

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 16, 2013

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Government Organization

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1965 by Harper-Brown (Relating to the state contracting duties of the quality assurance team and Contract Advisory Team.), **Committee Report 2nd House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
--

The bill would require the Quality Assurance Team (QAT) to develop and recommend policies and procedures to improve state agency information resources technology (IRT) projects and to develop and recommend procedures to improve the implementation of state agency IRT projects by including considerations for best value and return on investment.

The bill would require the Contract Advisory Team (CAT) to review and make recommendations on solicitation and final contract documents with a value of at least \$10 million. The bill would require the CAT to develop and recommend policies and procedures to improve state agency contract management practices and contracting practices by including consideration for best value and to create and periodically perform a risk assessment to determine the appropriate level of management and oversight of contracts by state agencies.

The Comptroller would be required to oversee the activities of CAT. The bill would direct an agency to comply with recommendations made by CAT or submit a written explanation regarding why the recommendation is not applicable to the contract under review. The bill would change the composition of CAT by adding a member from the Health and Human Services Commission, the Texas Facilities Commission, and a member from a small agency (with fewer than 100 employees) and by removing a member from the Office of the Attorney General (OAG). The OAG would be required to provide legal assistance to CAT.

The Department of Information Resources (DIR) indicates the need for additional staff to implement the provisions of the bill. DIR anticipates recovering the costs from administrative fees (appropriated receipts deposited to the Clearing Fund Account) which are charged to state agencies and local entities which purchase goods and services through DIR's cooperative contracts program. The Comptroller, Office of the Attorney General, Office of the Governor, Legislative Budget Board and State Auditor's Office indicate that any additional costs associated with implementation of the bill could be absorbed within existing resources. It is assumed that any additional costs to the Texas Facilities Commission, the Health and Human Services Commission, and a selected small agency to participate in CAT could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor, 302 Office of the Attorney General, 304
Comptroller of Public Accounts, 308 State Auditor's Office, 313
Department of Information Resources

LBB Staff: UP, KJo, EP, LCO