



Dear Procurement Officer,

As a part of the Legislative Budget Board's (LBB) efforts to improve reporting into the contracts database, we wanted to reach out to you regarding contract reporting developments.

CONTRACT COST CONTAINMENT

Article IX, Section 17.10: Contract Cost Containment:

- Outlines reductions of General Revenue and General Revenue-Dedicated funds totaling approximately \$34 million, and directs affected agencies to identify savings and efficiencies in their use of contracted goods and services.
- Provides 12 strategies to assist agencies in achieving these savings.
- Requires that each affected agency provide a report to the LBB and the Governor detailing contract cost containment efforts.

In the coming month, the LBB will be issuing guidance on how agencies should report their cost contract cost containment effort. Agencies will be required to list contracts where savings were achieved, and indicate which cost containment strategies from the Rider (By Subsection) were implemented. If individual contracts utilized multiple cost containment strategies, list each strategy.

Agencies will provide following information for each contract:

- The contract ID numbers (as reported to the LBB Contracts Database);
- The Section 17.10 (a) strategies (including section/subsection) implemented;
- A description of the goods/services offered by the contract, and any impacts the reduction has had on service delivery;
- The initial contract value prior to implementation of the strategy;
- Quantified dollar savings accomplished for each contract listed;
- Which GAA budget strategy (including strategy number) the savings came from; and
- Which budget programs (As defined by the State Budget by Program) the savings came from.

Any questions regarding specific requirements and applicability may be directed to Contract.Manager@lbb.texas.gov.

HURRICANE HARVEY CONTRACTS

The LBB continues to ask that any contract related to Hurricane Harvey recovery be reported with the phrase "Hurricane Harvey" as part of the Subject field. Contracts related to Harvey are those outside the normal course of business, issued in either direct or indirect response to Harvey or as part of recovery efforts.

* Subject: (Max 50 characters)

This will allow the public and the Legislature to better track how money is being spent on these disaster recovery efforts. In order to ensure the completeness of this information, we ask that you apply this guidance retroactively as well.

As of 3/20/18, 126 non-revenue generating contracts, totaling \$248,146,567, have been reported by 20 entities. Please note however, that this current total does include contracts which are partially related to Harvey. A full listing of contracts may be found at the following link [Hurricane Harvey Emergency Contracts](#). Some contracts on the list are ones agencies executed for general agency operations but that were also partially used for Harvey related response and remediation.

If you have already reported contracts related to Hurricane Harvey recovery, please send a list of Contract ID numbers to Contract.Manager@lbb.texas.gov. LBB staff will unlock submitted records and add a "Hurricane Harvey" label to the existing Subject fields on your behalf.

Any questions regarding this guidance can be directed to Contract.Manager@lbb.texas.gov.

CONTRACTS DATABASE INTERFACE

The new contract entry interface is live and database users now have the option to choose which interface they want to use. The same contracts database user credentials you have will work for both interfaces, and the same data fields will be included. No existing data will be affected by the transition, which only relates to the user interface.

We encourage database users to try out the new interface, and submit any feedback or recommendations on how things can be improved. It is our goal to make contract reporting as easy as possible, and this is an opportunity for you to help with that. Please feel free to try out the new interface, gather some suggestions, and send them to Contract.Manager@lbb.texas.gov.

10% AMENDMENT REPORTING REQUIREMENT

Article IX, Section 7.04(g)(h), General Appropriations Act, as passed by the 85th Legislature contains a new requirement to report amendments that increase contract values by 10 percent or more.

As many agencies experience in January when the first round of notifications was sent out, LBB staff will send pre-populated spreadsheets to affected agencies and institutions of higher education (IHE), listing contracts with amendments that meet the threshold. Contracts on the spreadsheet will be based on amendments reported by agencies to the Contracts Database.

Agencies will again verify the information in the spreadsheets, add some information for amendments valued over \$1 million, and return them to LBB within 10 business days.

The next round of spreadsheets will be sent to agencies in April 2018.

Please note that:

1. Your agency does not have to act until we send a data file.
2. Your agency needs to check if the list is complete/accurate.
3. You only need to provide additional information for amendments that are valued over \$1 million. These will be highlighted in the spreadsheet.

Please let us know if you have any additional questions about this requirement by emailing Contract.Manager@lbb.texas.gov.

We appreciate your effort to report accurate contract information, and your partnership in improving the contracts database.

Sincerely,

Jacob Pugh
Contracts Oversight Team Manager
Texas Legislative Budget Board