

**GENERAL SERVICES COMMISSION**

**October 1992**



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***SUMMARY***



## SUMMARY

The General Services Commission (GSC) is subject to the Sunset Act and will be abolished automatically unless statutorily continued by the 73rd Legislature in 1993. The GSC was reviewed under the Sunset Act in 1991. The sunset bill passed by the 72nd Legislature in 1991 contained more than 75 policy changes. Due to the number and complexity of the changes the legislature continued the GSC for a two-year period so that the changes could be reviewed and any adjustments or additions could be made. As a result, the review focused on the implementation of the policy changes made by the 72nd Legislature and whether any adjustments or changes were needed to allow the GSC to fully implement those changes. In addition, as required by the Texas Sunset Act, the review included a determination of whether the GSC fills a continuing need, whether benefits could be gained by reorganizing the agency, and if current statutory policies could be changed to improve the efficiency and effectiveness of the agency.

### Compliance with House Bill No. 39, 72nd Legislature, Second Called Session

The review of the implementation of House Bill No. 39 found that the General Services Commission has fully or partially implemented all but one provision. The one provision that had not yet been completed requires the GSC to relinquish its fixed property accounting responsibilities when the comptroller certifies that the fixed asset component of the Uniform Statewide Accounting System is operational. Since the comptroller has not certified that the fixed asset component is operational, the GSC continues to perform its property accounting responsibilities.

### Need for the Agency

The review concluded that the commission should be continued for an eight-year period and reviewed again in 2001 instead of the standard 12-year period. This will allow the GSC to be reviewed together with other agencies with similar functions. The major statutory policies directing the services provided by the GSC are appropriate and the state should continue to provide these support services.

### Reorganization Alternatives

As part of the review, various reorganization options were considered to determine if any of the GSC's functions could be transferred to another agency. No substantial benefits could be documented and therefore no recommendations for reorganizations were included in the report.

### Policymaking Body

During the previous sunset review the size of the policymaking body was increased from three to six members. No additional changes to the policymaking body were identified during the current sunset review. As a result, no policy options for this area were included in the report.

## **Overall Administration**

A review of the statutory policies concerning the agency's work force, administration, and time frames did not produce any issues, so no policy options for this area were included in the report.

## **Evaluation of Programs**

- The operation of the agency's programs could be improved by:
  - expanding the use of competitive sealed proposals for the purchase of goods of more than \$1 million and routine services of more than \$100,000;
  - requiring the GSC to maintain one centralized bidders list for all state agencies;
  - authorizing the Texas Youth Commission to lease residential space for their half-way houses without going through the GSC;
  - authorizing the GSC to waive time limits when construction or repair projects are needed on an emergency basis; and
  - increasing the maximum size of passenger vehicle the state can purchase when that vehicle is to be converted to alternative fuels.

## **Fiscal Impact**

The combined fiscal impact of the policy options in the report cannot be accurately determined at this time. Preliminary estimates indicate that, overall, the policy options would result in a savings to the state. The fiscal impact of most of the policy options will depend upon how they are implemented. One policy option, to increase the maximum size of passenger vehicles the state can purchase, would result in a cost to the state. Purchasing larger vehicles would increase the cost per vehicle approximately \$1,400 to \$1,900.

***BACKGROUND***



## CREATION AND POWERS

In 1919, the 36th Legislature created the State Board of Control to serve as an umbrella agency for various departments, boards, and institutions of state government. Over the years, the laws administered by the State Board of Control became fragmented and much of the board's statute became obsolete or conflicting. Consequently, in 1979, the 66th Legislature abolished the State Board of Control and created the State Purchasing and General Services Commission. The agency's revised and reorganized responsibilities were set out in the State Purchasing and General Services Act (Article 601b V.T.C.S.).

In 1991, the 72nd Legislature continued the agency until September 1, 1993 through the sunset process, and made several changes to the agency's enabling legislation. The responsibility for capitol security was transferred to the Texas Department of Public Safety and the program for the elimination of architectural barriers was transferred to the Texas Department of Licensing and Regulation. Several changes were made related to how the state purchases goods and services, and the commission was renamed the General Services Commission.

## POLICYMAKING BODY

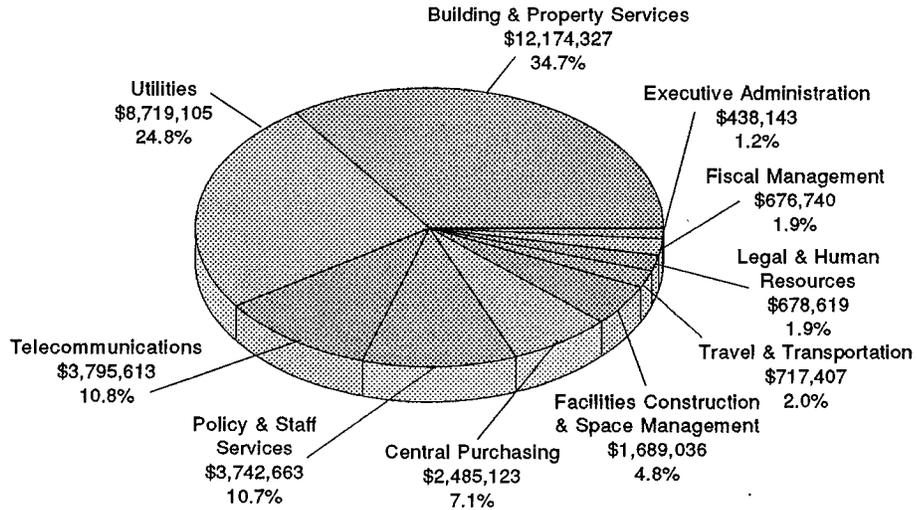
The General Services Commission consists of six members appointed by the governor with the advice and consent of the senate. The members serve staggered six-year terms and the governor annually designates one member to serve as the commission chair. The statute requires the members to be representatives of the general public. In addition, the statute prohibits persons from serving on the commission if the person or the person's spouse receives a substantial amount of goods, services or funds from the commission, is employed by or participates in the management of an entity that contracts with the commission, or owns or controls more than 10 percent of an entity that contracts with the state.

The commission is responsible for the oversight of the agency, the selection of the executive director and the adoption of rules necessary to implement the State Purchasing and General Services Act. The commission is required to meet on a monthly basis and at other times at the call of the chair.

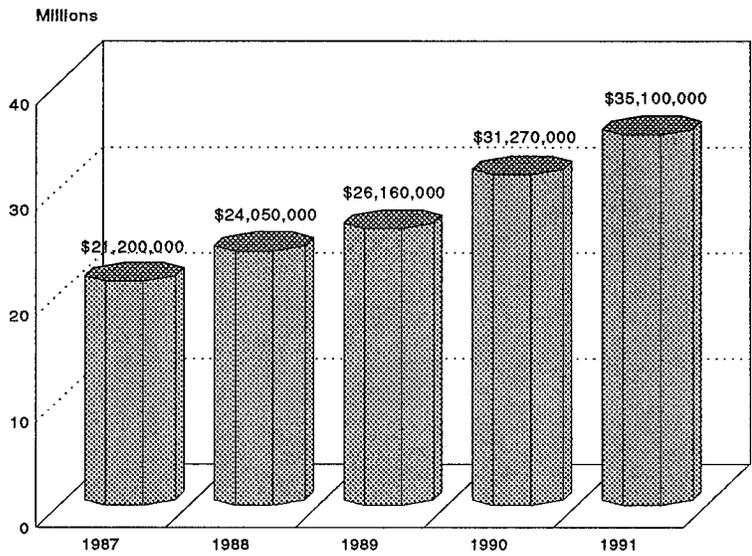
## FUNDING AND ORGANIZATION

The General Services Commission expended a total of \$144.4 million during fiscal year 1991. These expenditures are divided into operating expenditures and non-operating disbursements and expenditures. In fiscal year 1991, the GSC expended \$35.1 million for agency operations. Exhibit A illustrates a break down of the operating expenditures by the GSC's programs. Exhibit B shows how the GSC's operating expenditures have changed over a five-year period. Funds used to operate the agency come from the general revenue fund (\$30.5 million) and receipts to revolving fund accounts for telecommunications overhead and office machine repair (\$4.6 million).

**Exhibit A**  
**OPERATING EXPENDITURES BY PROGRAM**  
 General Services Commission  
 FY 1991



**Exhibit B**  
**HISTORY OF OPERATING EXPENDITURES**  
 General Services Commission  
 FY 1987-1991



In addition to agency operations, the GSC is responsible for administering \$109.3 million of non-operating disbursements and expenditures. The non-operating disbursements and expenditures can be divided into three primary groups: flow-through payments made to vendors for goods and services, payments made to construction contractors and architects, and lease payments made to the Texas Public Finance Authority. Exhibit C provides a break down of the different types of disbursements and expenditures made by the GSC in fiscal year 1991.

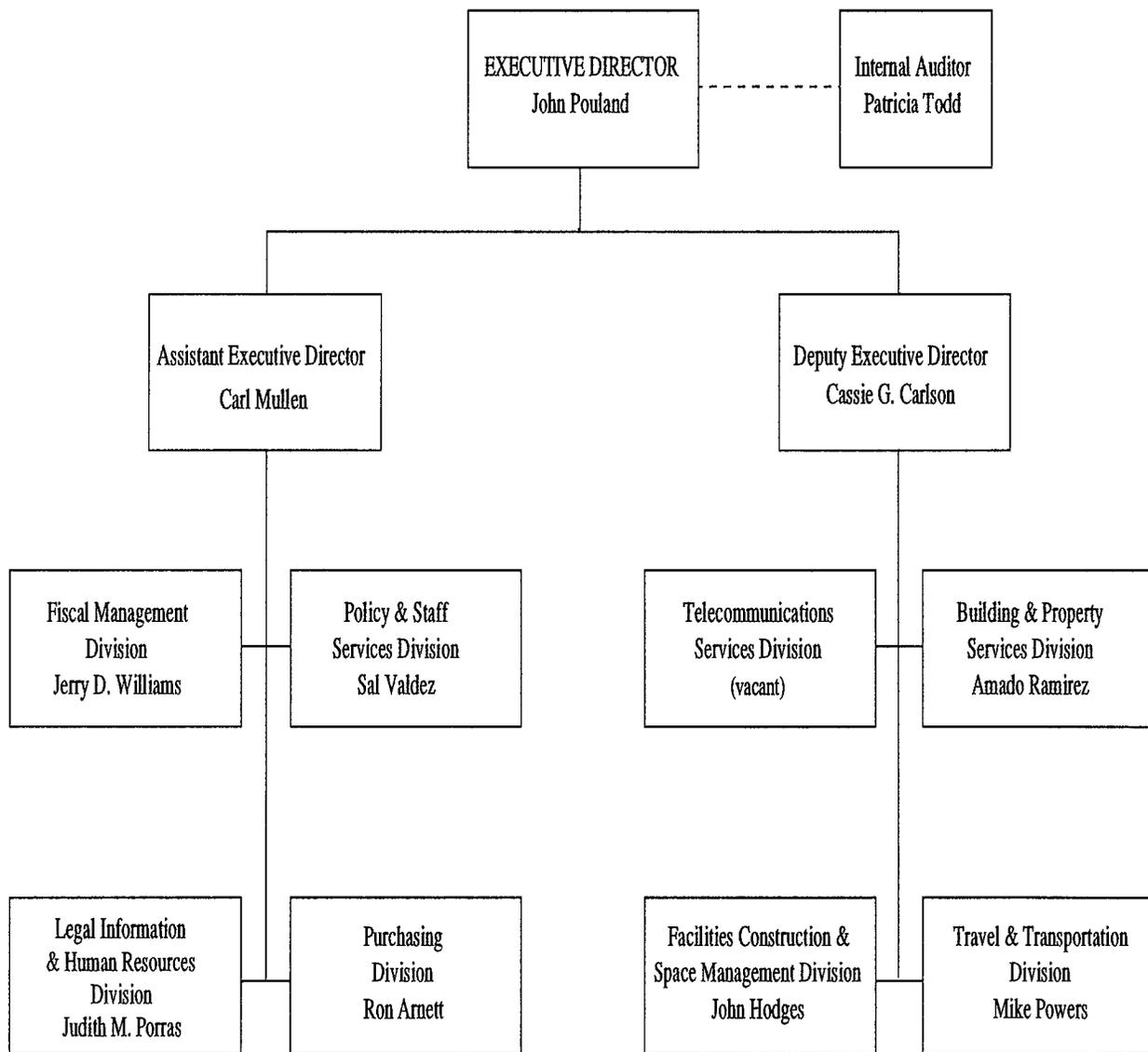
Exhibit C  
**NON-OPERATING DISBURSEMENT AND EXPENDITURES**  
 General Services Commission  
 FY 1991

	Dollars	Percent
Construction	\$49,013,798	44.8
STS Industry Payments (TEX-AN)	27,318,709	25.0
Lease Payments to Texas Public Finance Authority	17,099,363	15.6
Surplus Property Sales - Paid to Agencies	6,192,680	5.7
Centralized Capitol Complex Telephone System Direct Toll, Leased Lines, etc.	4,093,096	3.8
Central Store Revolving Fund	3,099,942	2.8
Employee OASI	2,109,803	1.9
Rent Transfers from Agencies in GSC-Leased Buildings	381,463	0.4
<b>Total, Non-Operating Expenditures</b>	<b>\$109,308,854</b>	<b>100.0</b>

The GSC is headquartered in Austin where it performs most of its functions. The agency is also responsible for the operation and maintenance of the G.J. Sutton Office Building in San Antonio. During fiscal year 1991, the GSC employed a staff of 707 full-time equivalent (FTE) employees. All employees are stationed in Austin except for six building maintenance personnel who are stationed at the G.J. Sutton Office Building in San Antonio. Exhibit D illustrates the organizational structure of the agency.

Exhibit E depicts how the agency's work force has changed over a five-year period in different categories of employment and how it compares with minority work force goals set in the General Appropriations Act.

