

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 2, 2013**

**TO:** Honorable Byron Cook, Chair, House Committee on State Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3811** by Howard (Relating to the planning and contracting process for certain state agencies and state property; authorizing fees.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code to: require the State Preservation Board to conform any modifications to its long-range master plan for the Capitol and Capitol grounds to the Capitol Complex master plan prepared by the Texas Facilities Commission (TFC); require TFC to adopt policies and guidelines on contracting related to the selection of project delivery methods, the issuance of certain job order contracts, the restriction of the use of interagency contracts for certain procurements, and the consolidation of contracts; require TFC to develop a centralized insurance review process to be performed by TFC staff; require TFC to perform certain procedures when soliciting and awarding contracts and when developing a negotiation plan for each contract; require all TFC staff who deal with contracts to receive contract training; require TFC to develop certain plans, criteria, and procedures for contract administration, monitoring, evaluation, alteration, and completion; and require TFC to develop a central master file for TFC contracts.

The bill would amend the Government Code to: require TFC to establish review guidelines, procedures, and policies related to public-private partnership (P3) qualifying projects, requiring TFC to apply contracting best practices to qualifying project contracts; authorize TFC to charge a fee to cover the costs of negotiating, implementing, and overseeing an executed qualified P3 project contract; require public hearings on P3 qualified projects; establish procedures for the submission of P3 qualifying projects to the Contract Advisory Team; require TFC to submit to the Legislative Budget Board a financial analysis and information on potential and actual revenue generated related to qualifying P3 projects; require the Legislative Budget Board to monitor the state's financial interest in qualifying P3 projects and make recommendations to TFC on the use and management of revenue generated from qualifying projects; and prohibit TFC employees involved in a P3 process from being employed outside of the agency by an entity related to their agency responsibilities.

The bill would amend the Government Code to: require TFC to prepare a Capitol Complex master plan and submit updates to the plan to the governor, lieutenant governor, speaker of the House of Representatives, comptroller, and Legislative Budget Board; require TFC to submit the Capitol Complex master plan to the State Preservation Board and the General Land Office for review and comment and modify the plan to address any comments; require TFC to develop a comprehensive planning and development process plan for state property in the agency's inventory; provide procedural deadlines and guidelines related to developing or improving a state-owned property in the city of Austin; and require the Partnership Advisory Commission to submit a report to TFC on

the commission's evaluation of any detailed proposal of a qualifying project that the commission accepts for review, which TFC would be required to post on its Internet website.

The bill would also amend the Natural Resources Code to require the commissioner of the General Land Office to conform the report submitted to the governor, which recommends real estate transactions or other actions involving any real property included in the most recent evaluation report and identified as not used or substantially underused, with the real property provisions of the Capitol Complex master plan developed by TFC.

The procedures, policies, and guidelines required of TFC by this bill related to contacts, an insurance review process, risk assessments and negotiation plans, training, the central contract file, a qualifying project proposal fee schedule, a comprehensive planning and development process, would be required to be implemented by January 1, 2014.

The bill would also require TFC to develop a Capitol Complex master plan by July 1, 2014, and prohibit TFC from taking any formal action on a qualifying project before September 1, 2013 or before TFC develops a Capitol Complex master plan if the project were to be in the Capitol Complex.

The Texas Facilities Commission indicates there would be a cost associated with implementing the provisions of the bill; however, the Legislative Budget Board estimates the provisions of the bill could be implemented within existing resources.

The General Land Office and the Preservation Board indicate the provisions of the bill could be implemented within existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of each house; if not, it will take effect on September 1, 2013.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 303 Facilities Commission, 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 809 Preservation Board

**LBB Staff:** UP, AG, EP, CK, MW, TL