

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 14, 2013

TO: Honorable Linda Harper-Brown, Chair, House Committee on Government Efficiency & Reform

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2335** by Harper-Brown (Relating to state contracting issues, including the duties of the comptroller, quality assurance team, and Contract Advisory Team.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend several provisions of the Government Code relating to state contracting, including the duties of the Comptroller of Public Accounts (CPA), Quality Assurance Team (QAT), and the Contract Advisory Team (CAT). The bill would require QAT and CAT to: (1) develop and recommend policies and procedures to improve state agency contract management practices; (2) develop and recommend procedures to improve value-based decision making in state agency contracting practices; and (3) monitor state agencies to determine whether the agencies are meeting the needs of the persons to whom the agencies provide services.

The bill would require a state agency to review a vendor's performance after a contract is completed or otherwise terminated and to report the results using the CPA's vendor performance tracking system. The CPA would be required to evaluate a vendor's performance and to include vendor performance reviews in the tracking system to be made accessible to the public. A state agency would be required to use information included in the system to determine whether to award a contract to a vendor.

The bill would increase the minimum dollar amount for purchases which require competitive bidding procedures from \$5,000 to \$25,000. The bill would require CAT to identify the types of procurements that pose a low risk of loss to the state and to develop a model contract management process for use with those procurements which would be included in the contract management guide required under Section 2262.051, Government Code.

The Department of Information Resources (DIR) indicates the need for additional staff to implement provisions of the bill related to CAT and QAT. It is assumed that DIR would recover the costs from administrative fees (appropriated receipts deposited to the Clearing Fund Account) which are charged to state and local entities which make purchases through DIR's cooperative contracts program. The CPA and Parks and Wildlife Department estimate there would be a cost associated with implementing the bill. It is anticipated that the additional costs could be absorbed within existing resources. Several other agencies indicate that costs to implement the bill 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, 303 Facilities Commission, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 313 Department of Information Resources, 529 Health and Human Services Commission, 802 Parks and Wildlife Department

LBB Staff: UP, KJo, EP, LCO, TB, ES, MW