Exhibit D  
**ORGANIZATIONAL CHART**  
General Services Commission



**Exhibit E**  
**PERCENTAGE OF MINORITIES IN AGENCY'S WORK FORCE**  
 General Services Commission

Job Category	1987 Total Work Force 730		1991 Total Work Force 727		1992-1993 Appropriations Act Statewide Goal for Minority Work Force Representation
	Total Positions	% Minority	Total Positions	% Minority	
Administrators	10	0%	11	0%	14%
Professionals	117	9%	142	18%	18%
Technicians	59	14%	36	17%	23%
Protective Service	63	21%	4	50%	48%
Para-Professionals	14	14%	20	15%	25%
Administrative Support	152	33%	133	35%	25%
Skilled Craft	120	23%	175	35%	29%
Service/Maintenance	195	71%	206	75%	52%

## PROGRAMS AND FUNCTIONS

The General Services Commission's main purpose is to provide support services to state agencies. The GSC provides services in five broad areas: purchasing, telecommunications, facilities construction and space management, building and property maintenance, and travel and transportation. The GSC carries out its programs and functions through eight divisions and executive administration. The major functions and activities of each of these divisions are described in the following sections.

### Purchasing

The Purchasing Division is responsible for the purchase, lease, and rental of supplies, materials, services and equipment for all state agencies and public institutions of higher education. The division also purchases for local governments under the cooperative purchasing program, maintains a program for the sale of surplus property, and purchases school buses for the state's independent school districts. The division is made up of an administrative section, several purchasing teams, and a special programs group. The division operated with a budget of approximately \$2.5 million and employed 82.3 FTE employees in fiscal year 1991.

Although state law directs the Purchasing Division to purchase goods and services for state agencies, it also provides for certain state agencies and purchases to be exempt from centralized purchasing and for other purchases to be delegated to state agencies. The statute exempts several agencies from the state’s purchasing requirements including the State Bar of Texas, the Texas National Research Laboratory Commission and the Legislature. The statute also exempts certain purchases made by universities and the services of public utilities. Other purchases are delegated to state agencies either by state law or by the GSC. State law delegates purchases of less than \$5,000, professional and consulting services, research-related purchases made by universities, and lease-purchase of school buses. The GSC has delegated several additional types of purchases to state agencies including routine services such as pest control services, janitorial services or copier maintenance, and emergency purchases. The following chart (Exhibit F) summarizes the purchases that must be made through the GSC, those that are delegated by state law or agency rule, and those that are exempt from state purchasing requirements.

**Exhibit F**  
**DELEGATIONS AND EXEMPTIONS OF**  
**STATE PURCHASING REQUIREMENTS**  
 General Services Commission

<b>Must be Purchased Through GSC (unless otherwise delegated or exempt)</b>	<b>Delegated to Agencies by GSC Rule</b>	<b>Delegated to Agencies by State Law</b>	<b>Exempt from Central Purchasing</b>
<ul style="list-style-type: none"> <li>• Purchase, lease, or other acquisition of materials, equipment and services over \$5,000</li> <li>• Purchase of school buses by school districts</li> </ul>	<ul style="list-style-type: none"> <li>• Emergency purchases</li> <li>• Purchases of:                             <ul style="list-style-type: none"> <li>- Routine services under \$100,000; over \$100,000 subject to GSC review</li> <li>- Perishables</li> <li>- Direct Publications</li> <li>- Fuel and Oil</li> </ul> </li> <li>• Bidding requirements:                             <ul style="list-style-type: none"> <li>- Under \$1,000, No bid required</li> <li>- \$1,001-\$2,500 Three informal bids</li> <li>- \$2,501-\$5,000 Three formal bids</li> <li>- Services over 45,000 Formal bids using entire mail list of the agency or GSC</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Small purchases \$5,000 and under</li> <li>• Professional services</li> <li>• Consulting services</li> <li>• Purchases by universities for research</li> <li>• Lease-purchase of school buses by school districts</li> </ul>	<ul style="list-style-type: none"> <li>• All purchases by:                             <ul style="list-style-type: none"> <li>- Legislative agencies</li> <li>- State Bar</li> <li>- Texas High-Speed Rail Authority</li> <li>- Texas National Research Laboratory Commission</li> <li>- Comptroller’s Statewide Accounting System</li> <li>- Comptroller’s Texas State Lottery Program</li> </ul> </li> <li>• All university purchases that are:                             <ul style="list-style-type: none"> <li>- from local funds or federal grants</li> <li>- for library equipment and materials</li> </ul> </li> <li>• Purchase of services of a public utility</li> </ul>

The division performs three basic types of purchasing for state agencies: open market purchases, term contract purchases, and scheduled purchases. Open market purchases are the standard type of purchase used when an agency has a one-time need for an item. The GSC

receives the specifications developed by the requisitioning agency for the item, solicits and evaluates bids, and awards the contract. The agency receives the goods and pays for them. Term contract purchasing is used for items that agencies need on an on-going basis like office supplies, furniture, and equipment. The GSC develops the specifications, solicits bids, and awards the contract. The contract is awarded for a specific period of time that guarantees a price but does not guarantee the volume to be purchased. If an agency needs the product, it will be ordered through the contract. The third type of purchase is the scheduled purchase. For certain items that have a limited shelf life, the GSC periodically makes bulk purchases based on agency orders. These items include food, calendars, vaccines and paint.

During fiscal year 1991, the division approved 216,182 purchase orders totaling more than \$824 million. Open market purchases represented 62.7 percent of the purchases made by the agency. Term contract purchases represented 34.6 percent of purchases made by agencies, and 2.7 percent were scheduled purchases. During the same fiscal year, 20,469 open market transactions were processed and 105,504 open market bids were tabulated. The average time required to process purchase requests was 36.2 days.

Also a responsibility of the Purchasing Division is the management of the central supply store located in Austin. The central supply store provides office supplies and small office equipment to all state agencies. State agencies can purchase items directly from the store with a minimum of paperwork and administrative cost. Currently, an average of 146 state agencies purchase supplies monthly from the store. During fiscal year 1991, the central supply store sold 4,810,680 items totaling approximately \$3.1 million.

### **Telecommunications Services**

The Telecommunications Services Division provides local telephone and intra-state long-distance telecommunications services. Local telephone service is provided through the centralized capitol complex telephone system (CCCTS) in Austin to state agencies, each house of the legislature, and legislative agencies in the capitol complex. State agencies in Austin, but outside the capitol complex, can also subscribe to the centralized telephone system. Long-distance telephone service is provided through the Texas Agency Network (TEX-AN) to all state agencies. The division operated with a budget of approximately \$3.8 million and employed 66 FTE employees in fiscal year 1991.

The agency operates the CCCTS and TEX-AN systems on a full cost recovery basis by direct monthly billing of the agencies served. Sixty-nine state agencies in the capitol complex received telephone services and maintenance through the CCCTS. During fiscal year 1991, 246 state agencies and public colleges and universities received telecommunications services through the TEX-AN system. In addition, 120 local political subdivisions are connected to the TEX-AN system. During fiscal year 1991, approximately 133 million day use minutes of TEX-AN service were used by TEX-AN subscribers and \$25.8 million was collected by the GSC. In addition to subscriber payments, the legislature appropriated approximately \$5.7 million for fiscal years 1990 and 1991 to subsidize the cost to state agencies and institutions for long-distance telephone services on the TEX-AN network. The division distributed 43,594 TEX-AN and CCCTS directories and provided periodic newsletters to users of TEX-AN and the CCCTS.

## Facilities Construction and Space Management

The Facilities Construction and Space Management Division has statewide responsibility for planning for the space needs of state government and for providing the needed space. The division administers capital construction and renovation projects, space management and design, and space leasing and lease management. The division is organized into four sections: administration and property acquisition, planning and construction, leasing, and space management. The division operated with a budget of approximately \$1.7 million and employed 43.4 FTE employees in fiscal year 1991.

### Administration

The administration section is responsible for liaison and coordination with other state agencies and organizations, and for overseeing budgets and processing payments for construction projects. During fiscal year 1991, expenditures by the GSC for construction and remodeling of state buildings was approximately \$23.4 million.

### Planning and Construction

The planning and construction section is divided into two activities: construction project management and inspections. The project management activity administers capital construction projects from the initial concept as proposed to the legislature to final acceptance of the completed project. The activity is also responsible for repairs, alterations, and renovation projects for development of office facilities for state agencies. This includes all necessary professional planning and contract management. These responsibilities include budget studies, project analyses, project design preparation and review, contract specification preparation and review, contract bidding and awards, construction administration, and selection of professional and/or construction industry firms related to capital projects. During fiscal year 1991, the division awarded 32 construction contracts, completed two project analyses and supervised the completion of 42 construction contracts. Project construction inspections fall into one of four types: detailed inspections for larger and more complex projects where a full-time general inspector is assigned; general inspections for smaller and less complex projects where the division makes periodic inspections of the work; final inspections, where the division inspectors, representatives of the architect/engineer, the contractor and the using agency make a final review of the work; and warranty inspections, which are conducted by the division to verify that the contractor has corrected all discrepancies.

### Space Management and Design

The space management and design section is responsible for ensuring that space is economically provided and efficiently used. The GSC is responsible for the control of approximately eight million square feet of total building area. Excluding parking garages, mechanical areas, restrooms and public circulation areas, 3.9 million square feet are assigned to 56 state agencies that currently office 13,014 employees. The section maintains data on the amount and utilization of space as well as the cost of operating and maintaining the space under the charge and control of the GSC. The section also analyzes the current and future space needs

of state agencies, assigns space in state buildings under the control of the GSC and provides limited architectural and engineering services for small projects.

### Leasing

The leasing section is responsible for obtaining and providing state agencies with the necessary leased space to perform their duties, at the lowest possible cost. The section assists state agencies with issues that arise during the term of lease contracts. The section is also responsible for better utilization of leased space, reduction of long term lease costs, and maintenance of a central inventory of all leased property. During fiscal year 1991, the section negotiated 146 new lease agreements, executed 1,146 lease amendments, rebid 175 expiring leases, and leased approximately 11 million square feet of office space and other space for agencies located outside of Travis County.

### Building and Property Services

The Building and Property Services Division operates, maintains and repairs the buildings and grounds on the GSC's inventory. This inventory includes 30 state buildings and other structures in the capitol complex, including the Governor's Mansion, three buildings in the Winters Complex in North Austin, 13 buildings in other areas of Austin, and the G.J. Sutton Office Building in San Antonio. The State Preservation Board is responsible for the capitol, the capitol grounds, and the Old Land Office, but has delegated to the GSC through inter-agency agreement the responsibility for maintenance and operation in these areas. Exhibit G below lists the facilities maintained by the GSC. The division is also responsible for administering the utilities distribution program which funds the cost of utilities for the facilities on the GSC's inventory. During fiscal year 1991, the agency managed 38 office buildings with an area totaling approximately 4.9 million square feet. The division operated with a budget of approximately \$20.9 million and employed 366.7 FTE employees in fiscal year 1991.

<p>Exhibit G  <b>State-Owned Buildings Maintained by          General Services Commission          FY 1991</b></p>
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<u>Building</u>	<u>Sq. Ft.</u>	<u>Custodial</u>	<u>Maint.</u>	<u>Cleaning</u>
Anson Jones Building & Annex	55,763	X	X	X
Aircraft Pooling Board (1)	54,808	X	X	X
Lorenzo de Zavala Archives & Library	120,055	X	X	X
Brown-Heatly Building (1)	260,913	X	X	X
State Capitol*	369,445	X	X	X
Commission for the Blind Admin. Bldg.	52,011	X	X	X
State Cemetery Buildings	10,508		X	
Central Services Building (1)	92,887	X	X	X

Exhibit G  
**State-Owned Buildings Maintained by  
 General Services Commission  
 FY 1991  
 (cont.)**

<u>Building</u>	<u>Sq. Ft.</u>	<u>Custodial</u>	<u>Maint.</u>	<u>Cleaning</u>
Elrose Apartment Building	8,737	X	X	X
Frank Joseph Cosmetology Building (1)	9,217	X	X	X
G.J. Sutton Complex (1)	106,543	X	X	X
Human Resources Warehouse (1)	106,422	X	X	X
Insurance Building	102,636	X	X	X
Insurance Building Annex	61,734	X	X	X
James Earl Rudder Building (1)	86,394	X	X	X
John H. Reagan Building	169,756	X	X	X
John H. Winters Building	503,162		X	
Lyndon B. Johnson Building	308,081	X	X	X
Governor's Mansion and Carriage House	15,792		X	
Maintenance Shop	8,373	X	X	X
Old Land Office (Museum)*	11,532	(Under Renovation)		
Old American Legion Building	11,887	X	X	X
Supreme Court Buildings (1)	158,627	X	X	X
One Capitol Square (1)	461,611	X	X	X
Stephen F. Austin	470,000	X	X	X
Sam Houston Building	182,961	X	X	X
Senate Print Shop	16,000	X	X	X
GSC Store and Support Center (1)	26,112	X	X	X
Service Station	1,345		X	
James Harper Starr Building	99,012	X	X	X
Telecommunications Building	2,885	X	X	X
E. O. Thompson Building	73,272	X	X	X
William B. Travis Building	491,118	X	X	X
Bolm Road Warehouse (1)	51,350	X	X	X
Republic Plaza (1)	399,598	X	X	X
Guarantee Federal (1)	94,234	X	X	X
<b>TOTAL</b>	<b>5,054,781</b>			

Associated with these buildings is approximately 2,475,340 square feet of parking garage space.

\* - State Preservation Board Properties

(1) - Title held by Texas Public Finance Authority but will be placed on GSC inventory when bonds are retired.

## Travel and Transportation

The Travel and Transportation Division is responsible for providing centralized management control and coordination of state travel and vehicle fleet management services to reduce expenses and improve services to state agencies. The division is organized into two programs, travel management and fleet management. The division operated with a budget of approximately \$718,000 and employed 19.4 FTE employees in fiscal year 1991.

