

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 4, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1680 by Zaffirini (Relating to certain requirements applicable to contracts entered into by state agencies.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code, Chapters 2113, 2162, and 2261 to create new requirements related to state agency contracting. The bill would prohibit an agency from using appropriated funds for auditing except as part of delegation by the State Auditor's Office. The bill would add some requirements to the Council on Competitive State Government, including consideration of installation costs or other initial costs related to using a private contractor. The bill would add or amend definitions of contract, contract manager and major contract. It would also specify provisions to be included in a contract.

The bill would include requirements for a state agency to maintain contracts in a central repository at each agency. The bill would prohibit state agency contracts from being negotiated by a single employee and require each agency to have a formal approval process for internal contract approval. The bill would require a career ladder and training for contract managers at state agencies.

The bill's provisions relating to contract provisions, management and prohibiting the negotiation of a major contract by a single employee apply only to a contract for which a state agency first advertises or otherwise solicits bids, proposals, offers, or qualifications on or after the effective date of the bill. A contract manager is not required to complete the required training required until September 1, 2015. A state agency is not required to comply with the bill's provisions relating to a contract repository, contract managers, contract negotiation and review until September 1, 2015. The bill would take effect November 1, 2013.

Multiple agencies including the Department of Information Resources, the Texas Facilities Commission, the Health and Human Services Commission, the Texas Education Agency, the Texas Department of Criminal Justice, the Texas Department of Transportation, the Texas Department of Insurance, and the State Auditor's Office anticipate any additional work resulting from the passage of the bill could be reasonably absorbed within current resources.

The Comptroller of Public Accounts and the Texas Parks and Wildlife Department estimate that there would be a cost associated with implementing provisions of the bill. It is anticipated that the costs could be absorbed within current agency resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 313 Department of Information Resources, 601 Department of Transportation, 303 Facilities Commission, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 454 Department of Insurance, 529 Health and Human Services Commission, 696 Department of Criminal Justice, 701 Central Education Agency, 802 Parks and Wildlife Department

LBB Staff: UP, JJO, KJo, JI, MW, TB, TG