

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 1, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1679 by Zaffirini (Relating to state agency procurement.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would direct the Comptroller of Public Accounts (Comptroller) to pursue statewide contracts and attempt to leverage state spending for particular goods or services used by multiple state agencies to achieve cost savings for the state.

The bill would require the Comptroller to publish and maintain a procurement manual (to be reviewed by the Contract Advisory Team), with which agencies must comply, that incorporates sourcing standards of Section 2155.074, Government Code, and best practices for procurement. The Comptroller would be authorized to require a state agency to engage in certain procurement processes developed by the Comptroller for the purposes of developing and awarding a statewide contract for a good or service. The bill would require agencies to submit a procurement plan by June 1 of each odd-numbered fiscal year to the Comptroller for the purpose of scheduling solicitations for proposals for goods and services used by multiple state agencies.

The bill would require an agency to submit for Comptroller review a copy of a draft solicitation for the purchase of a good or service with a purchase price that exceeds \$100,000. The bill would direct agencies to accept any recommendations made by the Comptroller or submit alternative suggestions. The bill would authorize the Comptroller to partner with the agency to ensure purchasing standards are met and to award a statewide contract resulting from the solicitation. The Comptroller would be authorized to require the state agency to engage a consultant to assist with the solicitation and to pay the consultant with cost savings realized under the contract.

The bill repeals sections of Government Code related to: (1) award of certain contracts in public meetings; (2) the Procurement Advisory Council; (3) exemption from competitive bidding requirements for the purchase of goods or services from blind or visually impaired persons; (4) purchases for an auxiliary enterprise; and (5) public notice of bid solicitations in general circulation newspapers.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. Otherwise the bill would take effect September 1, 2013.

Based on the analyses of several agencies, including the Comptroller of Public Accounts, it is anticipated that any costs associated with implementation of the bill could be absorbed within existing resources. The Facilities Commission and Health and Human Services Commission

indicate that costs may be incurred depending on policies and procedures implemented by the Comptroller pursuant to this bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 303 Facilities Commission, 304 Comptroller of Public Accounts, 454 Department of Insurance, 529 Health and Human Services Commission, 601 Department of Transportation, 696 Department of Criminal Justice, 701 Central Education Agency, 802 Parks and Wildlife Department

LBB Staff: UP, KJo, EP, LCO, AH, TB