

**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: SB1681** by Zaffirini (Relating to oversight and management of state contracts.), As  
**Introduced**

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

The bill would require the Comptroller of Public Accounts (Comptroller), by rule, to establish threshold requirements which exclude small or routine contracts and purchase orders from application of Chapter 2262, Government Code, pertaining to statewide contract management and would exempt from application of Chapter 2262 enrollment contracts for multiple vendors for the provision of same or similar goods and services by the health and human services agencies.

The bill would require the Comptroller to certify contract managers who have completed contract management training and to develop an abbreviated training program for which all members of a governing body, excluding an agency that does not enter into contracts, shall complete.

The bill would require the Comptroller to evaluate a vendor's performance based on information reported by state agencies and criteria developed by the Comptroller. The Comptroller would include the review in a vendor performance tracking system.

The bill would limit the Contract Advisory Team's (CAT) review and recommendations on solicitation of contracts by state agencies to those with a value between \$10 million and \$100 million; the bill would direct an agency to comply with recommendations made by CAT. The bill would authorize CAT to provide recommendations and assistance to state agencies throughout the contract management process and to coordinate with the Quality Assurance Team on contracts for major information resources projects. The Comptroller would be required to oversee the activities of the CAT. The bill would require CAT to develop a uniform and automated set of forms for state agencies to use during the contracting process, including a form for reporting a vendor's performance to be used in the Comptroller's vendor performance tracking system. An agency would be required to receive approval from CAT, in relation to a contract with a value of more than \$100 million, prior to publicly releasing solicitation documents and executing a final contract for a contract. The bill would require CAT to develop recommendation for contract terms with regards to remedies for noncompliance by contractors which agencies would be authorized to include in contract.

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 Department of Information Resources and Health and Human Services Commission indicated that costs may be incurred depending on policies and procedures

implemented pursuant to the bill.

**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, 304  
Comptroller of Public Accounts, 308 State Auditor's Office, 313  
Department of Information Resources, 529 Health and Human Services  
Commission

**LBB Staff:** UP, KJo, EP, LCO, MW