### State Travel Management Program

The major objectives of the program are to reduce state travel costs through rate negotiation on behalf of the state and contract management with travel vendors, and to return revenue to the state through partial reimbursement of travel commissions paid on state travel. The program has four components: travel agency services, charge card services, negotiated rates, and group and meeting planning services. Executive branch state agencies are required to use the State Travel Management Program; however, universities are not required to use the travel agency services component. As of July 1992, 150 state agencies were participating in one or more components of the program with additional growth expected during the next six months as required use of the program is expanded.

The travel agency services are provided to the state through contracts established with eight travel agencies located in various regions of the state. State agencies may use one or more of the travel agencies under contract. The contract requires the travel agency to offer the lowest rate available to the traveling employee and to share the commissions received from airlines, hotels and rental car companies with the state.

The charge card services are also provided to the state on contract. The current contract is with American Express. The charge card service provides state employees with a mechanism to pay for travel in advance without an advance of state funds or using personal funds. The program requires the charge card to be used when arrangements are made through the state contracted travel agencies.

The division negotiates with rental car companies, hotels and airlines for reduced rates for traveling state employees. The division has negotiated contracts for reduced rates with two rental car companies, approximately 860 hotels in Texas and other states, and in August 1992, the agency contracted with one airline for discounts on 38 specific routes. Information regarding airlines, hotels, and their contract rates is published in the *State Travel Directory* which is sent to each state agency and public college and university.

The group and meeting planning services are provided by the GSC staff to assist state agencies that are setting up conferences, seminars and, in some cases, board meetings. The GSC staff assists with the site selection, rate negotiation and contract formulation necessary to make the meeting arrangements, and to get the best deal for the requesting agency.

### State Fleet Management Program

The major objective of the program is to reduce state vehicle expenditures by providing low cost preventive maintenance and repair services, and by negotiating on behalf of the state with repair facilities for major repairs and overhauls of state agency vehicles in Travis County. The program operates on a cost recovery basis and charges using agencies on an hourly basis plus the cost of any parts. During fiscal year 1991, 2,249 state vehicle repairs were completed and 292 repairs were referred to private sector operators.

Another major function of this program is the development of an automated vehicle fleet management information system. When this statewide system is fully operational it will include an inventory of all state vehicles and a compilation of the average operational cost by class of vehicle. This system is intended to produce management reports that will assist all state agencies in identifying fleet operational problems and to provide a tool for formulating corrective action. As part of the state's alternative fuels program, created by the 71st Legislature, the division assists state agencies and school districts in converting vehicles to compressed natural gas or other alternative fuels. Requests for waivers from conversion of state vehicles to alternative fuels are reviewed and acted upon by the division.

### Executive Administration

The Executive Administration Division performs the functions of the executive office and internal audit. The executive director, deputy executive director, assistant executive director, and the executive support staff implement policies, establish procedures and direct the programs of the agency. The internal audit function provides the commissioners and the administration with independent analyses, recommendations, and information concerning the agency's activities. The GSC is subject to the state's Internal Audit Act and the agency's internal audit function complies with the requirements of the act. The division operated with a budget of approximately \$438,000 and employed 8.8 FTE employees in fiscal year 1991.

The division is also responsible for developing the agency's six-year strategic plan. During the 72nd Regular Session, the legislature passed legislation requiring most state agencies to develop a six-year strategic plan. The strategic plans are the first step in building a long-term statewide budgeting and planning process. The agency has submitted its plan to the governor, lieutenant governor, speaker of the house of representatives and several legislative oversight agencies, including the Sunset Advisory Commission. The strategic plan is presently being used in developing budget recommendations for the agency.

### Fiscal Management

The Fiscal Management Division provides fiscal support to the agency and monitors its financial activities to ensure compliance with state statutes and commission rules. The division is responsible for all budget preparation and reporting, payroll, cash receipts, accounting, accounts payable functions, and compliance with the financial reporting requirements. The division calculates recovery costs for services provided by the agency for which direct fees are charged. These services include: the central store, office machine maintenance and repair, vehicle

maintenance and repair, and the TEX-AN and CCCTS telecommunications systems. The warehouse activity is also within the Fiscal Management Division and performs the GSC's internal purchasing, warehousing, receiving, issuance of supplies, invoice processing and property management functions. The division operated with a budget of approximately \$677,000 and employed 26.6 FTE employees in fiscal year 1991.

### **Legal Information and Human Resources**

The Legal Information and Human Resources Division provides general counsel to the commissioners and staff on legal matters, manages the agency's personnel function, and performs an audit function for the state's purchasing system. The division operated with a budget of approximately \$679,000 and employed 32.3 FTE employees in fiscal year 1991.

The personnel, or human resources, office performs recruitment, applicant screening, benefits administration, training coordination, and other personnel services and provides information to the agency's management and employees. During fiscal year 1991, the office received 4,321 employment applications and referred 950 applicants for interview.

The payment review section audits the state's purchasing function to ensure that all purchases made by state agencies through the GSC are audited and processed, and that warrants are issued to the appropriate vendors within 30 days. The payment review staff conducts both desk and field audits to monitor compliance with the statute, commission rules, and purchasing procedures. In fiscal year 1991, this section audited 562,288 vouchers.

### **Policy and Staff Services**

The Policy and Staff Services Division is responsible for office machine repair for all state agencies, automated support, operation of the inter-agency mail and messenger service in Travis County, and internal reproduction and typesetting services to all other divisions. The division operated with a budget of approximately \$3.7 million and employed 61.5 FTE employees in fiscal year 1991.

The office machine repair section serves all state agencies and public institutions of higher education by providing routine and preventative maintenance, equipment upgrades, and major overhauls of office equipment. During fiscal year 1991, this section serviced 9,549 office machines for 132 state agencies and two departments at the University of Texas.

The automated support section provides computer services to all programs of the agency including feasibility studies, systems analysis and design, software development and documentation, and training. The section analyzes existing procedures and automates them when feasible and cost effective. During fiscal year 1991, the section operated 39 automated systems, the largest of which support the purchasing operations, internal fiscal and personnel programs, building and property services, and facilities construction and space management.

The mail and messenger section delivers unmetered and unstamped written communication and packages between state agencies in Travis County. State law requires all state agencies in

Travis County to use the messenger service or an alternate method for delivery of inter-agency mail or packages, unless state or federal law requires them to use the United States Postal Service. During fiscal year 1991, this section processed an average of 286,629 pieces of mail monthly.

During fiscal year 1992, the division's responsibilities were expanded to include four additional programs. Two new programs, the resource recycling and conservation program and the agency's policy assessment initiative, were established in the division. The resource recycling and conservation program is responsible for identifying and developing specifications for products made with recycled materials. This program also manages the state's recycling effort in the capitol complex. The policy assessment initiative is an effort to identify and review all existing policies that restrict competitive purchasing by state agencies as well as those policies that limit disadvantaged business enterprises from doing business with the state.

The remaining two programs, the disadvantaged business enterprise (DBE) program and the competitive cost review program, were transferred from the Purchasing Division to the Policy and Staff Services Division. The GSC administers an outreach and training program for DBEs. Recently, the Texas Department of Commerce and the General Services Commission entered into an interagency contract for the GSC to administer the department's disadvantaged business enterprise program. Under contract, the GSC is required to certify DBEs, encourage DBEs to apply to be placed on state agencies' bidders lists, track the state's purchases from DBEs and assist state agencies in increasing their purchases from DBEs. The competitive cost review program ensures that state agencies periodically review the efficiency of their commercial activities. The program places duties on the state agency, the state auditor and the GSC. The GSC's role in this program is to provide information about the costs, quality, availability and comparability of similar commercial activities in the private sector.

***OVERALL APPROACH  
TO REVIEW***



## OVERALL APPROACH TO THE REVIEW

The General Services Commission was reviewed under the Sunset Act in 1991. As a result of the review more than 75 significant policy changes were included in the sunset legislation. Because of the number and complexity of the changes made to the state purchasing statute, the legislature continued the GSC for a two-year period. The intent behind the shorter date was to be in a position to review the changes made and to determine if they needed any adjustment or additions. Once this determination was made a normal twelve-year date would be proposed.

Following the general intent of the legislature, the review focused on the way in which changes made by the 72nd Legislature were being carried out and whether additional policy changes were needed. To make determinations in each of the review areas, the staff performed a number of activities during the four-month review period. These activities included:

- review of agency documents and reports, state statutes, legislative reports, other states' reports and statutes, previous evaluations of agency activities, and literature containing background material;
- interviews with the executive director, general counsel and key agency staff;
- attendance at public meetings of the General Services Commission;
- a survey of the employees of the GSC requesting the identification of problems at the agency as well as potential solutions; and
- a survey of individuals and groups affected by or interested in the activities and policies of the agency.

The results of the analysis on the General Services Commission's implementation of its previous sunset bill are presented in the following section of the report. The additional policy changes, identified by the review, are contained in the section containing findings, recommendations and policy options. The policy changes included in the report represent only a small percentage of the total number of issues that were raised during the review. The policy issues finally selected were based on their relative importance to the statutory structure of the commission and changes necessary for the commission to better implement the policy changes passed by the 72nd Legislature.



***COMPLIANCE WITH  
HOUSE BILL NO. 39  
72ND LEGISLATURE  
SECOND CALLED SESSION***



**COMPLIANCE WITH HOUSE BILL NO. 39,  
72ND LEGISLATURE, SECOND CALLED SESSION, 1991**

During the 72nd Legislature, Second Called Session, the General Services Commission sunset bill, House Bill No. 39, was debated and passed. The bill, as finally signed by the governor, included more than 75 policy changes. Under the Sunset Act, the Sunset Advisory Commission reviews the way an agency implements the provisions of its sunset bill the year after an agency goes through the sunset process. The General Services Commission was reviewed to determine how House Bill No. 39 had been implemented and if any additional changes were needed to allow the GSC to fully implement the provisions.

To make determinations in these two areas the sunset staff first requested a report from the General Services Commission and other state agencies describing how the bill provisions were implemented. Next, these implementation reports were sent to individuals and groups interested in the implementation for their review and comment. Finally, agency materials, interest group comments and GSC interviews were analyzed to determine if the bill provisions had been implemented.

The review found that the General Services Commission had fully or partially implemented all but one provision. The one provision that has not yet been completed requires the GSC to relinquish its fixed property accounting responsibilities when the comptroller certifies that the fixed asset component of the Uniform Statewide Accounting System is operational. The comptroller has not certified that the fixed asset component is operational and the GSC continues to perform its property accounting responsibilities. Although the review found a few provisions that were only partially implemented, the General Services Commission is making progress toward full implementation.

During the review, the agencies responsible for implementing the bill provisions and other individuals and groups interested in the bill provisions identified areas of the statute that could be improved. Investigation of these areas resulted in policy options that are contained in the following section of the report.

The following chart lists all of the provisions of House Bill No. 39, describes the implementation status of each provision, and summarizes the comments or problems identified by the implementing agencies and other individuals and groups interested in the implementation of the bill.



**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

Bill Reference in H.B. No. 39	Bill Provision in H. B. No. 39	Implementation Status	Comments/Problems Identified
<b>Sunset Commission Recommendations</b>			
Page 6, Line 22	1. Continues the functions of the General Services Commission.	The GSC's sunset date was extended to September 1, 1993.	
Page 1, Line 11 Page 39, Line 14 Page 41, Line 20 and throughout the bill.	2. Changes the name of the agency from the State Purchasing and General Services Commission to the General Services Commission.	No action required.	
Page 30, Line 22 thru Page 31, Line 5 Page 61, Line 7 thru Page 65, Line 18 Page 103, Line 14 Page 103, Line 24 thru Page 104, Line 25	3. Transfers the architectural barriers program to the Texas Department of Licensing and Regulation. (See provisions 16 through 23 and 73 through 75 for changes to the program.)	The elimination of architectural barriers program was transferred to the Texas Department of Licensing and Regulation September 1, 1991. Complaints received prior to September 1, 1991 which were still active have been transferred to the Inspections and Investigations Division and entered into the complaint intake monitoring system for tracking and follow-up. Six projects have also been referred to the attorney general's office for action.	
Page 1, Line 21 Page 2, Line 21 Page 3, Line 1	4. Increases the size of the commission from three to six members, specifies members' terms of office, and defines a quorum.	Three additional commissioners were appointed and sworn in on or before February 10, 1992.	
Page 45, Line 13 thru Page 47, Line 23	5. Requires the GSC to participate in the competitive cost review program to ensure that in-house costs for providing commercially available services are competitive with those in the private sector.	The GSC has approved their internal auditor's proposal for implementing the program. The GSC has identified 22 commercial activities within the agency. Custodial operations was selected to be reviewed during the 1992-1993 biennium.	

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

<b>Bill Reference in H.B. No. 39</b>	<b>Bill Provision in H. B. No. 39</b>	<b>Implementation Status</b>	<b>Comments/Problems Identified</b>
Page 10, Line 5 thru Page 11, Line 2 Page 14, Line 5	6. Raises the dollar value of small purchases delegated to state agencies from \$1,500 to \$5,000.	The GSC adopted rules that delegate purchases under \$5,000 to state agencies and require three formal bids for purchases between \$2,500 and \$5,000.	Texas A&M University System finds this change to be cost effective and efficient.
Page 10, Line 12	7. Raises the minimum dollar value for competitive bidding from \$100 to \$1,000.	The GSC adopted rules that require competitive bidding for purchases of more than \$1,000 and require three informal bids when making purchases between \$1,000 and \$2,500.	
Page 11, Line 6 thru Page 12, Line 22	8. Requires state agencies making purchases of more than \$5,000 to solicit bids from all eligible vendors that have applied to be on the agencies' bid lists.	The GSC adopted rules to implement cost recovery for maintaining their own central bid list including a \$75 registration fee. The GSC rules also require state agencies to maintain a bid list, allow the GSC central bid list to be used in lieu of a state agency list, and require a state agency making a purchase of more than \$5,000 to solicit all vendors on its bid list. A standard bid list application was developed for state agencies' use.	Texas A&M University System has no problem with this change as long as the cost recovery fees remain realistic.  M.D. Anderson Cancer Center believes that the level for soliciting all the vendors on a bidders list should be raised from \$5,000 to \$10,000. The current requirement has substantially increased the number of bids that must be solicited, the costs associated with each purchase and the time necessary to evaluate the responses. In addition, the cancer center's efforts to utilize more disadvantaged business enterprises has been adversely affected as most are small businesses that seldom respond to larger bids and cannot compete with larger businesses.

