

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 6, 2021

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB799 by Nelson (relating to contracting procedures and requirements for governmental entities.),
Committee Report 1st House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would amend various chapters of the Government Code, relating to contracting procedures and requirements for governmental entities.

The bill would give state agencies the authority to purchase goods and services if the purchase does not exceed \$50,000. Under current law, that limit is \$15,000. The bill would allow the Comptroller to delegate to a state agency the authority to purchase goods and services if the purchase exceeds \$50,000.

The bill would require competitive bidding for a purchase that exceeds \$10,000. Under current law, that limit is \$5,000.

The bill would require a state agency that proposes to make a purchase or other acquisition that will cost more than \$25,000 to solicit bids from vendors on the master bidders list. Under current law, that limit is \$15,000.

The bill would require, for certain contracts with a value between \$1 million and \$10 million, that a state agency submit a request for pricing to at least six vendors on the commodity pricing list maintained by the Department of Information Resources. Under current law that requirement applies to contracts with a value between \$1 and \$5 million.

The bill would prohibit a state agency from entering into a contract to purchase certain commodities if the value of the contract exceeds \$10 million. Under current law that limit is \$5 million.

The bill would allow a state agency, for certain contracts with a value between \$5 million and \$10 million, to purchase a commodity using a purchasing method designated by the Comptroller to obtain the best value for the state.

The bill would require state agencies to send certain information to the Legislative Budget Board about certain contracts that exceed \$50,000. Under current law, those requirements apply to contracts that exceed \$14,000.

The bill would amend Section 2054.003 of the Government Code to add to the definition of a Major Information Resource Project (MIRP) any information resource technology project of a state agency designated for additional monitoring under Section 2261.258(a)(1) if the development costs of the project exceed \$5 million. According to such, for a state agency receiving a rating of "additional monitoring warranted," any contract of that state agency subject to review by the Contract Advisory Team at the Comptroller's Office and the Quality Assurance Team (consisting of the Comptroller's office, Department of Information Resources (DIR), Legislative Budget Board, and State Auditor's Office) would become a MIRP, if the development costs of the project exceed \$5 million.

The bill would amend Section 2054.1181 of the Government Code, to direct DIR to provide oversight services

for a MIRP designated as such under newly added Section 2054.003(10)(c). The state agency would be required to pay for such services and the fiscal implications cannot be estimated at this time.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusted Programs - Gov, 304 Comptroller of Public Accounts, 313 Department of Information Resources, 529 Hlth & Human Svcs Comm, 537 State Health Services

LBB Staff: JMc, KK, BC, DPE, LCO, MBO, SD