

- SUBJECT:** Allowing DIR to bid on contracts, advertising online services
- COMMITTEE:** Government Reform — committee substitute recommended
- VOTE:** 6 ayes — Uresti, Davis, Frost, Gonzales, Hunter, Veasey  
0 nays  
1 absent — Otto
- WITNESSES:** For — None  
Against — None  
On — Larry Hutchison, Department of Information Resources
- BACKGROUND:** The 77th Legislature in 2001 enacted SB 187 by Shapleigh, which requires all state agencies to consider using TexasOnline, an Internet portal designed to provide a single point for citizens and businesses to access e-government services in Texas. TexasOnline serves agencies by providing such resources as online registration, license renewal, financial transactions, and other e-government functions. TexasOnline is overseen by the TexasOnline Authority. The Department of Information Resources (DIR) provides staff to the TexasOnline Authority.
- State agencies choosing not to use TexasOnline must obtain waivers from the program management office. State agencies currently must notify the TexasOnline Authority of their intent to contract for services from a third party, and the authority's program management office can exempt an agency from this process if the situation meets certain criteria.
- DIGEST:** CSHB 2048 would require a state agency, before it could contract with a third party for development of an Internet application that duplicated a TexasOnline function, to notify DIR as well as the TexasOnline Authority at the same time that others have the opportunity to bid.
- Each state agency would have to advertise the options for completing transactions with that agency online.

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. It would only apply to bids made on or after the effective date.

**SUPPORTERS  
SAY:**

CSHB 2048 would help ensure that TexasOnline, which reduces costs and increases uniformity for agency websites, had the opportunity to bid for contracts if an agency wanted to contract for Internet applications that TexasOnline also could provide.. This could help both the agency and state reduce costs in the long term because TexasOnline specializes in providing the same sorts of services to different agencies but can adapt many Internet applications to each agency's needs, rather than starting over each time. The bill would not prevent agencies from contracting for services that DIR typically does not provide.

The bill would encourage the use of online services through advertising. Online services can reduce the administrative burden on an agency, which could lead to reduced costs. Often when an agency receives information, an administrator must enter the information into a database. Online applications help agencies to skip this middle step.

**OPPONENTS  
SAY:**

Agencies should not have the opportunity to contract with third parties for services that could be provided by TexasOnline. While the bill would not be responsible for granting agencies the capacity to contract with third parties, any legislation that adapted to this practice would serve only to legitimate it. Instead, efforts should be made to make TexasOnline the sole provider of services within its capacity to provide those services.

**NOTES:**

The original bill would have required that the Department of Information Resources have the opportunity to bid on a contract if an agency was considering contracting with a third party. It would have eliminated the provision that an agency could be exempted from using TexasOnline project services if it had fully complied with Government Code, sec. 2054.111.