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

<b>Bill Reference in H.B. No. 39</b>	<b>Bill Provision in H. B. No. 39</b>	<b>Implementation Status</b>	<b>Comments/Problems Identified</b>
<p>Page 82, Line 19 thru Page 96, Line 3 Page 105, Line 4 Page 105, Line 12</p>	<p>9. Makes major changes to the Private Consultant Services Act. Major changes include:</p> <ul style="list-style-type: none"> <li>- defines consulting services;</li> <li>- defines state agency for purposes of the act;</li> <li>- specifies the services that are covered and exempted by the act;</li> <li>- defines legislative intent;</li> <li>- allows the governor, comptroller and the GSC to exempt through an MOU particular services from the act and requires those services to be purchased under the general purchasing requirements;</li> <li>- requires notice to the LBB and a finding of fact by the governor before contracting for consulting services and authorizes the governor to waive procedural requirements in cases of unforeseen emergencies;</li> </ul>	<p>The comptroller has drafted consultant contract rules which were reviewed by the governor and the GSC. These rules were published in the July 24, 1992, issue of the <i>Texas Register</i> and are scheduled for final adoption in October 1992.</p>	

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

Bill Reference in H.B. No. 39	Bill Provision in H. B. No. 39	Implementation Status	Comments/Problems Identified
	<ul style="list-style-type: none"> <li>- specifies notice requirements for procuring services and for certain renewals, extensions, and amendments, and for distribution of products of such services;</li> <li>- makes contracts void if not made in compliance with requirements and prohibits dividing contracts to avoid requirements;</li> <li>- makes the consulting services act apply when more than one type of service is involved and the primary purpose is consulting services;</li> <li>- authorizes an agency to procure consulting services through the commission and allows the commission to charge for the service; and</li> <li>- places consulting services rule-making responsibility with the comptroller.</li> </ul>		
Page 15, Line 7	10. Requires the GSC to annually review state agency purchases of routine services. Specifies that consolidation of services into statewide or regional contracts is not required if the GSC could obtain bids from more than five bidders.	The GSC has adopted rules to implement this provision that specify that the GSC will study at least one service each year. Two services, overnight mail and mainframe computer maintenance, were studied and resulted in contracts for these services. The GSC is currently studying in-bound and out-bound freight and the use of a credit card for small dollar purchases.	The GSC raised a concern about the provision stating that the GSC is not required to consolidate services if it could obtain bids from more than five bidders. The GSC believes the provision is in conflict with the objective of requiring the study and implementation of term contracts for services.

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

<b>Bill Reference in H.B. No. 39</b>	<b>Bill Provision in H. B. No. 39</b>	<b>Implementation Status</b>	<b>Comments/Problems Identified</b>
<p>Page 42, Line 25 thru Page 45, Line 16 Page 47, Line 27 thru Page 48, Line 9</p>	<p>11. Modifies elements of the competitive cost review program to:</p> <ul style="list-style-type: none"> <li>- require agencies that have internal auditors to have that person coordinate competitive cost review activities and review in-house cost estimates;</li> <li>- require workload and budget information in the inventory of commercial activities;</li> <li>- provide for review and comment on the inventory and schedule;</li> <li>- require the GSC to publish instructions for performing the management study;</li> <li>- require agencies to provide their studies to the GSC for approval;</li> <li>- create a process to allow a private individual to file a complaint if the person believes an agency is engaged in unfair competition with the person and exempts the Texas Department of Criminal Justice and institutions of higher education; and</li> <li>- establishes a 1995 sunset date for the program.</li> </ul>	<p>GSC rules were amended February 20, 1992 to reflect changes in the law. Agencies subject to the statute were advised of the changes and the state auditor is revising its <u>Guide for Competitive Cost Review</u> to reflect the changes.</p> <p>The GSC rules require that studies be conducted in accordance with the state auditor's <u>Guide for Competitive Cost Review</u>.</p> <p>No action required to implement the complaint process of individuals who believe an agency is engaged in unfair competition.</p>	<p>The GSC is working with the Texas Performance Review and five state agencies on a pilot study under the competitive cost review program. Under the pilot study, the five agencies would agree to competitively bid the commercially available services if the study indicates that savings could be realized. The TPR would calculate each agency's cost to provide the service and the GSC would solicit information from vendors on the best way to provide the service. A council made up of the five agencies, the GSC, the TPR, the state auditor's office, the Legislative Budget Board, and the governor's office would determine if the service should be provided by a vendor rather than by the state agencies.</p>
<p>Page 55, Line 17 thru Page 56, Line 6</p>	<p>12. Removes the requirement that school districts process payments to school bus vendors through the state treasury.</p>	<p>All school districts have been advised of the change by letter. Purchase orders have been amended to indicate that invoices are to be mailed to the school district.</p>	

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

SAC GSC/D-165:10/92 ab

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Sunset Staff Report

General Services Commission

Compliance with House Bill No. 39

Bill Reference in H.B. No. 39	Bill Provision in H. B. No. 39	Implementation Status	Comments/Problems Identified
Page 56, Line 18 thru Page 58, Line 4	13. Requires that school buses obtained under lease or lease-purchase contracts are subject to the minimum safety specifications used by the commission to purchase buses; defines lease and requires leases over \$10,000 to be obtained through competitive bid; and prescribes minimum lease terms and reporting requirements for school districts that lease buses.	All school districts have been advised of the change by letter.	
Page 38, Line 12 thru Page 39, Line 9	14. Authorizes public institutions of higher education to provide TEX-AN services to public college and university students in university housing; and requires the GSC to develop rules on conditions of access and recovery of costs from student users. Also, specifies the state policy related to the provision of telecommunications services to the general public.	The GSC adopted rules to allow this service to be established. The rules state that the GSC will bill the institutions of higher education; place the responsibility for collecting student payments on the institutions; and allow the GSC to limit the hours students may use TEX-AN if the network cannot accommodate the student traffic.	Texas A&M University System supports the expanded use of TEX-AN by students, but raised two concerns. The first concern is that the TEX-AN rates remain reasonable. The second concern is that the university is losing a source of revenue when students use TEX-AN instead of the long-distance company the university has on contract to provide service to students living on campus.

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

SAC GSC/D-165:10/92 ab

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Sunset Staff Report

Bill Reference in H.B. No. 39	Bill Provision in H. B. No. 39	Implementation Status	Comments/Problems Identified
Page 17, Line 13 thru Page 19, Line 15	15. Transfers the capitol security functions to the Department of Public Safety.	The Capitol Security Police was transferred to the Department of Public Safety September 1, 1991. The requirements relating to employee benefits, employment rights, and service time have been implemented. The DPS and the GSC continue to negotiate for adequate space.	The DPS identified two areas that it believes should be addressed. These are: 1. Inadequate funding. Security contracts for buildings outside of the capitol complex that were transferred to the DPS exceeds the capitol police budget, funds for uniforms are not available and 20-25 vacancies have not been filled. 2. No clear-cut definition of responsibilities. The department raised several questions related to what their responsibility is, including: Is the department responsible for building security outside of the capitol complex? Is the department responsible for the purchase of flags for buildings with flagpoles? Is the department responsible for the maintenance of electronic access systems?

General Services Commission

Compliance with House Bill No. 39

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

<b>Bill Reference in H.B. No. 39</b>	<b>Bill Provision in H. B. No. 39</b>	<b>Implementation Status</b>	<b>Comments/Problems Identified</b>
<p>Page 69, Line 9 Page 70, Line 3 Page 73, Line 6</p>	<p>16. Strengthens architectural barriers program by:</p> <ul style="list-style-type: none"> <li>- requiring the inspection of all new construction and renovations within one year of completion and state leased space within the first year of the lease;</li> <li>- requiring licensed architects and engineers to submit plans and specifications and defines submission requirements;</li> <li>- requiring the TDLR to report violations of submission requirements; and</li> <li>- defining failure to comply with submission requirements as a ground for disciplinary action.</li> </ul>	<ul style="list-style-type: none"> <li>- The program has conducted five inspections: one state lease, two new construction, and two special inspections. These inspections identified 26 violations.</li> <li>- A 75 percent increase in plan submittals from architects and engineers has occurred.</li> <li>- A computer program is being developed to help facilitate reporting to the respective registration boards.</li> <li>- No action required.</li> </ul>	<p>Advocacy Incorporated suggests that the plans and specifications submitted to the TDLR should be required to comply with the Americans with Disabilities Act in addition to state law.</p>
<p>Page 67, Line 18 thru Page 68, Line 8</p>	<p>17. Authorizes the department to contract with other state agencies, political subdivisions, nonprofit organizations, and private entities to perform inspections of privately funded buildings subject to the architectural barriers statute.</p>	<p>Rules are being developed by the TDLR to address contracting services and notices of interest are being accepted to facilitate the application process.</p>	

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

<b>Bill Reference in H.B. No. 39</b>	<b>Bill Provision in H. B. No. 39</b>	<b>Implementation Status</b>	<b>Comments/Problems Identified</b>
Page 67, Line 24 thru Page 68, Line 8	18. Authorizes the department to enter into cooperative agreements to integrate information into publications of other entities.	Dissemination of information is on-going. (Press releases, mail outs to professional associations, state agencies and others, presentations by department staff to various groups and associations)	
Page 71, Line 3	19. Authorizes the TDLR to assess fees to recover the costs of administering the architectural barriers program.	Interim fees were adopted by the commission on September 5, 1991 and became effective September 6, 1991. Permanent fees were adopted on January 30, 1992 and were effective February 26, 1992. The fees range from \$50 to \$1,875.	
Page 68, Line 9	20. Authorizes administrative penalties to be assessed for violations of the architectural barriers statute.	No action required. To date, no penalties have been assessed.	
Page 71, Line 14 thru Page 72, Line 12	21. Establishes an advisory committee of building professionals and persons with disabilities to review and recommend changes to rules and procedures of the architectural barriers program.	An advisory committee consisting of four building professionals and five persons with disabilities was appointed by the TDLR commission on February 26, 1992. The committee held its first meeting on April 6, 1992.	Advocacy Incorporated suggests the committee's duties be expanded and revised to "review and recommend changes to rules and procedures to ensure compliance with the architectural barriers statute and the Americans with Disabilities Act for all contracts to renovate, modify or build any public structure in Texas."
Page 70, Line 22	22. Removes exemption of the University of Texas System from oversight by the architectural barriers program.	Plans have been received from the University of Texas System for review.	

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

<b>Bill Reference in H.B. No. 39</b>	<b>Bill Provision in H. B. No. 39</b>	<b>Implementation Status</b>	<b>Comments/Problems Identified</b>
Page 64, Line 2	23. Removes the exemption for property in counties under 45,000 population from the requirements of the architectural barriers statute and makes property constructed after January 1, 1992 in all counties subject to the statute.	Plans have been received from counties with populations of less than 45,000.	
Page 48, Line 16 thru Page 50, Line 2	24. Prohibits the State Travel Management Program from entering into a single, statewide contract for travel agency services; requires the GSC to adopt rules related to the structure of travel agency services contracts, the procedures to be used to determine contract requirements, and the use of negotiated contract rates; requires state agencies in the executive branch to participate in all travel services except that institutions of higher education shall not be required to use travel agency services; authorizes the GSC to return to the federal government rebates collected on federally funded state travel in compliance with federal requirements.	<p>A request for a proposal was issued in January 1992 to establish contracts with six to ten travel agencies located throughout the state. Twenty-one proposals were submitted by the due date, June 1, 1992, and eight contracts were awarded August 31, 1992. Rules have been adopted to implement the statutory provisions effective July 14, 1992.</p> <p>The state requests travel agencies under contract with the travel management program to share the commissions they receive from airlines, hotels and rental car companies with the state. The requirement to contract with more than one travel agency was expected to result in the state receiving a smaller share of the commission. The Legislative Budget Board reported in its third quarter <i>Assessment of Agency Performance Based on the Key Performance Target Quarterly Report</i> that travel rebate percentages dropped from 4.2 percent to 2.0 percent. The 2.2 percent decrease resulted in a revenue loss of approximately \$100,000.</p>	Accent Travel believes that the number of travel agencies selected to serve state agencies should not be limited. Accent Travel believes that if each agency were allowed to select its own travel agency, both better service and individual department savings would be recognized while still maintaining the standardized reporting system.

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

Bill Reference in H.B. No. 39	Bill Provision in H. B. No. 39	Implementation Status	Comments/Problems Identified
Page 75, Line 1	25. Requires the Public Finance Authority to issue, in a timely manner, bond proceeds for projects approved by the legislature.	No action required by the GSC.	
Page 26, Line 21	26. Requires the GSC, in consultation with the boards of architectural examiners and professional engineers, to develop criteria to evaluate firms to be retained for state building projects; and requires the GSC to allow at least 30 days for firms to prepare for interviews.	Rules adopted February 20, 1992 requiring a minimum of 30 days between notification and actual interview of architectural/engineering firms, and specifies the criteria to be used to select the firm. The GSC solicited input from the Texas Society of Architects, Texas Board of Architectural Examiners and the Texas Society of Professional Engineers.	The GSC raised a concern that no provision was made to allow the commission to shorten the 30-day period for emergency projects.
Page 26, Line 3 Page 26, Line 26 thru Page 27, Line 13 Page 102, Line 3	27. Requires the GSC to allow at least 30 days for firms to prepare bids for construction projects and authorizes the GSC to shorten this period for emergency projects.	Rules adopted February 20, 1992 requiring a minimum of 30 days between advertisement for bids and actual receipt of bids.	
<b>Across-the-Board Recommendations</b>			
Page 1, Line 23	28. Require all members to be representatives of the general public.	No action required.	
Page 5, Line 20	29. Prohibits a member of the commission and any employee compensated at or above Group 17 in the general appropriations act from being an officer of a related trade association.	All commission members and employees are currently in compliance with this provision. No further action required.	

