

Public Utility Commission of Texas

Memorandum

TO: Interested Parties

FROM: Jay Stone, Budget & Fiscal Oversight Division

DATE: January 14, 2016

RE: Project No. 45273 – Strawman Proposal – Rulemaking Proceeding to Establish a Procedure Identifying Contracts that Require Enhanced Contract Monitoring Pursuant to SB 20 Sec. 2261.253.

This rulemaking project was initiated to create a procedure to identify contracts that require enhance contract monitoring pursuant to SB 20.

The attached strawman proposal provides language to accomplish this objective. Staff's strawman proposes to add new Subchapter E, §27.170, Enhanced Contract Monitoring, to Title 16, Texas Administrative Code, Chapter 27, to address these provisions.

Interested parties are invited to submit comments on this strawman by February 5, 2016 in the manner described in the attached notice. A subsequent workshop will be held at the Public Utility Commission offices on February 10, 2016 to provide a forum for further comment. A workshop agenda will be filed in Project No. 45273 at least one week prior to the workshop.

PROJECT NO. 45273

RULEMAKING AMENDING PUC	§	
SUBSTANTIVE RULES TO	§	PUBLIC UTILITY COMMISSION
IMPLEMENT SB20, 84TH	§	
LEGISLATIVE SESSION, RELATED	§	
TO ESTABLISHING A PROCEDURE	§	OF TEXAS
IDENTIFYING CONTRACTS THAT	§	
REQUIRE ENHANCED CONTRACT	§	
MONITORING	§	

STAFF STRAWMAN PROPOSAL

The Public Utility Commission of Texas Staff proposes to add new Subchapter E to Chapter 27 of the Texas Administrative Code (TAC) to reflect the procedure of identifying contracts that require enhanced contract monitoring by SB 20, 84th Legislative Session. Staff proposes to add new 16 TAC- §27.170.

Staff requests that interested parties submit comments on this proposal by February 5, 2016. Responses may be filed by submitting 16 copies to the Commission's Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326. All responses should reference Project No. 45273.

Questions concerning this project should be referred to Jay Stone at (512) 936-7425.

Subchapter E. ENHANCED CONTRACT MONITORING.

1 §27.170 Enhanced Contract Monitoring Procedure
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4 (a) The commission, shall assess each contract to determine whether enhanced contract
5 monitoring is necessary.

6 (1) The commission shall use the following factors to determine whether enhanced
7 contract monitoring is necessary:

8 (i) the complexity of the services,

9 (ii) the contract amount,

10 (iii) whether the services or contractor are new or changed significantly,

11 (iv) whether the project involved is a high profile project, and

12 (v) any other factors that may impact the project.

13 (2) Projects deemed medium or high risk shall be co-monitored by contract and
14 program staff and may involve additional team members such as legal, fiscal, and
15 auditing staff members.

16 (b) If a contract is determined to need enhanced monitoring, the commission will require
17 the vendor to provide specific programmatic information on a scheduled basis to
18 determine if performance measures are being met.

19 (1) Programmatic reports shall include information related to the performance
20 measures in the contract, as well as any other deliverables.

21 (2) Enhanced monitoring may also include site visits, additional meetings with the
22 vendor's staff and other documentation determined to assess progress by the
23 agency towards meeting performance requirements.

24 (c) The director of fiscal shall notify agency executive staff of contracts needing enhanced
25 monitoring through this process.

26 (a) This process does not apply to interagency agreement, interlocal agreement, a
27 memorandum of understanding with another state agency, or a contract for which
28 there is not a cost.

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