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AGENDA ITEM MEMO

BOARD MEETING DATE: June 25, 2025

TO: Board Members

THROUGH: Bryan McMath, Executive Administrator
Ashley Harden, General Counsel
Georgia Sanchez, Chief Financial Officer

FROM: Edna Jackson, Deputy Executive Administrator, Operations & Administration
Patricia Avitia, Chief Information Officer

SUBJECT: Shared Technology Services Contract Amendment

ACTION REQUESTED

Consider authorizing the Executive Administrator to execute an amendment to the Shared Technology Services (STS) interagency contract with the Department of Information Resources to increase the contract by \$1,935,000, for a total contract amount not to exceed \$9,676,343 during the Fiscal Year (FY) 2024-2025 biennium.

BACKGROUND

In 2005, the 79th Legislature passed House Bill 1516 directing the Department of Information Resources to consolidate agencies' information technology (IT) infrastructures. The goal was to reduce statewide IT service costs, modernize aging infrastructure, and enhance security and disaster recovery capabilities. Today, the STS program supports more than 200 state agencies and institutions of higher education, including the Texas Water Development Board (TWDB). Requests for STS funding to sustain these critical technology services are part of the biennial budget process and periodically require approval.

The FY2024-2025 STS contract for the Texas Water Development Board was approved by the Board on August 10, 2023, with a not-to-exceed amount of \$7,741,343. At the time, this figure was based on projected STS needs for the biennium. The requested increase is within the agency's capital authority, which allows the agency to exceed a capital project's budget by 25%.

Contract increases are necessary to support several initiatives. House Bill 4553 enacted by the 88th Texas Legislature requires STS participant agencies to procure all Software-as-a-

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Bryan McMath, Executive Administrator

Service contracts through the STS program. Additionally, services for the agency's IT Modernization and Server Migration Project and licensing for the Microsoft Enterprise Agreement moved to the STS program. These initiatives are supported by the 2024-2028 State Strategic Plan for Information Resources Management.

KEY ISSUES

Added IT initiatives are projecting a significant increase in TWDB's STS expenditures for the FY2024-2025 biennium.

RECOMMENDATION

To ensure TWDB's continued participation in the legislatively-mandated STS program and to benefit from the efficiencies and economies it provides, the Executive Administrator recommends approval to authorize execution of an amendment to the Shared Technology Services (STS) interagency contract with the Department of Information Resources, increasing the contract by \$1,935,000, for a revised total amount not to exceed \$9,676,343 during the 2024-2025 biennium.