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

Bill Reference in H.B. No. 39	Bill Provision in H. B. No. 39	Implementation Status	Comments/Problems Identified
Page 6, Line 13	30. Prohibits a registered lobbyist from serving as a member of the commission or from being employed as the agency's general counsel.	All commission members and the general counsel are currently in compliance with this provision. No further action required.	The GSC raised a concern that the prohibition currently in statute may be too narrow to avoid the perception that a conflict of interest exists.
Page 1, Line 24 thru Page 2, Line 5	31. Requires that appointment to the board shall be made without regard to race, color, handicap, sex, religion, age, or national origin of the appointee. Also, requires that, in making appointments to the commission, the governor shall attempt to appoint members of different minority groups, including females, African-Americans, Hispanic-Americans, Native Americans, and Asian-Americans.	No action required.	
Page 3, Line 10	32. Defines grounds for removal of a commission member, and requires the executive director to notify the chairman if a potential ground for removal exists. Also, specifies that an action of the commission is valid even though it is taken when a ground for removal exists.	No action required.	
Page 7, Line 10	33. Requires an annual report to be filed with the governor and the legislature detailing the financial transactions of the agency.	This requirement reinforces appropriations bill requirements. No new action required.	

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

<b>Bill Reference in H.B. No. 39</b>	<b>Bill Provision in H. B. No. 39</b>	<b>Implementation Status</b>	<b>Comments/Problems Identified</b>
Page 4, Line 12	34. Requires the executive director or his designee to establish skill-oriented career ladders.	Skill-oriented career ladders have not been established throughout the agency. This is assigned to the Human Resources Department to be developed in fiscal year 1993.	
Page 4, Line 16	35. Requires the executive director or his designee to develop a system of merit pay based on documented employee performance.	A system of merit pay based on performance is not fully developed. This is assigned to the Human Resources Department to be developed in fiscal year 1993.	
Page 7, Line 20 thru Page 8, Line 2	36. Requires the agency to prepare and distribute information to the public concerning the functions of the agency and its complaint procedures.	Public information brochures were developed by the executive office and will be updated due to organizational changes. Rules, procedures, and policies are provided on request. Complaint procedures for bidding disputes are published in rules. ADA complaint procedures are pending executive approval. Pending determination of funds availability for an additional position, recruiting a staff person to handle complaints and provide persons with appropriate information is planned.	
Page 8, Line 3	37. Requires files to be maintained on complaints.	Files are maintained by individual departments.	
Page 8, Line 5	38. Requires that all parties to formal complaints be periodically informed in writing as to the status of the complaint.	Complaints are routinely answered in writing.	

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

Bill Reference in H.B. No. 39	Bill Provision in H. B. No. 39	Implementation Status	Comments/Problems Identified
Page 4, Line 20 thru Page 5, Line 16	39. Requires the executive director or his designee to develop and maintain an E.E.O. policy and to file its report with the governor's office.	An E.E.O. policy has been developed and maintained. The policy was filed with the governor's office December 31, 1991.	
Page 4, Line 4	40. Requires the agency to provide information on standards of conduct to board members and employees.	Standards are in commission rules and the personnel manual and are reviewed with new employees during new employee orientation.	
Page 3, Line 3	41. Requires the commission to allow the public reasonable opportunity to appear before it regarding issues under its jurisdiction.	Public notice of agenda items is provided as required by the Open Meetings Act. Any person may address the commission concerning a posted agenda item. Any person may request an opportunity to address the commission by contacting any staff member or commissioner with the specific subject matter of the request added to the next available open meeting.	
Page 4, Line 9	42. Requires the commission to develop and implement policies which clearly define the respective responsibilities of the commission and staff.	The commission's retention and delegation of authority, adopted in an open meeting, defines these responsibilities.	
Page 8, Line 11	43. Requires the agency to develop a plan which describes how non-English speaking or disabled persons can be provided reasonable access to the agency's programs.	Interpreters are made available for non-English speaking persons. The GSC is in the process of insuring ADA compliance. In addition, the GSC includes notice of available resources on its open meeting postings.	

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

Bill Reference in H.B. No. 39	Bill Provision in H. B. No. 39	Implementation Status	Comments/Problems Identified
Issues Added by the Legislature			
Page 9, Line 12	44. Specifies factors that the commission is to consider when evaluating competitive sealed proposals.	The GSC adopted rules to specify the factors to be considered when evaluating competitive sealed proposals. The evaluation criteria are to be specified in the request for proposal and may include various costs such as installation costs, overall life of the equipment, and employee training costs.	
Page 12, Line 26 thru Page 13, Line 5	45. Prohibits a state agency from accepting a bid or awarding any contract that would benefit a person who received compensation to participate in preparing bid specifications or a request for proposal. Allows free technical assistance in such activities.	Terms and conditions of each bid submitted requires the bidder certify by signature on the bid list that he has not received compensation for preparation of specifications. Signing a false statement is a material breach and voids the bid or contract.	
Page 14, Line 5 thru Page 15, Line 3	46. Requires the commission to review existing contracts for recycling waste products at state buildings to ensure that the services meet contract specifications.	Existing contract for recycling has been reviewed. The GSC is reviewing existing specifications for recycled products and writing new specifications where needed. Minimum standards and price preferences for recycled products have been adopted. The GSC is working with the Texas Department of Criminal Justice and Texas Industries for the Blind and Handicapped to incorporate recycled products and materials in items purchased by state agencies.	

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

Bill Reference in H.B. No. 39	Bill Provision in H. B. No. 39	Implementation Status	Comments/Problems Identified
Page 14, Line 10 thru Page 15, Line 3	47. Requires the commission to inspect and test costly purchases that it determines should be inspected and requires the adoption of rules; and allows the commission to remove a problem vendor from the bid list for up to one year.	The GSC adopted rules for the inspection program that specify how items are selected for inspection, place initial responsibility for inspecting costly purchases on individual state agencies, and specify the duties of the GSC's specification and inspection section.	
Page 16, Line 8	48. Increases the upper horsepower limit of vehicles the state can purchase from 145 to 160 SAE net horsepower.	GSC rules were amended to increase the maximum net horsepower from 145 to 160 SAE.	Texas A&M University System reported that the increase from 145 to 160 net horsepower was much needed.  The GSC raised a concern that the maximum wheelbase and horsepower are set too low. Increasing the wheelbase to 116 and the net horsepower to 210 would provide the additional room needed to convert vehicles to alternative fuels and provide the necessary horsepower to pull the additional weight.
Page 16, Line 13 thru Page 17, Line 2	49. Defines vehicles "capable of using compressed natural gas" and specifies that the commission can extend the date by which a state agency vehicle must be "capable of using CNG" for one or more 90 day periods but not beyond September 1992.	"Capable of using compressed natural gas" had previously been defined in commission rules. Extensions are granted by the Travel and Transportation Division as needed.	Texas A&M University System reported that the time lines for meeting these requirements have placed a burden on some of the system components. The requirement for equipping vehicles to use CNG has increased the initial cost by approximately \$2,500 per vehicle.

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

<b>Bill Reference in H.B. No. 39</b>	<b>Bill Provision in H. B. No. 39</b>	<b>Implementation Status</b>	<b>Comments/Problems Identified</b>
Page 17, Line 6	50. Prohibits the commission and state agencies from purchasing electrical items that do not meet applicable OSHA safety standards.	GSC rules were amended February 20, 1992, to develop a standard clause for open market and contract purchases of electrical products requiring purchases to meet applicable safety standards.	
Page 28, Line 24	51. Exempts residential programs of the Texas Department of Mental Health and Mental Retardation from the lease space provision of Art. 601b.	No action needed.	The GSC raised a concern that the residential space needed for Texas Youth Commission programs may be leased more efficiently by the agency rather than by the GSC.
Page 31, Line 9 thru Page 35, Line 26 Page 79, Line 19 thru Page 80, Line 3 Page 100, Line 27 thru Page 101, Line 3 Page 105, Line 21	52. Transfers responsibility for the state property accounting system from the GSC to the comptroller upon implementation of the uniform statewide accounting system fixed assets component. Shifts authority to investigate missing property from the state auditor to the attorney general, eliminates the authority for the comptroller to hold warrants for certain violations, eliminates the requirement that agencies provide new employees with a copy of the property accounting law, and makes other changes to the property accounting system requirements. Also transfers existing language concerning property accounting for Texas Department of Health contractors to the Health and Safety Code.	Provision not in effect. The provision is contingent upon certification by the comptroller that the USAS fixed asset component is operational.	

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

SAC GSC/D-165:10/92 ab

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Sunset Staff Report

Bill Reference in H.B. No. 39	Bill Provision in H. B. No. 39	Implementation Status	Comments/Problems Identified
Page 37, Line 16 thru Page 38, Line 8	53. Allows elected officers, appointed officers, or executive heads of agencies to purchase their chairs after leaving office.	The GSC adopted rules to establish the procedure to sell chairs to elected officials, appointed officers and executive heads of agencies.	
Page 50, Line 6	54. Requires the commission to give preference to energy efficient products if the products meet specifications and the cost is equal or less than similar products that are not energy efficient.	GSC rules were amended February 20, 1992, to specify that preference will be given to energy efficient products and to require the methodology to evaluate the products be included in the invitation for bid.	
Page 50, Line 16 thru Page 51, Line 5	55. Establishes a process for naming state buildings that requires the commission to submit new names for new or existing state buildings to the presiding officers of the house and senate and requires that name changes be authorized by concurrent resolution signed by the governor; requires state buildings to be named after deceased persons; and exempts university and prison buildings from the requirements.	No action required.	
Page 51, Line 9 thru Page 52, Line 10	56. Authorizes the commission to assist state agencies, assess and evaluate their printing activities, recommend changes that would achieve increased productivity and cost effectiveness, and monitor and coordinate information and activities of state agency print shops.	The Purchasing Division issued a survey of state print shops in the June issue of <i>BuyWays</i> which is sent to all state agencies. Executive staff has suggested a more detailed survey be conducted. Additional research is being conducted by the Policy and Staff Services Division with a final report due December 1992.	

General Services Commission

Compliance with House Bill No. 39

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

Bill Reference in H.B. No. 39	Bill Provision in H. B. No. 39	Implementation Status	Comments/Problems Identified
Page 52, Line 14 thru Page 53, Line 12	57. Reduces the requirements for the distribution of session laws by the secretary of state.	No action required.	
Page 53, Line 21 thru Page 54, Line 22	58. Requires that the commission purchase school buses by competitive bidding whenever possible and makes technical corrections.	No action required.	
Page 54, Line 25 thru Page 55, Line 14	59. Defines a vehicle considered as capable of using compressed natural gas or other alternative fuels as being one that is originally equipped or one that has been converted after September 1, 1991 and allows 90-day extensions if the commission finds such vehicles are not available for purchase for school districts. Prohibits extensions beyond September 1, 1993.	The Purchasing Division will not purchase a bus unless it is alternatively fueled, the school district confirms the bus will be converted to alternative fuels, or the school district has obtained a waiver from the Travel and Transportation Division.	
Page 58, Line 7 thru Page 61, Line 1	60. Provides for higher education institutions to enter into contracts for energy conservation measures. Defines what is included in energy conservation contracts. Provides that competitive proposals be made in accordance with the Purchasing Act.	No action required by the GSC.	

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

SAC GSC/D-165:10/92 ab

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Sunset Staff Report

<b>Bill Reference in H.B. No. 39</b>	<b>Bill Provision in H. B. No. 39</b>	<b>Implementation Status</b>	<b>Comments/Problems Identified</b>
Page 65, Line 19 thru Page 67, Line 3	61. Defines disabilities and adds definitions necessary for the new article authorizing the architectural barriers program.	No action required.	
Page 74, Line 6	62. Authorizes agencies to purchase goods directly from TDCJ, instead of through GSC, if the item is not included in a GSC established contract and the cost does not exceed \$5,000.	GSC rules were amended February 20, 1992, to specify that state agencies may purchase goods directly from the TDCJ if the GSC does not have a term contract for the goods and the purchase is less than \$5,000.	
Page 75, Line 24 thru Page 79, Line 4	63. Requires the commission to purchase the Texas Employment Commission building.	A purchase price offer was made by the GSC to the Texas Employment Commission in July 1992.	
Page 79, Line 7	64. Authorizes universities under the same governing board to be exempt from the inter-agency contract oversight requirements.	No action required.	Texas A&M University System supports the exemption from interagency contract oversight.
Page 79, Line 19 thru Page 80, Line 3	65. Exempts equipment and supplies purchased through a contract or grant program under the Texas Health Department from the state property accounting system and places property accounting related to these programs with the department.	Exemption in place, no further action required.	

General Services Commission

Compliance with House Bill No. 39

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

Bill Reference in H.B. No. 39	Bill Provision in H. B. No. 39	Implementation Status	Comments/Problems Identified
Page 80, Line 16 thru Page 81, Line 13	66. Exempts agreements concerning the sharing of operating and overhead costs between the Department of Commerce and other state agencies or universities from the requirements of the interagency cooperation act. Requires that any such contract in excess of \$5,000 be approved by the executive director of the Department of Commerce prior to execution. Exempts the Department of Commerce foreign offices from the property accounting and surplus property requirements of state law.	No action required by the GSC.	
Page 81, Line 4	67. Authorizes the commission, on request, to provide services to any agency exempt from Art. 601b on a cost recovery basis and exempts such services from the requirements of the interagency cooperation act.	The GSC has developed a procedure to enter into a contract to provide services for agencies requesting services. The contract specifies the services to be provided and the payment for those services.	
Page 81, Line 21	68. Authorizes the institutional division of the Texas Department of Criminal Justice, instead of just the GSC, to determine if the TDCJ cannot fill an agency order, thereby allowing the agency to purchase the goods elsewhere.	GSC rules were amended February 20, 1992, to state that the TDCJ institutional division determines if it is unable to fill a request for an article or product.	

