

BILL ANALYSIS

Senate Research Center
87R5598 MWC-D

S.B. 538
By: Blanco
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current state law limits the Department of Information Resource's (DIR) cooperative contract offerings and bulk purchases to products and services in demand from two or more agencies. However, many public entities—other than state agencies—are eligible to purchase services through the cooperative contracts program. Some products may only appeal to one state agency, but other eligible customers, such as local governments, may also want to purchase the same product through DIR. For example, the only state agency that would want to buy election-related software is the secretary of state. However, many cities and counties run their own elections and may want to purchase the same software. Therefore, even though more than one eligible customer demands a product or service, DIR is not currently able to provide it through the cooperative contracts program unless the demand comes from more than one state agency. Additionally, state law currently restricts the renegotiating of contracts under the program to every two years. However, cybersecurity terms and other necessary requirements are updated much more frequently.

S.B. 538 amends state law to reflect the cooperative contract program's current participants and allows the program's contracts to be renegotiated at any time during the term of the contract.

As proposed, S.B. 538 amends current law relating to information technology purchased through the Department of Information Resources.

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 Sections 2157.068(a) and (e-3), Government Code, as follows:

(a) Redefines "commodity items."

(e-3) Provides that the procedural requirements of Subsection (e-1) (relating to the list a state agency is required to use when contracting to purchase a commodity item) and the limitation prescribed by Subsection (e-2) (relating to the maximum value of a contract a state agency is authorized to enter) do not apply to a state agency's purchase of commodity items under a Texas Department of Information Resources (DIR) contract for the bulk purchase of commodity items intended for use by more than one customer, rather than more than one state agency.

SECTION 2. Amends Section 2157.182, Government Code, as follows:

Sec. 2157.182. VALIDITY OF PREAPPROVED TERMS AND CONDITIONS; RENEGOTIATION. (a) Provides that preapproved terms and conditions to which a vendor, the Comptroller of Public Accounts of the State of Texas (comptroller), and DIR agree are valid for the duration of the initial contract, rather than for two years after the date of the agreement, and are required to include a provision authorizing DIR to

renegotiate the terms and conditions at any time before the contract expires. Makes conforming changes.

(b) Requires the comptroller and DIR jointly to establish procedures to ensure that terms and conditions may be renegotiated, rather than are renegotiated, before they expire in a contract between the vendor and a state agency.

SECTION 3. Makes application Section 2157.182, Government Code, as amended by this Act prospective.

SECTION 4. Effective date: September 1, 2021.