



Dear Procurement Officer,

The Legislative Budget Board's (LBB) Contracts Oversight Team (COT) sends out periodic emails to keep Contracts Database users apprised of new developments. Below are some common issues the COT has identified thus far, and projects it will be engaging in to ensure data accuracy in the new Contracts Database.

Common Issues:

1. Attestation Letters: The Eighty-fourth Legislature, General Appropriations Act (GAA), 2016–17 Biennium, Article IX, Section 7.12, requires agency and institution executive directors (or their designees) to attest to the procurement practices used for contracts valued at more than \$10.0 million, and emergency or noncompetitive contracts valued at more than \$1.0 million. Pursuant to this requirement, agencies and institutions of higher education must provide these letters for all contracts that meet the reporting threshold, and for which payments are made on or after September 1, 2015, including contracts that were executed before that date. The date of payment (not the date performance is to be commenced in accordance with the contract) should be used in calculating deadlines.

If your agency or institution has reported contracts to the database pursuant to the GAA, Article IX, Section 7.12, but has not submitted attestation letters, you must provide these letters in PDF format via email (contract.manager@lbb.state.tx.us) to the LBB as soon as possible. If you have contract entries that have not yet been submitted, you can upload these letters to the database as part of the contract entry submission process. If your agency or institution cannot make the required certifications in good faith, the director may strike through any portions of the attestation form they cannot certify and attach to the certification a detailed explanation identifying the areas of attestation that are amended. Please note that failure to provide the LBB with an attestation letter pursuant to Section 7.12 constitutes a violation of state contract reporting law.

2. Fiscal Year 2015 and Older Contracts: Contracts that were reported to the previous LBB Contracts Database have been archived and can be searched via the LBB's website (<http://contracts-archive.lbb.state.tx.us/>). If your agency or institution has entries in the previous Contracts Database for contracts that are currently active and seeks to bring forward these entries into the new Contracts Database, you must provide the COT with a list of the relevant contract numbers. **Please note that contract entries transferred to the new Contracts Database will remain in a saved state pending your further action.**

You will need to log into the new Contracts Database, verify the accuracy of existing fields for the contract entries, update missing fields for these entries, and submit them to the new Contracts Database. The **LBB Contracts Database Transition Guide** provides instructions for updating previous entries for purposes of submission. **Finally, your agency will need to report to the new database any contracts for fiscal year 2015 that were not reported previously, including contracts which were not required to be reported in the past (e.g. interagency and interlocal grants or agreements from fiscal year 2015 must be reported pursuant to the 2016–17 GAA, Article IX, Section 7.04, which took effect September 1, 2015).**

Project Updates for the Month of December

The COT will engage in the following projects to ensure data accuracy in the contracts database:

- introduction of the maximum potential contract value field to the database;
- compliance outreach to nonreporting agencies; and,
- establishing data verification processes, including the automated checking of contract entries for errors and the cross-checking of these entries with information contained in the Texas Comptroller of Public Accounts' Centralized Accounting and Payroll/Personnel System (CAPPS).

New Data Field:

COT has received feedback from state entities regarding the discrepancy between the database reporting field for current contract value and the value used to determine whether the contract is reportable in accordance with the various threshold requirements contained in the Texas Government Code and the 2016–17 GAA. To clarify this matter, COT is adding a database field for maximum contract value.

Maximum contract value is defined as the total value of the contract, amendments, and all extensions or renewals, even if not exercised. Therefore, the database field for this value will show the maximum liability the state may accrue in accordance with the terms of the contract. The maximum contract value should be used to determine whether the contract meets the threshold requirements for reporting.

The addition of this field will bring the database into closer alignment with the Comptroller's CAPPS system and streamline efforts to share data. This added field will minimize the amount of data entry CAPPS agencies and institutions will need to do in the LBB's contracts database.

The maximum contract value field will be required for all contract entries submitted after its introduction in December 2015. If your contract entry is submitted to the database before this field is implemented, the field will populate automatically using the value you entered for current contract value. You are not required to update the value unless or until your agency exercises an amendment that would require updating the contract data. This automatic population should result in minimal disruption to database users, and enable the accurate reporting of the maximum potential contract value moving forward.

Compliance Outreach:

The COT is contacting state entities that have not yet made any submissions to the contracts database (excluding entities that were granted extensions) to determine whether these entities are in compliance with state contract reporting requirements. If COT contacts your agency or institution for this purpose, you must affirm that your agency or institution does not have any contracts to report, or make arrangements with LBB staff to comply with these requirements. The entry option marked no contracts on the main page (agency view) of the LBB contracts database should only be used at the end of a given fiscal year to affirm that your agency or institution has no contracts that need to be reported. The no contracts entry should only be utilized in reference to fiscal year 2015.

Data Verification:

The COT is in the initial stages of integrating several measures to ensure data quality in the contracts database. These measures include automated error-checking programs, and a process to cross-check contract information reported to the LBB with contract and payment information contained in the CAPPs system. Subsequently, COT plans to implement error-checking logic into the database so that users may be prevented from entering inconsistent information.

The COT appreciates your effort to keep the contracts database updated, and welcomes your continued input. COT understands that this is a new process and wants to make sure that it communicates changes in a transparent way. Contact COT by e-mail (contract.manager@lbb.state.tx.us) with any questions you may have.

Sincerely,

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