

BILL ANALYSIS

Senate Research Center

S.B. 1161
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law requires all state agencies to purchase technology hardware, software, and services from the contracts procured and managed by the Department of Information Resources and waives any requirement for agencies using those contracts to perform a competitive bid process. This technology purchasing program was created to assist state agencies and achieve greater savings for the state by leveraging its buying potential. Yet, several audit reports indicate that the agencies do not always receive the best value when purchasing technology goods and services. What's more, the state may not be receiving the best value from program because there is no direct oversight of the technology purchases and vendor invoices.

S.B. 1161 would improve the state's technology procurement process by requiring state agencies to use a competitive process for technology purchases of \$25,000 or more, and by requiring the Department of Information Resources to review the monthly sales invoices from vendors against the state agencies' monthly purchase invoices to verify the veracity of the technology procurement information.

As proposed, S.B. 1161 amends current law relating to the purchases by state agencies of automated information systems.

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 2157.068, Government Code, by adding Subsections (e-1) and (j), as follows:

(e-1) Requires a state agency to purchase an automated information system using competitive bidding for purchases more than \$25,000 including when purchasing an item under Subsection (e) (relating to a list of commodity items available through the Department of Information Resources (DIR)).

(j) Requires DIR to, in cooperation with state agencies, monitor and verify the purchase transaction reports submitted by vendors reflecting monthly sales made under Subsection (e) to ensure the accuracy of the reports.

SECTION 2. Amends Section 2155.504(a), Government Code, as follows:

(a) Authorizes a state agency or local government to purchase goods or services directly from a vendor under a contract listed on a schedule developed under this subchapter. Deletes existing text providing that a purchase authorized by this section satisfies any requirement of state law relating to competitive bids or proposals and satisfies any applicable requirements of Chapter 2157 (Purchasing: Purchase of Automated Information Systems).

SECTION 3. Provides that the changes in law made by this Act apply only in relation to a contract:

- (1) for which a state agency first advertises or otherwise solicits bids, proposals, offers, or qualifications on or after the effective date of this Act;
- (2) that is extended or modified on or after the effective date of this Act; or
- (3) for which a change order is submitted on or after the effective date of this Act.

SECTION 4. Effective date: September 1, 2015.