

SUBJECT: Streamlining purchasing and contracting by governmental entities

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 8 ayes — Phelan, Guerra, Harless, Holland, Hunter, P. King, Raymond, Springer

0 nays

5 absent — Hernandez, Deshotel, Parker, E. Rodriguez, Smithee

WITNESSES: For — None

Against — None

On — (*Registered, but did not testify*: Bobby Pounds and Robert Wood, Comptroller of Public Accounts)

BACKGROUND: Government Code sec. 2155.510 allows the comptroller to collect a rebate from a vendor on a multiple award contract schedule, defined as a contract for an indefinite amount of one or more similar goods or services. If a purchase resulting in a rebate is made in whole or in part with federal funds, the comptroller ensures that portion of the rebate is reported to the purchasing agency for reconciliation purposes with the appropriate federal agency.

Sec. 2171.055 governs contracts for travel services and requires executive branch agencies to participate in the contracts.

Sec. 2262.004 establishes that before a state agency may award a major procurement contract that exceeds \$25,000, the agency's purchasing personnel must sign a nepotism disclosure.

Some have suggested streamlining certain powers and duties in the state procurement process, including revising rebate notifications in the Texas Multiple Award Schedule, using state travel contracts, and addressing

duplicative attorney disclosures.

DIGEST:

HB 3852 would require the comptroller to notify a state agency purchasing a good or service through a multiple award contract of the percentage used to calculate the rebate that the comptroller could collect from the vendor.

The bill would remove the requirement under Government Code sec. 2155.510 related to purchases made in whole or in part with federal funds that resulted in a rebate.

An officer or employee of a local workforce development board or of a governmental entity that was party to a compact, interagency agreement, or cooperative purchasing agreement engaged in official business could participate in the comptroller's contract for travel services. The comptroller could charge a fee that did not exceed the costs incurred in providing services and would have to periodically review and adjust the fees to ensure cost recovery.

HB 3852 would amend the nepotism disclosure under Government Code sec. 2262.004 to exempt an attorney licensed to practice in Texas who had not been disciplined by the State Bar of Texas for a violation of the Texas Disciplinary Rules of Professional Conduct.

The bill would take effect September 1, 2019.