

**PRESENTATION TO
THE HOUSE COMMITTEE ON APPROPRIATIONS
REGULATORY SUBCOMMITTEE**

CONTRACTOR/CONSULTANT INFORMATION

**ON BEHALF OF
THE TEXAS DEPARTMENT OF BANKING**

By

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Commissioner**

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WE USE CONTRACTORS TO . . .

- 1) Clean our offices**
- 2) Perform internal audit**
- 3) Bridge critical staff vacancies**

WE ONLY USE CONTRACTORS OR CONSULTANTS WHEN . . .

- **FTEs cannot be justified.**
- **There is a short-term need for specific expertise or equipment.**
- **The project is short-term.**
- **It is inefficient to use existing staff.**
- **Expenses can be minimized.**

COST/BENEFIT ANALYSIS

- **FTE cost vs. contract cost**
- **Opportunity to obtain lowest bid**
- **Opportunity to contract with HUBs**
- **Maximize efficiency of staff**
- **Take advantage of contractors' economies of scale**
- **Align contract length with duration of need**

WE EVALUATE OUR CONTRACTORS THROUGH:

- **Constant supervision**
- **Evaluation at expiration of contract or annual renewal**
- **Interim reporting**

LEGAL RISKS OF CONTRACTING

- **Potential access to confidential information**
- **Access to agency's computer network**
- **Potential nonperformance of contract**
- **State not responsible for contractor's actions which may harm public**

ISSUES RE: TERMINATION OF CONTRACTS

- **None identified or experienced**

POLICY ON RE-HIRING FORMER EMPLOYEES AS CONTRACTORS

- **Agency does not engage in this practice**