

**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:** SB1681 by Zaffirini (Relating to oversight and management of state contracts. ),  
**Committee Report 1st House, Substituted**

**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; 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; and would require the Comptroller to develop and consult with agencies in developing forms for use during the contracting process, contract terms, and criteria.

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 documents and final contract documents to those with a value between \$10 million and \$100 million and limits reviews for compliance with contract management and best practices rather than the purpose or subject of the contract. 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. 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 the Comptroller to develop recommendations 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:**

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