

By: Elkins

H.B. No. 2973

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the contract management division of the Legislative Budget Board.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 2262, Government Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. CONTRACT MANAGEMENT DIVISION

Sec. 2262.201. DEFINITION. In this subchapter, "division" means the contract management division established by the Legislative Budget Board under this subchapter.

Sec. 2262.202. ESTABLISHMENT; GENERAL DUTIES. (a) The Legislative Budget Board shall establish a contract management division to:

(1) provide recommendations and assistance to state agency personnel throughout the contract management process; and

(2) review all contracts that have a value of at least \$5 million and identify certain contracts that are experiencing cost overruns or performance failure or are otherwise demonstrating poor management.

(b) For contracts identified under Subsection (a)(2), the division shall:

(1) contact the state agency that executed the contract to report on the issues identified by the division; and

(2) develop with the state agency a plan to address the

1 contract issues.

2 (c) The division shall notify the Legislative Budget Board
3 as soon as practicable if:

4 (1) the division is unable to develop a plan under
5 Subsection (b)(2) with a state agency; or

6 (2) a state agency fails to implement a plan developed
7 under Subsection (b)(2).

8 (d) If, after consultation with the division, the
9 Legislative Budget Board determines that further action is
10 necessary to prevent loss to the state from a contract for which a
11 plan was not developed or implemented as described by Subsection
12 (c)(1) or (2), the division shall:

13 (1) provide written notice to the governor of the risk
14 of loss to the state from the contract along with contract
15 documentation; and

16 (2) send a copy of the notice to the state agency that
17 executed the contract.

18 (e) The governor's office shall review the contract
19 documentation and consult with the division before making a
20 determination on whether to contact the governing body of the state
21 agency or the single state officer who governs the state agency to
22 work together to prevent loss to the state from the contract.

23 (f) A state agency shall provide the division any
24 information necessary for the division to perform the division's
25 duties under this section.

26 Sec. 2262.203. RULES. The Legislative Budget Board may
27 adopt rules to implement this subchapter.

1 SECTION 2. Subchapter E, Chapter 2262, Government Code, as
2 added by this Act, applies only to a contract for which a state
3 agency first advertises or otherwise solicits bids, proposals,
4 offers, or qualifications on or after the effective date of this
5 Act.

6 SECTION 3. This Act takes effect September 1, 2015.