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

<b>Bill Reference in H.B. No. 39</b>	<b>Bill Provision in H. B. No. 39</b>	<b>Implementation Status</b>	<b>Comments/Problems Identified</b>
Page 82, Line 2	69. Exempts state agencies and political subdivisions that purchase prison made goods from competitive bidding requirements; specifies that political subdivisions are not required to buy TDCJ products if the same product is available at a lower price elsewhere; and specifies that state agencies are not required to buy TDCJ products if the agency finds, and GSC certifies, that the same product is available at a lower price elsewhere.	GSC rules were amended February 20, 1992, to require goods be purchased from the TDCJ unless the goods can be purchased elsewhere at a lower price.	
Page 96, Line 8 thru Page 97, Line 1	70. Authorizes the GSC with the concurrence of the Department of Information Resources to develop procedures and negotiate with vendors for preapproved terms and conditions for telecommunication services.	Provision is permissive. The GSC has not identified an opportunity to use this provision to the state's advantage.	
Page 98, Line 13 thru Page 99, Line 26	71. Requires the inclusion of telecommunications services to be included in the cost factors for issuance of bonds and in the planning estimates for state agency space needs.	The Telecommunications Division estimates the cost of providing telecommunications for buildings the state plans to build or purchase. These estimates are incorporated into the GSC's request for authority to issue bonds that is submitted to the Texas Public Finance Authority.	

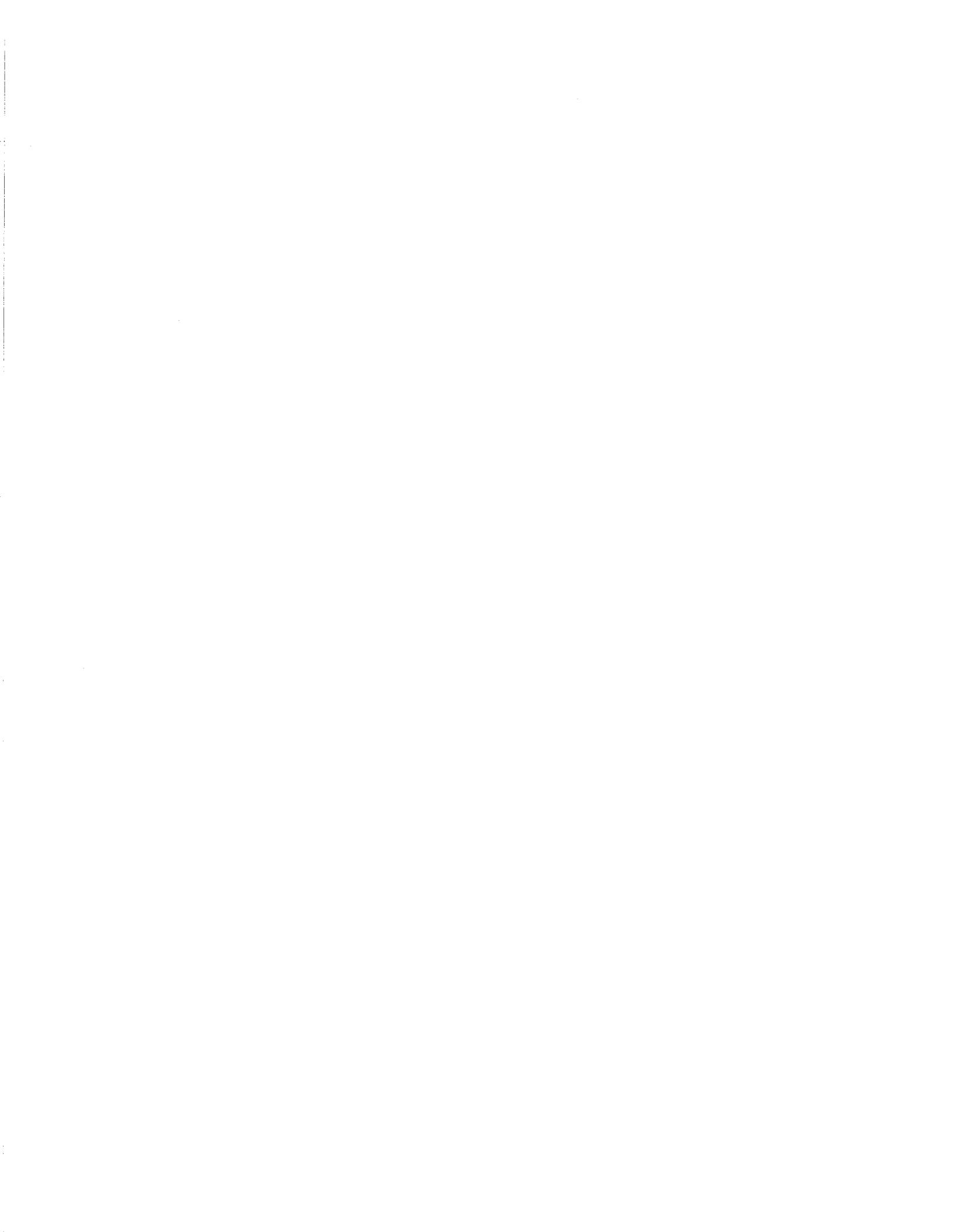
**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

<b>Bill Reference in H.B. No. 39</b>	<b>Bill Provision in H. B. No. 39</b>	<b>Implementation Status</b>	<b>Comments/Problems Identified</b>
Page 63, Line 26	72. Changes the definition of buildings covered by the architectural barriers statute to include all buildings defined as "public accommodations" in the federal Americans with Disabilities Act and updates references to persons with disabilities.	No action required.	
Page 69, Line 9	73. Requires that standards and specifications adopted by the commissioner of Texas Department of Licensing and Regulation be consistent with those adopted under federal law.	The Elimination of Architectural Barriers Advisory Committee is currently reviewing state standards and the Americans with Disabilities Act Accessibility Guidelines (ADAAG) to be able to prepare a recommendation to the commission of the TDLR.	
Page 104, Line 26 thru Page 105, Line 3	74. Requires the TDLR to initiate proceedings under the Americans with Disabilities Act to become certified as the state agency delegated enforcement powers under the act.	The provision is not an option under the Americans with Disabilities Act (ADA). The ADA, however, includes provisions for state codes to be certified as meeting or exceeding the ADAAG by the U.S. Department of Justice. Certification would not delegate enforcement powers under the ADA. Measures are being taken to facilitate submission for certification.	
Page 106, Line 8	75. Transfers the appropriations made for the architectural barriers program to the TDLR and appropriates any fees collected to the department for administering and enforcing the program.	Appropriations in the amounts of \$205,646 for fiscal year 1992 and \$203,111 for fiscal year 1993 were transferred. Revenues collected since September 1, 1991 for administering and enforcing the program are \$178,755.86.	

**Implementation Status of House Bill No. 39, 72nd Legislature, Second Called Session  
General Services Commission**

<b>Bill Reference in H.B. No. 39</b>	<b>Bill Provision in H. B. No. 39</b>	<b>Implementation Status</b>	<b>Comments/Problems Identified</b>
Page 106, Line 21	76. Appropriates funds in amounts of \$69,300 annually for the salary of the executive director for the biennium ending August 31, 1993.	No action required.	
Page 106, Line 25 thru Page 107, Line 2	77. Instructional provision that all riders and other conditions made applicable by House Bill No. 1 of the 1st Called Session, 1991, to the expenditure of appropriations by the commission apply to the appropriations and exempt position made by this section.	No action required.	

***FINDINGS,***  
***RECOMMENDATIONS,***  
***and POLICY OPTIONS***



## **NEED FOR THE AGENCY**



**ISSUE 1: Should the General Services Commission be continued for an eight-year period?****BACKGROUND**

The General Services Commission has been providing a variety of general support services to state agencies since 1919. Over the years the legislature has expanded the responsibilities of the commission. The GSC currently provides services to state agencies in five broad areas: purchasing, telecommunications, facilities construction and space management, building and property maintenance, and travel and transportation. Within the five broad areas the GSC performs a magnitude of support services. For example, during fiscal year 1991, the agency processed approximately 200,000 purchases totaling more than \$824 million dollars, provided statewide long-distance telecommunications services for all state agencies and maintained more than six million square feet of building area. Although a few services are limited to the Austin area, most of the agency's services are provided statewide.

To provide services to state agencies statewide, the GSC is organized into eight divisions and executive administration with a staff of approximately 700 full-time equivalent employees. Six of the divisions provide services to state agencies and the remaining three divisions provide administrative and support services to the GSC. In fiscal year 1991, the agency operated on a budget of approximately \$35 million. In addition, the agency was responsible for making approximately \$109.3 million of disbursements and other non-operating expenditures. The non-operating disbursements and expenditures include flow-through payments to vendors for goods and services, payments made to architects and construction contractors, and lease payments made to the Texas Public Finance Authority.

To justify the continuation of an agency, certain conditions should exist. First, a current and continuing need should exist for the state to provide the functions or services of the agency. In addition, the functions or services should not duplicate those currently provided by any other state agency. Finally, consolidating the functions or services of the agency into another state agency should not result in significant organizational benefits or cost savings. The evaluation of the need to continue the General Services Commission resulted in the following findings.

**FINDINGS**

- ▶ **The centralized services of the General Services Commission is an efficient way to provide many of the support activities to the more than 200 state agencies.**

-- Without the General Services Commission, each of the more than 200

state agencies would have to develop their own ability to provide support services such as purchasing, telecommunications, and building maintenance. Such fragmentation would be inefficient and costly to the state.

- The GSC is able to provide support services efficiently by reducing the cost and time necessary to provide those services. The GSC can realize savings by purchasing greater quantities of products which generally result in lower prices. The GSC also can develop expertise in specific areas to reduce the time used to perform the task. For example, expertise in purchasing can reduce the time necessary to prepare bid specifications.
- ▶ **Through past enactments the legislature has indicated its interest in continuing and enhancing the functions of the commission.**
  - The 66th Legislature in 1979 consolidated and revamped the duties and organization of the commission.
  - The 70th Legislature in 1987 added new responsibilities for the agency by requiring it to develop a statewide travel management program to assist state agencies and employees in obtaining low cost travel services.
  - The 72nd Legislature in 1991 continued the agency under the sunset process and added additional responsibilities. These new responsibilities included expanding the use of the travel management program, authorizing the use of regional or statewide contracts for routine services such as express mail, and requiring the creation of guidelines for the lease-purchase of school buses. The agency was continued for only two years because the legislature wanted the opportunity to review the changes to the GSC.
- ▶ **The General Services Commission is the most appropriate agency to carry out the general support services.**
  - Although a few state agencies perform support services for other state agencies, no other state agency is responsible for providing such a wide variety of support services to state agencies.
- ▶ **While organizational structures may vary, most other states use an agency similar to the General Services Commission to perform support services for their state agencies.**
  - Forty-nine other states have a separate agency that is responsible for providing general support services to other state agencies. The types of

services provided vary substantially from state to state. All of the services performed by the General Services Commission are performed by the general services agencies in at least one other state.

- The review identified at least 42 of the 49 other states that have their general services agency perform some degree of centralized purchasing.
- The review identified at least 30 of the 49 other states that perform facilities construction activities.
- Some level of centralized telecommunications services were provided by general service agencies in at least 17 of the 49 other states.

### **CONCLUSION**

The support services performed by the General Services Commission are necessary functions. By centralizing these services at the GSC the state can reduce the cost and time needed to perform these services. Currently, no other state agency provides a variety of support services similar to those provided by the GSC. Based on these factors, the review concluded that the commission should be continued.

### **RECOMMENDATION**

- **The statute should be amended to continue the General Services Commission for an eight-year period.**

This recommendation would continue the agency for an eight-year period instead of the standard 12-year review period. The shorter period will allow the agency to be reviewed with the appropriate functional group of agencies. The General Services Commission would continue to provide a variety of support services to state agencies including purchasing, telecommunications, building and property maintenance, and construction and space management.

### **FISCAL IMPACT**

If the agency is continued, its annual appropriation of approximately \$145 million would continue to be required. Approximately \$36 million in appropriations is required for agency operations and the remaining \$109 million is for non-operating expenditures and disbursements.



# **EVALUATION OF PROGRAMS**



**ISSUE 2: Should the GSC be given the authority to use competitive sealed proposals to purchase goods and services when competitive bidding is not practical or is not to the state's advantage?**

## **BACKGROUND**

The state's purchasing statute, Article 601b, V.T.C.S., requires state agencies use competitive bidding to purchase all goods and routine services and to follow the General Services Commission's competitive bidding procedures. Competitive bidding is the standard method used to purchase goods and services for state and local governments. Competitive bidding requires advertising the state's need for a product or service, giving vendors an opportunity to bid, accepting bids for the same product or service, and treating bidders on an equal basis.

Although competitive bidding continues to be the preferred purchasing practice, state agencies are more frequently purchasing goods and services that are difficult to purchase using competitive bidding procedures. The purchase of goods and services that contain creative or high technology components can be difficult to specify to the level necessary to solicit competitive bids. Competitive bidding also is difficult to use when various aspects need to be considered in addition to price, comparative evaluations need to be used, discussions need to be conducted with vendors, and revisions to the vendors proposals is advantageous.

In 1987, the legislature recognized the difficulty of purchasing telecommunications and computer technology using competitive bidding procedures and authorized the General Services Commission and institutions of higher education to use another purchasing method, competitive sealed proposals. The legislature limited the use of competitive sealed proposals to the purchase of telecommunications and certain computer-related technology and required a determination be made that competitive bidding is not practical or not advantageous to the state before competitive sealed proposals are used. The competitive sealed proposal process differs from competitive bidding in that it allows discussions with competing proposers, changes in their proposals, and comparative judgmental evaluations of the proposals. The commission and institutions of higher education have used competitive sealed proposals to purchase both telecommunications and computer equipment. For example, competitive sealed proposals were used in the purchase of the Texas Department of Public Safety's fingerprint system and the University of Texas Medical Branch's telecommunications and mainframe computer systems. In fiscal year 1990, \$16 million of the approximately \$742 million of purchases made by the GSC used this process. During fiscal year 1991, no purchases were made using competitive sealed proposals.

