

SUBJECT: Electronic database of major state contracts and related documents

COMMITTEE: Government Reform — committee substitute recommended

VOTE: 6 ayes — Uresti, Y. Davis, Frost, Gonzales, Hunter, Veasey
0 nays
1 absent — Otto

WITNESSES: For — Caroline O'Connor, Texas State Employees Union; (*Registered, but did not testify*: Donnis Baggett, Texas Press Association; Celia Hagert, Center for Public Policy Priorities)

Against — None

On — Renee Mauzy, Department of Information Resources

BACKGROUND: The Texas Building and Procurement Commission (TBPC) is incrementally moving towards a fully automated electronic procurement system known as the electronic procurement marketplace. While several state agencies make various documents relating to state contracting available online, there is no uniform policy across state government on which documents should be made available and where these documents should be posted.

DIGEST: CSHB 26 would require state agencies, with the exception of university systems, institutions of higher education, and health and human service agencies, to provide the TBPC with each major contract entered into by the agency and each request for proposal, invitation to bid, or comparable solicitation related to the major contract. The bill would define a “major contract” as one that had a value of at least \$5 million as the initial value of the contract or as the total value of the contract after all potential term extensions.

TBPC would include each of these documents in the information posted on the electronic procurement marketplace. This information would be fully available to Texas governmental entities and publicly available, with the exception of information not subject to disclosure under the Public

Information Act. At a minimum, the information would be searchable by contract value, state agency, and vendor, and other searches could be included as appropriate.

TBPC would have to establish or modify the electronic procurement marketplace by December 31, 2005, and would have to meet with affected state agencies by June 1, 2006, to establish which major state contracts entered into before the effective date could be provided to TBPC for posting.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005. Only contracts entered into on or after this date would be subject to the provisions of this bill.

**SUPPORTERS
SAY:**

HB 26 would make state contract documents generally available in an online format on a keyword searchable Web site. This would be invaluable for providing open information to the public, press, and governmental entities. The provisions of HB 26 are consistent with ongoing efforts to allow for a more central overview of state contracts, and requirements already exist to make certain documents available. The bill simply would provide a uniform policy on which documents would be made available and place them in one convenient location.

Privacy would be protected through the omission of information exempted through provisions of the Public Information Act. Because the electronic procurement marketplace still is being developed, the bill would not specify a date when the contract document search feature would have to be completed.

**OPPONENTS
SAY:**

Although the TBPC is moving towards establishment of the electronic procurement marketplace, all the objectives initially assigned to this system have not been met. This bill would add new requirements to a system that has not yet met the objectives for which it was originally intended.

NOTES:

The original bill would have required that the contract-related document search features of the electronic marketplace be established by the Department of Information Resources rather than TBPC. It also did not provide that the bill only would apply to contracts submitted after the effective date. Finally, the original bill would have specified that the

requirements for creating the contract search feature on the electronic marketplace would be completed by June 1, 2006.