

BILL ANALYSIS

Senate Research Center
83R9371 MTB-D

H.B. 2873
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Government Organization
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The comptroller of public accounts of the State of Texas distilled statutory and administrative contracting requirements into a single 214-page publication called the *State of Texas Contract Management Guide* that provides a step-by-step roadmap for state agencies to follow in procuring and contracting for services. State agencies are statutorily required to adhere to the guide's contents and the state auditor's office is required to periodically monitor for compliance with the guide. Therefore, state agencies may tend to default to meeting all possible requirements of the procurement and contracting process as set out in the guide.

The guide's bias in favor of thoroughness and compliance causes inefficiency in processing minor or low-risk contracts, diverting time and attention from major solicitations and contracts. This negatively impacts the pursuit of best value or the guarantee that the state gets the best service it can for a fair price considering short-term and long-term impact, the quality of goods and services purchased, and the ability of a provider to deliver on time and under the terms of a contract.

H.B. 2873 provides an efficient process for handling low-risk state contracts. Specifically, it requires the contract advisory team to identify the types of procurements that pose a low risk of loss to the state and to develop a model contract management process for use with those procurements which would be included in the contract management guide.

H.B. 2873 amends current law relating to the development of a model contract management process for use with low-risk state procurements.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2262.051(d), Government Code, as follows:

(d) Requires that the contract management guide include the model contract management process developed under Section 2262.104 and recommendations on the appropriate use of the model. Makes nonsubstantive changes.

SECTION 2. Amends Subchapter C, Chapter 2262, Government Code, by adding Section 2262.104, as follows:

Sec. 2262.104. **LOW-RISK CONTRACTS.** Requires the contract advisory team to identify the types of procurements that pose a low risk of loss to the state and develop a model contract management process for use with those procurements.

SECTION 3. Effective date: September 1, 2013.