While the General Services Commission and institutions of higher education have been allowed to use competitive sealed proposals to purchase telecommunications and certain computer-related equipment, the process is not authorized for the purchase of goods and

routine services. These must be purchased under competitive bidding requirements or under the sole source provisions of the law. Many of these competitively bid purchases include creative or high technology features, or other conditions that make competitive bidding not practical or not advantageous to the state.

## CONCLUSION

Although competitive bidding is the standard purchasing method in Texas, state agencies frequently purchase goods and routine services that are difficult to buy using competitive bidding procedures. Many of these competitively bid purchases present the same conditions that make telecommunications and computer technology difficult to competitively bid. However, state law prohibits the use of any purchasing method other than competitive bidding to purchase goods and routine services.

## POLICY OPTION

- **State agencies should be given limited authority to use competitive sealed proposals for the purchase of goods of more than \$1 million and routine services of more than \$100,000. The use of competitive sealed proposals would require that:**
  - **a determination be made by the GSC that competitive bidding is not practical or not advantageous to the state; and**
  - **the GSC make all purchases using the competitive sealed proposal process.**

This change would allow state agencies to use a method other than competitive bidding when it is determined that competitive bidding is not practical or not advantageous to the state. The authority to use this method would be limited to those purchases made by the GSC after it determines that competitive bidding is not practical or advantageous to the state. This change would also prohibit the GSC from delegating the authority to use competitive sealed proposals to state agencies.

## **BENEFITS**

- ▶ **State agencies would be given the flexibility to use the purchasing procedure best suited to the product or routine service that is being purchased. Competitive sealed proposals would be available when competitive bidding is determined to be not practical or advantageous to the state.**
  - State agencies are purchasing products and routine services that contain creative or high technology components more frequently. Examples of these kinds of purchases include advertising contracts, hazardous waste disposal, and equipment to construct an imaging room for a state hospital.

- ▶ **The time and resources spent revising and reissuing invitations for bid would be reduced.**
  - The General Services Commission is currently trying to contract with a credit card company to provide credit cards to state agencies that can be used to make purchases of less than \$250. The GSC has issued invitations for bid for this contract three times and recently issued its fourth invitation for bid. Each time the GSC has bid the contract it has discovered a flaw in its specification. If the GSC could use the competitive sealed proposal process, the problems could be resolved through discussions with the vendors and allowing the vendors to change their proposals.
- ▶ **The limited authority will provide a check to prevent misuse of the competitive sealed proposal process.**
  - During fiscal year 1991, the state purchased approximately \$8.6 billion of goods and services of which the GSC purchased approximately \$800 million.
  - Since 87 percent of all purchases for goods and services are made by agencies without oversight, there would be substantial risk involved in changing to a substantially different process.

#### **DRAWBACKS**

- ▶ **Purchasing is an area of state expenditures that has always been carefully guarded because of the potential for abuse.**
  - While the legislature has relaxed many aspects of purchasing over the last decade, it has maintained competitive bidding as a clear safeguard against abuse.
  - Exceptions to competitive bidding have only been made when there are clearly defined areas, such as telecommunications, or when there is only one source that sells the goods or services.
- ▶ **Expanding the use of competitive sealed proposals for the purchase of all goods and routine services could increase the state's cost for these goods and services.**
  - Competitive bidding could routinely be determined to be not practical or advantageous to the state. The evaluation of the competitive sealed proposal could allow other factors such as quality or performance to be of more importance than price. The result would be an increase in the state's cost of goods and services.

- ▶ **The GSC's purchases of routine services on behalf of other state agencies would increase significantly.**
  - Currently, the responsibility for purchasing routine services is delegated to state agencies. State agencies would request the GSC to purchase routine services on their behalf if they believed that the GSC would use competitive sealed proposals to purchase the routine service.
- ▶ **State agencies, who are delegated the responsibility for purchasing routine services, are not given the flexibility to use the purchasing method best suited to the situation. If an agency determines that a routine service would be best purchased using competitive sealed proposals, it would have to request the GSC to make the purchase on its behalf. This extra step increases the time and cost of the purchase unnecessarily.**

#### **FISCAL IMPACT**

The fiscal impact of this policy option cannot be determined. Competitive bidding procedures concentrate the cost at the beginning of the process in the development of a clear, concise and complete specification. In contrast, the competitive sealed proposal process concentrates the cost at the end of the process in the evaluation of the proposals. Whether one process is more cost effective than the other depends upon the good or service being purchased. Generally, the more difficult the purchase is to specify, the more costly competitive bidding will be due to the time and resources devoted to developing the specification.

**ISSUE 3: Should the statute be changed to require the GSC to maintain one centralized bidders list for all state agencies?**

## **BACKGROUND**

Texas state agencies purchase a wide variety of goods and services each year. The goal of state purchasing is to acquire goods and services at the lowest price using fair and ethical purchasing practices. To meet this goal state agencies' purchases are governed by numerous statutory provisions and regulations.

In order to purchase goods and services, the state must identify the businesses that provide those goods and services. To identify these businesses who are interested in selling to the state, bidders lists are developed. A bidders list is simply a list of businesses that want to be informed when the state wants to purchase something they provide.

The state has adopted a variety of requirements related to bidders lists. All state agencies are required to maintain a bidders list and update it annually. In addition, state agencies are authorized to charge a fee to recover the cost of maintaining their bidders list. The General Services Commission is required to make purchases of more than \$5,000 for most state agencies. The GSC maintains a bidders list of more than 6,000 businesses and charges them a \$75 fee to be placed on its bidders list. In contrast, individual state agencies are authorized to purchase goods of less than \$5,000 and all services. The state agencies maintain their own bidders list or use the GSC's bidders list and none of them charge fees to be placed on their bidders lists.

The current state requirements for bidders lists present the potential for duplication and inefficiency. At the state level, the state incurs costs associated with entering each business on its bidders list and maintaining that list over time. Businesses often appear on more than one bidders list, thus increasing state costs. For individual businesses, a good deal of time is spent contacting each state agency and filling out the necessary paperwork to be included on its bidders list.

During the sunset review, a survey of all state agencies was conducted to determine how many bidders lists were maintained by state agencies, how much duplication of vendors exists on the various bidders lists and whether requiring state agencies to use one centralized bidders list was feasible. Surveys were mailed to 260 state agencies and 138 surveys were returned, resulting in a response rate of 53 percent. The agencies responding indicated that they maintained a total of 295 bidders lists. The bidders lists showed extensive duplication of significant businesses from one list to the next.

## CONCLUSION

The General Services Commission maintains one bidders list for its centralized purchasing function. Other state agencies each maintain bidders lists for the purchases they make. This results in more than 200 bidders lists being maintained in the state with the same vendors appearing on the different lists. This duplication results in extra costs and inefficiency.

## POLICY OPTION

- **The statute should be amended to:**
  - **eliminate the requirement that each agency maintain its own bidders list;**
  - **require the GSC to maintain a centralized statewide bidders list that includes both commodities and services for state agencies and institutions of higher education;**
  - **require all state agencies to use the GSC's list and allow the GSC to implement its use over a two-year period; and**
  - **authorize the GSC to allow agencies to create specialized bidders lists if the commission determines the agencies have special needs.**

Under this approach the GSC would expand its current bidders list to include all of the vendors currently maintained on all state agencies' bidders lists. The centralized bidders list would be available electronically as well as in other formats for agencies that are not able to access the on-line system. The recommendation would be phased-in over a two-year period to allow the GSC and other agencies to transition to the new system. In addition, the GSC would be authorized to allow state agencies to maintain their own specialized lists if the GSC determines that an agency has specialized purchasing needs that can be best met through maintaining its own list.

## **BENEFITS**

- ▶ **The costs associated with duplicating businesses listed on many bidders lists would be eliminated.**
  - The General Services Commission estimates that to maintain a vendor on its bidders list costs approximately \$21 per year. This cost includes the staff and computer costs to enter and maintain a vendor on the list and excludes the costs associated with soliciting bids from that vendor. The total cost to maintain the Purchasing Division's bidders list is

approximately \$126,000 per year.

- Of the 138 state agencies that responded to the survey mentioned in the background, those agencies are maintaining at least 295 bidders lists. These lists contain a total of approximately 150,000 vendors. The survey presented a list of 76 significant vendors from the GSC's bidders list and asked the agencies which vendors appeared on their lists. The survey indicated that the 76 vendors appeared approximately 45 times each resulting in 3455 duplicate entries being maintained on those agencies' bidders lists.
- Each state agency that maintains its own bidders list incurs a cost similar to that of the GSC. If the assumption is made that the GSC's cost of maintaining one vendor on its bidders list is the average cost to all state agencies, then the cost to the state of maintaining 150,000 vendors on multiple bidders lists is approximately \$ 3.15 million. The duplication of vendors found on the survey suggests that the \$3.15 million cost of maintaining all current vendors could be reduced significantly through the use of one list.
- ▶ **Businesses would benefit from being placed on one bidders list rather than each state agency's bidders list. In addition, the exposure of each business would be increased.**
  - The time and effort spent by businesses contacting each state agency and filling out the necessary paperwork would be reduced significantly. The business would contact the General Services Commission, fill out one set of paperwork, and be placed on the bidders list used by all state agencies. Each time the product or service they produce is needed by a state agency, the state agency would be provided with a list of all businesses providing that product or service.
- ▶ **The majority of state agencies are currently able to electronically access the GSC's bidders list. The remaining agencies could be provided access to the bidders list in other ways until they are connected electronically.**
  - Approximately 120 state agencies currently are able to access the GSC's bidders list electronically. State agencies that are not connected to the GSC's bidders list could request the portion of the bidders list that applies to the product or service they are purchasing. The GSC would print out the vendors that match the request and fax or mail the agency the list depending on the number of vendors on the list.

**DRAWBACKS**

- ▶ **Some state agencies would have to change the way they currently maintain and access their bidders lists. Making these changes could be costly to the state.**
  - Many of the automated systems developed by state agencies would have to be modified to interact with the GSC. Of the 138 agencies that responded to the survey, 40 reported that they currently have automated systems. Some large agencies with automated systems include the Texas Department of Health, the Department of Public Safety, the Public Utility Commission, the Texas Rehabilitation Commission and the University of Texas at Austin. The automated systems in place range from simple databases of vendor names that can be queried to fully automated purchasing systems. A number of these systems are not set up to interact with the General Service Commission's on-line bidders list.
  - In addition, 76 agencies responding to the survey indicated that they were not electronically connected to the GSC. These agencies would be required to electronically connect to the GSC. This could cost each agency as much as \$2,000 for the necessary equipment.
- ▶ **The General Services Commission is currently charging a \$75 fee to be placed on their bidders list. So far no other state agency is charging a similar fee. Vendors not on the GSC's list, but on an individual agency's list would have to pay to be placed on one centralized list at the GSC.**
- ▶ **The General Services Commission would have to make substantial changes to its system to provide the bidders list to all state agencies. These changes could be costly to the state.**
  - The GSC's system would be required to accommodate more vendors on its bidders list. The current bidders list includes 6,000 vendors. Although the GSC has maintained as many as 11,000 vendors with its current equipment, it would need to make changes for the system to handle the volume of additional vendors.
  - The system would also be required to provide access to about twice as many state agencies. Currently, state agencies complain about the system's slow response to their inquiries. To provide timely access, to almost twice as many state agencies, would require the GSC to make changes to their system.

**FISCAL IMPACT**

The fiscal impact of this issue cannot be precisely calculated at this time. However, preliminary estimates indicate that a cost savings could result, depending on how the issue is implemented.

Items of cost or savings result from three areas. First, the GSC would have to accommodate a greater number of bidders list users and additional computer equipment will be necessary. However, it is anticipated that the GSC fees would substantially cover any equipment upgrades that are necessary.

Second, agencies that are not electronically connected to the GSC's bidders list would potentially need to buy computer equipment. The maximum cost of this equipment would be approximately \$245,000.

Finally, a savings should result from the elimination of duplicate vendor names and the cost to maintain those names on separate bidders lists. This savings could be roughly \$1 million a year.



**ISSUE 4: Should the Texas Youth Commission (TYC) be authorized to lease residential space without going through the General Services Commission?****BACKGROUND**

The General Services Commission processes and administers leases for most state agencies. These leases total more than 11 million square feet of space statewide. The majority of the space leased by the GSC is office space. At one time, the GSC was responsible for leasing all types of space for state agencies. However, space that is unique to an agency has been removed from the GSC's responsibility over time. Examples of space the GSC is no longer required to acquire include aircraft hanger space, radio antennae space, boat storage space, vehicle parking space and residential space for programs of the Texas Department of Mental Health and Mental Retardation.

The Texas Youth Commission (TYC), like most state agencies, must request space through the General Services Commission. The TYC administers various programs for juvenile offenders. As part of its programs, the Texas Youth Commission operates nine half-way houses statewide for juvenile offenders. The half-way houses are located in residential areas and accommodate up to 24 juveniles. Over the years, the TYC has developed a model specification for its half-way houses that includes the standards of the American Corrections Association for this type of facility. The TYC submits its request to the General Services Commission for review, advertisement, and award of the lease.

In addition to the mechanical aspects of leasing space, the Texas Youth Commission evaluates the concerns of the community in which the half-way house may be located. The TYC contacts state senators and representatives in the area as well as the school district and local officials. After a location has been selected, the TYC works with the neighborhood groups, local officials and the schools the juveniles will be attending. In the past, the location of a half-way house has been changed due to the concerns of the community. To change the location, the space request must be processed by the General Services Commission again and a new lease awarded.

**CONCLUSION**

The Texas Youth Commission needs lease space that is particular to that agency and is not normally leased by the General Services Commission. Community concerns need to be taken into account before the final decision of a half-way house's location and there is a need for the ability to move quickly once a decision has been reached in the community. The TYC is in a better position to deal with these unique types of space needs than the GSC.

