

BILL ANALYSIS

Senate Research Center
76R13795 JJT-D

C.S.H.B. 1895
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State Affairs
5/9/1999
Committee Report (Substituted)

DIGEST

Currently, the Department of Information Resources (DIR) has contracts with major software publishers allowing state agencies to purchase licenses at a significant discount. An agency that purchases one license from the contract enjoys the same price as an agency that purchases 100. DIR contracts offer a 39 percent discount over market price, and the state could realize an even deeper discount by requiring agencies to purchase all software through the contract to increase the volume of licenses and decrease the total cost to the state. C.S.H.B. 1895 creates provisions for the management of software, software licenses and purchases by state agencies.

PURPOSE

As proposed, C.S.H.B. 1895 creates provisions for the management of software, software licenses and purchases by state agencies.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Department of Information Resources in SECTION 1 (Section 2157.068(e), Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 2054F, Government Code, by adding Sections 2054.121 and 2054.122, as follows:

Sec. 2054.121. STATE AGENCY SOFTWARE PORTFOLIO MANAGEMENT TRAINING. Requires certain entities to create an interagency panel (panel) of representatives to develop and establish a training program to assist state agencies in certain software-related matters. Requires the cooperation of each state agency in the evaluation of software-related needs, and the donation of agency resources, as required. Sets forth required initial priorities for the panel. Requires the panel to begin to conduct training programs in software management for employees and officers of state agencies. Authorizes the panel to schedule a training program for an agency, under certain conditions. Requires the cooperation of each state agency regarding the training program and the provision of agency resources.

Sec. 2054.122. STATE AGENCY SOFTWARE LICENSE AUDIT. Requires each state agency to perform a biennial audit of software licenses for software installed in the agency's desktop and portable computers. Sets forth requirements for the report. Requires an agency to take certain actions when it makes a certain determination regarding inefficiency. Requires the Department of Information Resources (DIR) to compile audit results into a report. Requires the report to summarize the savings realized by the software audits under this chapter. Requires DIR to submit the report in conjunction with the appropriations request.

SECTION 2. Amends Chapter 2157B, Government Code, by adding Section 2157.068, as follows:

Sec. 2157.068. PURCHASE OF COMMODITY SOFTWARE ITEMS. Defines "commodity software items" and "department." Requires DIR to negotiate with certain vendors to obtain a good price for all of state government on licenses based on an expected aggregate volume of purchases. Prohibits the terms and conditions of a license agreement from being less favorable to the state than similar terms between the vendor and retail distributors. Authorizes DIR to charge a fee to an entity that purchases commodity software items through DIR to recover administrative

costs. Requires DIR to compile and maintain a list of items it offers at a lower price, and requires the list to be available on the world wide web, if possible. Authorizes DIR to adopt rules and requirements regulating purchases.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 2.

Deletes proposed SECTION 2 and amends Chapter 2157B, Government Code, by adding 2157.068, regarding the purchase of commodity software items.