

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

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

**April 5, 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. ), Committee Report 1st House, Substituted

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1679, Committee Report 1st House, Substituted: a negative impact of (\$508,000) through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2014	(\$254,000)
2015	(\$254,000)
2016	(\$254,000)
2017	(\$254,000)
2018	(\$254,000)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>	<b>Change in Number of State Employees from FY 2013</b>
2014	1 (\$254,000)	3.0
2015	(\$254,000)	3.0
2016	(\$254,000)	3.0
2017	(\$254,000)	3.0
2018	(\$254,000)	3.0

**Fiscal Analysis**

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 bill would require a state agency to maintain written explanations of factors the agency deems more important than price and specifications in the purchasing of goods or services. The Comptroller would be authorized to partner with a state agency to engage in certain procurement processes developed by the Comptroller for the purposes of awarding a statewide contract. The bill would authorize the Comptroller to partner with each state agency on the agency's procurement plans, including identifying the major purchases the agency has planned for each fiscal biennium.

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 that exceeds \$100,000. The Comptroller would be authorized to make recommendations regarding the solicitation within 5 days. The bill would direct agencies to accept 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 assist the state agency in engaging a consultant to assist with the solicitation; the consultant would be paid from the cost savings realized under the contract.

The bill repeals sections of the Government Code related to: (1) award of certain contracts in public meetings; (2) the Procurement Advisory Council; (3) purchases for an auxiliary enterprise; and (4) 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.

## **Methodology**

The Comptroller indicates an annual administrative cost of \$254,000 reflecting salaries and related costs for the hiring of 3.0 full-time equivalent positions (contract specialists) to review and comment on draft solicitations for purchases over \$100,000 within five days of receipt of the draft solicitation.

Several agencies anticipate that any costs associated with implementation of the bill could be absorbed within existing resources. The Health and Human Services Commission indicates 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