## **POLICY OPTION**

- **The statute should be amended to allow the Texas Youth Commission, instead of the GSC, to lease the residential space required for TYC programs.**

### **BENEFITS**

- ▶ **The time it takes for the Texas Youth Commission to acquire its residential lease space would be reduced. The time the GSC spends reviewing the specification would be eliminated.**
- ▶ **The Texas Youth Commission has the expertise needed to lease space for its residential programs.**
  - The TYC has developed a model specification for its half-way houses which includes the standards developed by the American Corrections Association. In addition, the TYC has worked with the communities to locate its current half-way house.
- ▶ **The General Services Commission would focus its resources on the types of leases it processes most frequently, office space.**
  - More than 99 percent of the space leased by the GSC is either office space or warehouse space. As a result, the staff is more familiar with the standards used to acquire office space as well as the current cost of that type of space statewide.
- ▶ **The Texas Youth Commission would incur the costs associated with relocating half-way houses based on community concerns.**
  - Currently, once the TYC turns the space request over to the General Services Commission, the GSC spends the time and resources needed to acquire space for the half-way house. To acquire the space for the half-way house may require the GSC to re-issue the invitations for bid and evaluate additional bids.

### **DRAWBACKS**

- ▶ **The General Services Commission's review of the TYC's specifications would be eliminated.**
  - Under the current process, the GSC reviews each request for space to

determine that the specifications are not overly restrictive and that the geographic area is large enough to be competitive. If the Texas Youth Commission is authorized to lease its own residential space, the GSC would no longer review its specifications.

- ▶ **The General Services Commission maintains a large list of companies who are interested in providing space to state agencies. If the Texas Youth Commission performed its own leasing, it might not solicit as wide a range of companies, thereby limiting the competition.**

#### **FISCAL IMPACT**

This recommendation would have minimal fiscal impact. The cost to the General Services Commission to process the space request would be eliminated. The Texas Youth Commission would incur similar costs associated with advertising for and acquiring the lease space.



**ISSUE 5: Should the statute be changed to give the General Services Commission limited authority to waive time limits when a construction or repair project is needed on an emergency basis?**

## **BACKGROUND**

The General Services Commission is responsible for the construction and maintenance of buildings and grounds in the capitol complex, as well as other buildings in Austin and one building in San Antonio. When construction or repair projects require the services of an architectural or engineering firm, the GSC advertises for the services they need, interviews and selects the firm, and oversees the work done for the state.

During the 72nd Legislative Session, the State Purchasing and General Services Act was amended to require the GSC to allow architectural and engineering firms no less than 30 days to prepare for their interview. The statute does not provide for any exceptions to the 30-day period. However, the GSC periodically needs the services of an architectural or engineering firm to resolve emergency situations. During the past fiscal year, the GSC had three projects it deemed to be emergency situations. These projects included the failure of the transformer in the Stephen F. Austin building which left the building without electricity and shut down the operations of the agencies in the building; erosion of land along Shoal Creek which threatened the structural integrity of a state records storage facility; and the redesign and remodeling of the House Business Office to meet the capitol expansion project schedule. These emergencies were resolved in a timely manner. However, the GSC indicates that these situations pointed out the need for authority to grant exceptions to the 30-day waiting period.

## **CONCLUSION**

Construction or repair projects often require the services of engineering or architectural firms. State law requires a 30-day waiting period before a firm can be interviewed for selection. This 30-day delay is not in the interest of the state when the repair project is an emergency.

## **POLICY OPTION**

- **The statute should be changed to suspend the 30-day period that must elapse before architectural and engineering firms can be interviewed for an emergency project.**

This change would allow the General Services Commission to respond to emergency situations that require architectural or engineering services in a timely manner. Under normal conditions, the GSC would continue to provide at least 30 days for architectural and engineering firms to prepare for their interviews.

**BENEFITS**

- ▶ **The statute currently authorizes the GSC to shorten other time frames in emergency situations. Allowing the GSC to shorten this time frame would not be a new precedent.**
  - The GSC is required to provide bidders with 30 days to bid on the construction work of a project, but is authorized to shorten the time period to respond to emergency situations.

**DRAWBACKS**

- ▶ **Suspending the 30-day preparation period might prevent some architectural or engineering firms from having adequate time to prepare their proposal.**

**FISCAL IMPACT**

The fiscal impact of this option cannot be determined at this time. The cost associated with waiting an additional 30 days varies from project to project. However, if certain emergency projects are forced to wait for 30-days before the architectural or engineering firm can be selected, the cost of remedying the situation is likely to increase.

**ISSUE 6: Should the statute be amended to increase the maximum size of passenger vehicles the state can purchase by increasing the wheelbase and horsepower limits?**

## **BACKGROUND**

In 1979, the 66th Legislature limited the size of passenger vehicles the state could purchase. The legislature limited the maximum wheelbase to 113 inches and the net horsepower to 145. In 1991, the legislature increased the horsepower limitation to 160 SAE net horsepower to allow the purchase of V-6 mid-size vehicles. In 1989, the legislature created a new program to convert the state's vehicles to operate on alternative fuels. The statute requires state agencies operating more than 15 vehicles to purchase vehicles that are capable of using alternative fuels after September 1991 and to convert 90 percent of their fleet to alternative fuels by September 1, 1998. When purchasing vehicles, state agencies must indicate whether they are subject to or exempt from the program. If the agency is subject to the program and is purchasing a vehicle that currently operates only on gasoline, it must show that it has been granted a waiver or that it will convert the vehicle to an alternative fuel.

To assist state agencies meet the program requirements, the General Services Commission converts state agencies' vehicles to alternative fuels. The GSC charges fees to recover its cost of converting the vehicles. The vehicle fleet management section has converted more than 40 vehicles to alternative fuels since fiscal year 1991.

To convert a vehicle to use alternative fuels several pieces of equipment must be added to the vehicle. This equipment includes additional fuel tanks, fuel lines, pressure regulators, and an alternative fuel carburetor or mixer. Placing this equipment in a passenger vehicle requires minor modifications to the vehicle's frame. The equipment is usually placed in the rear of the vehicle below the trunk and increases the vehicle's weight by as much as 450 pounds with full fuel tanks. The trunk area in the cars the GSC is required to purchase is often so small that substantial structural changes are required to accommodate the equipment, leaving a smaller space available for cargo in the vehicle's trunk. When the vehicle operates on an alternative fuel the vehicle's horsepower is reduced between 10 and 15 percent. As a result, some of the vehicles have difficulty in pulling the additional weight of the conversion equipment and full fuel tanks.

Because of the structural changes needed, a small car takes approximately 40 hours to convert to alternative fuels. Pickups and larger cars can be converted in approximately 12 to 18 hours. The General Services Commission currently has a backlog of approximately 200 vehicles of all types waiting for conversion to alternative fuels. The GSC has had difficulty finding firms that will convert the smaller cars.

## CONCLUSION

The alternative fuel conversion program did not take into account the particular size limits placed on state vehicles. The size limitation makes it difficult to convert to alternative fuels. These difficulties have produced a backlog of vehicles waiting for conversion and is slowing down the conversion program.

## POLICY OPTION

- **The statute should be amended to increase the maximum size of passenger vehicle the state can purchase when that vehicle is to be converted to use alternative fuels.**

This change would allow the state to purchase vehicles that are more readily converted to alternative fuels. The maximum wheelbase would be increased from 113 to 116 inches and the maximum horsepower would be increased from 145 to 190 SAE net horsepower. The additional length of the wheelbase would allow the space needed for the conversion equipment. The vehicles would also have greater horsepower to pull the additional weight. Under current purchasing procedures state agencies must specify in their request that they are subject to or exempt from the alternative fuels program. If the agency is subject to the program and is purchasing a vehicle that currently does not operate on an alternative fuel, the state agency must indicate that it has a waiver or that it intends to convert the vehicle to alternative fuels. This process would be modified to require exempt agencies purchasing full-size passenger vehicles to specify that they intend to convert the vehicle to alternative fuels.

## **BENEFITS**

- ▶ **The state would be able to purchase vehicles that are more easily converted to alternative fuels. The additional space allows the vehicle to be converted with fewer structural modifications and the vehicle would have the necessary horsepower to pull the additional weight of the conversion equipment and fuel.**
- The weight of a vehicle can be substantially increased with the gasoline fuel tank filled as well as the alternative fuel tank requiring additional horsepower. The vehicles that are converted to alternative fuels are also able to run on gasoline. The equipment to operate the vehicle on alternative fuels is added to the vehicle. None of the existing equipment is removed.
- ▶ **Although the General Services Commission is converting vehicles according to established methods and safety guidelines, the long-term structural integrity of modified vehicles is unknown. The structural changes may impact the**

**operation of the vehicle in the long run. Converting vehicles that require fewer or no structural changes would reduce this element of risk.**

- Most passenger vehicles are manufactured with a unibody frame. The vehicle is designed as one part that as it is manufactured will withstand the stress of normal use, minor accidents and infrequent jolts. When this frame is modified to accommodate the conversion equipment, such as additional fuel lines and fuel tanks, the design is slightly changed. The long-term integrity of the frame may be reduced by these changes.
- ▶ **The backlog of vehicles waiting to be converted could be reduced by contracting with private firms to convert more vehicles. The General Services Commission has not been able to contract with private firms for the conversion of smaller cars. These firms have indicated to the GSC that they would be willing to convert the full-size cars.**

#### **DRAWBACKS**

- ▶ **The full-size passenger vehicles cost more per vehicle than the largest passenger vehicles currently authorized for purchase. The agency estimates that full-size passenger vehicles would cost approximately \$2,000 to \$2,500 more per vehicle.**

#### **FISCAL IMPACT**

The cost to convert current size cars includes approximately \$1,200 of labor plus the conversion equipment. Larger cars can be converted in about half the time of the current size cars. The greater cost of a larger car plus conversion costs would be approximately \$2,600 to \$3,100 per vehicle. Thus, the net additional cost of conversion under this approach would be about \$1,400 to \$1,900 per vehicle converted.



***ACROSS-THE-BOARD  
RECOMMENDATIONS***

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*From its inception, the Sunset Commission identified common agency problems. These problems have been addressed through standard statutory provisions incorporated into the legislation developed for agencies undergoing sunset review. Since these provisions are routinely applied to all agencies under review, the specific language is not repeated throughout the reports. The application to particular agencies is denoted in abbreviated chart form.*

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General Services Commission			
APPLIED	MODIFIED	NOT APPLIED	ACROSS-THE-BOARD RECOMMENDATIONS
			<b>A. GENERAL</b>
		*	1. Require public membership on boards and commissions.
		*	2. Require specific provisions relating to conflicts of interest.
		*	3. Provide that a person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
	**		4. Require that appointment to the board shall be made without regard to race, color, disability, sex, religion, age, or national origin of the appointee.
		*	5. Specify grounds for removal of a board member.
		*	6. Require the board to make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
		*	7. Require the board to establish skill-oriented career ladders.
		*	8. Require a system of merit pay based on documented employee performance.
		*	9. Provide for notification and information to the public concerning board activities.
		*	10. Place agency funds in the treasury to ensure legislative review of agency expenditures through the appropriation process.
		*	11. Require files to be maintained on complaints.
		*	12. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
	**		13. Require development of an E.E.O. policy.
		*	14. Require the agency to provide information on standards of conduct to board members and employees.
		*	15. Provide for public testimony at agency meetings.
		*	16. Require that the policy body of an agency develop and implement policies which clearly separate board and staff functions.
	**		17. Require development of accessibility plan.
		*	18. Place agency under the state's competitive cost review program.

\* Already in law -- no statutory change needed.

\*\* Already in law -- requires updating to reflect standard ATB language.

<b>General Services Commission (cont.)</b>			
APPLIED	MODIFIED	NOT APPLIED	ACROSS-THE-BOARD RECOMMENDATIONS
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. Provide for notice to a person taking an examination of the results of the exam within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. Require licensing disqualifications to be: 1) easily determined, and 2) related to currently existing conditions.
		X X	5. (a) Provide for licensing by endorsement rather than reciprocity. (b) Provide for licensing by reciprocity rather than endorsement.
		X	6. Authorize the staggered renewal of licenses.
		X	7. Authorize agencies to use a full range of penalties.
		X	8. Specify board hearing requirements.
		X	9. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	10. Authorize the board to adopt a system of voluntary continuing education.

\* Already in law -- no statutory change needed.

\*\* Already in law -- requires updating to reflect standard ATB language.

***MINOR MODIFICATIONS***

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*Discussions with agency personnel concerning the agency and its statute indicated a need to make minor statutory changes. The changes are non-substantive in nature and are made to comply with federal requirements or to remove out-dated references. The following material provides a description of the needed changes and the rationale for each.*

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<b>MINOR MODIFICATIONS TO THE STATE PURCHASING AND GENERAL SERVICES ACT ARTICLE 601B, V.T.C.S.</b>		
Change	Reason	Location in Statute
1. Delete all language after the word enterprises that specifies the process to be used for disposal of certain types surplus and salvage property.	To remove unnecessary language related to an obsolete process.	Section 9.13
2. Insert "and occupants" between "building" and "against".	To recognize responsibility for safety of employees and the public.	Section 4.01(a)
3. Transfer sections 4.12 and 4.13 from Article 601b and to the DPS statute.	To transfer the statutory language for all responsibilities and functions contained in sections 4.12 and 4.13 that have been transferred to the DPS in H.B. 39, 72nd Legislature, S.C.S. (1991).	Section 4.12 and 4.13
4. Delete "in February" and insert "by March".	To increase the time allowed to produce the state telephone directory. February does not allow enough time to publish the directory after election years.	Section 10.09(d)
5. Change name of the vehicle fleet office to "office of vehicle fleet management."	To change the name to better reflect the operations of the section.	Section 14.01
6. Delete first sentence in section 14.02(b).	To remove language that limits initial services to Travis County agencies. This language is obsolete and conflicts with new language in subsection (c).	Section 14.02(b)



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