

BILL ANALYSIS

C.S.S.B. 1161
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Government Transparency & Operation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested stakeholders explain that state agencies purchase technology hardware, software, and services from the contracts procured and managed by the Department of Information Resources and that the requirement to use a competitive bidding process is waived for agencies using those contracts. The stakeholders point out that this technology purchasing program was created to assist state agencies and achieve greater savings for the state by leveraging its buying potential. However, several audit reports indicate that the agencies do not always receive the best value when purchasing technology goods and services, and the stakeholders have expressed concern that the state may not be receiving the best value from the program because there is no direct oversight of the technology purchases and vendor invoices. C.S.S.B. 1161 seeks to improve the state's technology procurement process.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.S.B. 1161 amends the Government Code to require a state agency purchasing an automated information system with a value that exceeds \$50,000 to submit a request for pricing to at least three vendors included on the published list of commodity items available for purchase through the Department of Information Resources (DIR) in the category to which the purchase relates or to all vendors included on the list in the category if fewer than three vendors are included in the category. The bill requires DIR, in cooperation with state agencies, to monitor and verify the purchase transaction reports submitted by vendors reflecting monthly sales of items on the list to ensure the accuracy of the reports. The bill removes a statutory provision establishing that a purchase of goods or services made by a state agency or local government directly from a vendor under a contract listed on a multiple award contract schedule satisfies any applicable statutory requirements relating to the purchase of automated information systems.

EFFECTIVE DATE

September 1, 2015.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 1161 may differ from the engrossed in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial

differences between the engrossed and committee substitute versions of the bill.

SENATE ENGROSSED

SECTION 1. Section 2157.068, Government Code, is amended by adding Subsections (e-1) and (j) to read as follows:

(e-1) A state agency shall purchase an automated information system from the published list using competitive pricing requests for purchases of more than \$50,000 including when purchasing an item under Subsection (e).

(j) The department shall, 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. Section 2155.504(a), Government Code, is amended to read as follows:

(a)
A state agency or local government may purchase goods or services directly from a vendor under a contract listed on a schedule developed under this subchapter. ~~[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.]~~

SECTION 3. 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. This Act takes effect September 1, 2015.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 2157.068, Government Code, is amended by adding Subsections (e-1) and (j) to read as follows:

(e-1) A state agency purchasing an automated information system with a value that exceeds \$50,000 must submit a request for pricing to:

(1) at least three vendors included on the list of commodities available for purchase in the category to which the purchase relates;
or

(2) all vendors included on the list in the category if fewer than three vendors are included in the category.

(j) The department shall, 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. Section 2155.504(a), Government Code, is amended to read as follows:

(a) Subject to the requirements of Section 2157.068(e-1), a [A] state agency or local government may purchase goods or services directly from a vendor under a contract listed on a schedule developed under this subchapter. ~~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].~~

SECTION 3. Same as engrossed version.

SECTION 4. Same as engrossed version.