

## **BILL ANALYSIS**

Senate Research Center

S.B. 706  
By: Birdwell  
Business & Commerce  
5/23/2017  
Enrolled

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

Background:

- In 1993, H.B. 2626 created the State Council on Competitive Government (CCG) to support state and local government services by encouraging "competition, innovation, and creativity among service providers."
- Passed in 2007, H.B. 3560 transferred CCG and the authority to oversee state purchasing to the Texas comptroller of public accounts (comptroller).

Issue:

- CCG is an added level of bureaucracy that has outlived its utility and is no longer necessary for statewide procurement.
- The enabling statute for CCG actually limits the type of contracts that CCG can procure, so the original intent of CCG does not match state law.
- Moreover, the contracts procured by CCG may have been considered "innovative" when they were first introduced, but the ongoing renewals and re-procurements of these contracts for more than a decade do not necessarily encourage innovative and creative services.

Proposal/ Resolution:

- By removing an unnecessary level of government, repealing CCG would promote good governance and transparency. It would also ensure that public funds are spent efficiently.
- The procurement system has evolved since the creation of CCG. The Statewide Procurement Division (SPD) now offers multiple procurement methods to streamline purchasing for state agencies and local governments.
- Additionally, SPD frequently communicates with state agencies to determine their needs and what they are looking for in terms of "best value."
- CCG's seven existing contracts support basic office services, such as printing and shredding, all of which could be procured through the comptroller's SPD or the Texas Department of Information Resources. (Original Author's / Sponsor's Statement of Intent)

S.B. 706 amends current law relating to the abolishment of the State Council on Competitive Government and the transfer of its functions to the comptroller.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the State Council on Competitive Government is rescinded in SECTION 7 (Section 2162.101, Government Code) of this bill.

## **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 662.0071(a), Government Code, as follows:

(a) Deletes existing text requiring a state agency to accept the balance of compensatory time accrued under Section 662.007 (Compensatory Time) by a certain state employee if the employee transfers as a direct result of a requirement of the State Council on Competitive Government (CCG) for the agency that formerly employed the employee to bid a commercially available service that the agency previously performed. Makes nonsubstantive changes.

SECTION 2. Amends Sections 2054.131(b) and (d), Government Code, as follows:

(b) Amends this section to replace CCG with the Department of Information Resources in the provisions of this section.

(d) Makes conforming changes.

SECTION 3. Amends Section 2171.104(a), Government Code, to require the office of vehicle fleet management, rather than the office of vehicle fleet management as directed by CCG, to develop a management plan with detailed recommendations for improving the administration and operation of the state's vehicle fleet.

SECTION 4. Amends Section 32.0461, Human Resources Code, by amending Subsections (a) and (c) and adding Subsection (d), as follows:

(a) Requires the Health and Human Services Commission (HHSC), rather than HHSC in consultation and coordination with CCG, to seek competitive bids for the claims processing function of the vendor drug program.

(c) Authorizes HHSC to award a contract under this section to another person only if HHSC makes certain determinations, rather than if the Texas Department of Health and CCG make certain determinations.

(d) Authorizes HHSC to consult with the Texas comptroller of public accounts (comptroller) in administering this section.

SECTION 5. Amends Sections 11.0255(b) and (c), Parks and Wildlife Code, as follows:

(b) Deletes existing text authorizing the Texas Parks and Wildlife Department (TPWD) to use the cost accounting procedures and instructions developed by CCG under Section 2162.102 (Selection of Service Provider Through Competition), Government Code. Makes nonsubstantive changes.

(c) Requires the comptroller, on request, to provide technical assistance to TPWD, rather than requires CCG, on request, to provide technical assistance to TPWD, including assistance with the application of CCG's cost accounting procedures and instructions.

SECTION 6. Amends Section 223.042(d), Transportation Code, as follows:

(d) Deletes existing text requiring the Texas Department of Transportation (TxDOT) to use the cost accounting procedures and instructions developed by CCG under Section 2162.102(c)(2) (relating to developing and requiring state agencies to use methods to estimate and account for certain costs), Government Code, in determining its cost. Deletes existing text requiring CCG, on request, to provide technical assistance to TxDOT about the cost accounting procedures and instructions.

SECTION 7. Repealer: Section 161.037(b) (relating to the Texas Animal Health Commission consulting CCG), Agriculture Code.

Repealer: Chapter 236 (Competitive Bidding for Child Support Collection Services), Family Code.

Repealer: Section 662.0071(c) (relating to the definition of "bid"), Government Code.

Repealer: Section 670.003 (Human Resources Staffing for Medium-Sized and Small State Agencies; Outsourcing), Government Code.

Repealer: Chapter 2162 (State Council on Competitive Government), Government Code.

Repealer: Section 2163.001(d) (relating to consulting with CCG), Government Code.

Repealer: Section 11.153(b) (relating to TPWD consulting CCG), Parks and Wildlife Code.

SECTION 8. (a) Provides that on the effective date of this Act, CCG is abolished.

(b) Provides that the validity of an action taken by or in connection with the authority of CCG before the date the agency is abolished is not affected by the abolition.

SECTION 9. Provides that on the effective date of this Act:

(1) all powers and duties of CCG are transferred to the comptroller;

(2) a rule, form, policy, procedure, or decision of CCG continues in effect as a rule, form, policy, procedure, or decision of the comptroller until superseded by an act of the comptroller;

(3) a reference in law to CCG means the comptroller;

(4) any action or proceeding before CCG is transferred without change in status to the comptroller and the comptroller assumes, without a change in status, the position of CCG in any action or proceeding to which CCG is a party;

(5) all money, contracts, leases, rights, bonds, and obligations of CCG are transferred to the comptroller;

(6) all personal property, including records, in the custody of CCG becomes the property of the comptroller; and

(7) all funds appropriated by the legislature to CCG are transferred to the comptroller.

SECTION 10. Effective date: September 1, 2017.