

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 11, 2017

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1870 by Johnson, Jarvis (Relating to shipping logistics and coordination services for state agencies.), **As Introduced**

The bill would potentially have an indeterminate cost to the state as a result of provisions of the bill which would require state agencies to arrange all shipment of goods, parcels, and freight through a statewide vendor for shipping logistics and coordination services.

The bill would amend Section 2172.007, Government Code, to require rather than authorize the Comptroller to (1) contract with a vendor to oversee shipping logistics and coordination services for all state agencies and (2) to provide contracting opportunities for vendors that employ employee veterans or other persons with disabilities whose products and services are available under Chapter 122, Human Resources Code. The bill would also require, rather than authorize, state agencies to arrange all shipments of goods, parcels, and freight through vendor selected by the Comptroller.

The office of the Comptroller indicates that the requirements of the bill for centralized shipping logistics and coordination services would potentially have an indeterminate cost to the state. The requirements of the bill may increase workload by necessitating coordination for shipment of goods, parcels, and freight between the agency, vendor, and additionally the shipping logistics services provider. It is also unknown if vendors providing goods for state agencies may incur costs for the coordination efforts and subsequently increase charges to those state agencies.

The office of the Comptroller indicates that their costs to implement a contract for shipping logistics and coordination services would be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation

LBB Staff: UP, AG, NV, LCO