

## **BILL ANALYSIS**

Senate Research Center

S.B. 533  
By: Nelson  
Finance  
3/22/2017  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The 84th Legislature, Regular Session, 2015, passed S.B. 20, a sweeping reform of state contracting spurred by allegations of impropriety at a state agency during the procurement of a major information resources project. The lieutenant governor subsequently charged the Senate Committee on Finance to monitor implementation of the legislation during the interim. From that review, state agencies and the private sector offered recommendations to clarify and strengthen the provisions of S.B. 20. S.B. 533 is a product of that review.

As proposed, S.B. 533 amends current law relating to state agency contracting.

### **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 2054.1181(a), Government Code, as follows:

(a) Requires the Department of Information Resources (DIR), at the direction of the governor, lieutenant governor, or speaker of the house of representatives, to provide additional oversight services for major information resources projects, including risk management, quality assurance services, independent project monitoring, and project management, rather than authorizes the quality assurance team, in coordination with the governor, to recommend major information resources projects to DIR for oversight and, as part of this oversight, require DIR to provide risk management, quality assurance services, independent project monitoring, and project management. Authorizes DIR to contract with a vendor to provide the necessary oversight at DIR's direction.

SECTION 2. Amends Section 2054.158, Government Code, as follows:

Sec. 2054.158. QUALITY ASSURANCE TEAM; DUTIES. (a) Includes the Texas comptroller of public accounts among certain entities to which this subsection applies and includes the creation of an automated project review system in the list of duties required of those entities.

(b) Includes provision of annual training for state agency procurement and contract management staff on best practices and methodologies for information technology contracts in the list of required duties of the quality assurance team.

(c) Provides that the state auditor serves on the quality assurance team as an advisor.

SECTION 3. Amends Section 2054.303(a), Government Code, to require a state agency, for each proposed major information resources project or major contract, to prepare, among certain other analyses, in consultation with DIR, a technical architectural assessment of the project or contract.

SECTION 4. Amends Section 2054.304, Government Code, by adding Subsection (d), to require each project delivery framework in a project plan to be recognized as a best practice for major information resources projects or major contracts.

SECTION 5. Amends Subchapter B, Chapter 2155, Government Code, by adding Section 2155.090, as follows:

Sec. 2155.090. **VENDOR AND EMPLOYEE INTERACTION AND COMMUNICATION POLICY.** (a) Requires each state agency to adopt a policy on the interactions and communication between employees of the state agency and a vendor that contracts or seeks to conduct business with the state agency.

(b) Provides that this subtitle (State Purchasing and General Services) does not prohibit the exchange of information between a state agency and a vendor related to future solicitations or as necessary to monitor an existing contract.

SECTION 6. Amends Sections 2157.068(e-1) and (e-2), Government Code, as follows:

(e-1) Requires a state agency contracting to purchase a commodity item to use the required list as follows:

(1) makes no changes to this subdivision;

(2) for a contract with a value of more than \$50,000 but not more than \$1 million, rather than not more than \$150,000, the agency is required to submit a request for pricing to at least three vendors; and

(3) for a contract with a value of more than \$1 million but not more than \$5 million, rather than for a contract with a value of more than \$150,000 but not more than \$1 million, the agency is required to submit a request for pricing to a certain number of vendors.

(e-2) Prohibits a state agency from entering into a contract to purchase a commodity item if the value of the contract exceeds \$5 million, rather than \$1 million.

SECTION 7. Amends Section 2261.251, Government Code, by adding Subsection (a-1), to provide that this subchapter (Ethics, Reporting, and Approval Requirements for Certain Contracts) applies to a regional education service center established under Chapter 8 (Regional Education Service Centers), Education Code.

SECTION 8. Amends Section 2262.101(a), Government Code, to provide that the Contract Advisory Team is created to assist state agencies in improving contract management practices by, among certain other activities, reviewing and making recommendations on certain documents of state agencies that have a value of at least \$5 million, rather than \$10 million.

SECTION 9. Amends Subchapter A, Chapter 8, Education Code, by adding Section 8.0091, as follows:

Sec. 8.0091. **APPLICABILITY OF CERTAIN STATE CONTRACTING LAWS.** Provides that a regional education service center and each center employee is subject to Subchapter F, Chapter 2261 (State Contracting Standards and Oversight), Government Code. Provides that, for purposes of that chapter, the center is considered to be a state agency and each center employee is considered to be a state employee.

SECTION 10. (a) Requires each state agency, not later than January 1, 2018, to adopt a vendor and employee interaction and communication policy as required by Section 2155.090, Government Code, as added by this Act.

(b) Makes application of this Act prospective.

SECTION 11. Effective date: September 1, 2017.