Advisory Team 22 is created to assist state agencies in improving contract 23 management practices by:

24 (1) reviewing the solicitation of major contracts by25 state agencies;

(2) reviewing any findings or recommendations made by
 the state auditor, including those made under Section 2262.052(b),

H.B. No. 2335 1 regarding a state agency's compliance with the contract management guide; [and] 2 3 (3) providing recommendations to the commission regarding: 4 5 (A) the development of the contract management 6 guide; and 7 the training under Section 2262.053; (B) 8 (4) developing and recommending policies and procedures to improve state agency contract management practices; 9 (5) developing and recommending procedures to improve 10 value-based decision making in state agency contracting practices; 11 12 and 13 (6) monitoring state agencies to determine whether the 14 agencies are meeting the needs of the persons to whom the agencies 15 provide services. SECTION 6. Subchapter C, Chapter 2262, Government Code, is 16 17 amended by adding Section 2262.104 to read as follows: Sec. 2262.104. LOW-RISK CONTRACTS. The Contract Advisory 18 19 Team shall identify the types of procurements that pose a low risk of loss to the state and develop a model contract management process 20 for use with those procurements. 21 SECTION 7. The change in law made by this Act applies only 22 to a solicitation of bids or proposals or other similar expression 23 24 of interest made on or after the effective date of this Act. A solicitation of bids or proposals or other similar expression of 25 interest made before the effective date of this Act is governed by 26 the law in effect on the date the solicitation or other similar 27

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expression of interest is made, and the former law is continued in
 effect for that purpose.

3 SECTION 8. This Act takes effect September 1, 2013.