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**Texas Comptroller of Public Accounts**

# **House Committee on Government Transparency & Operation: Contracting & Procurement**

February 17<sup>th</sup>, 2015

Chuks Amajor

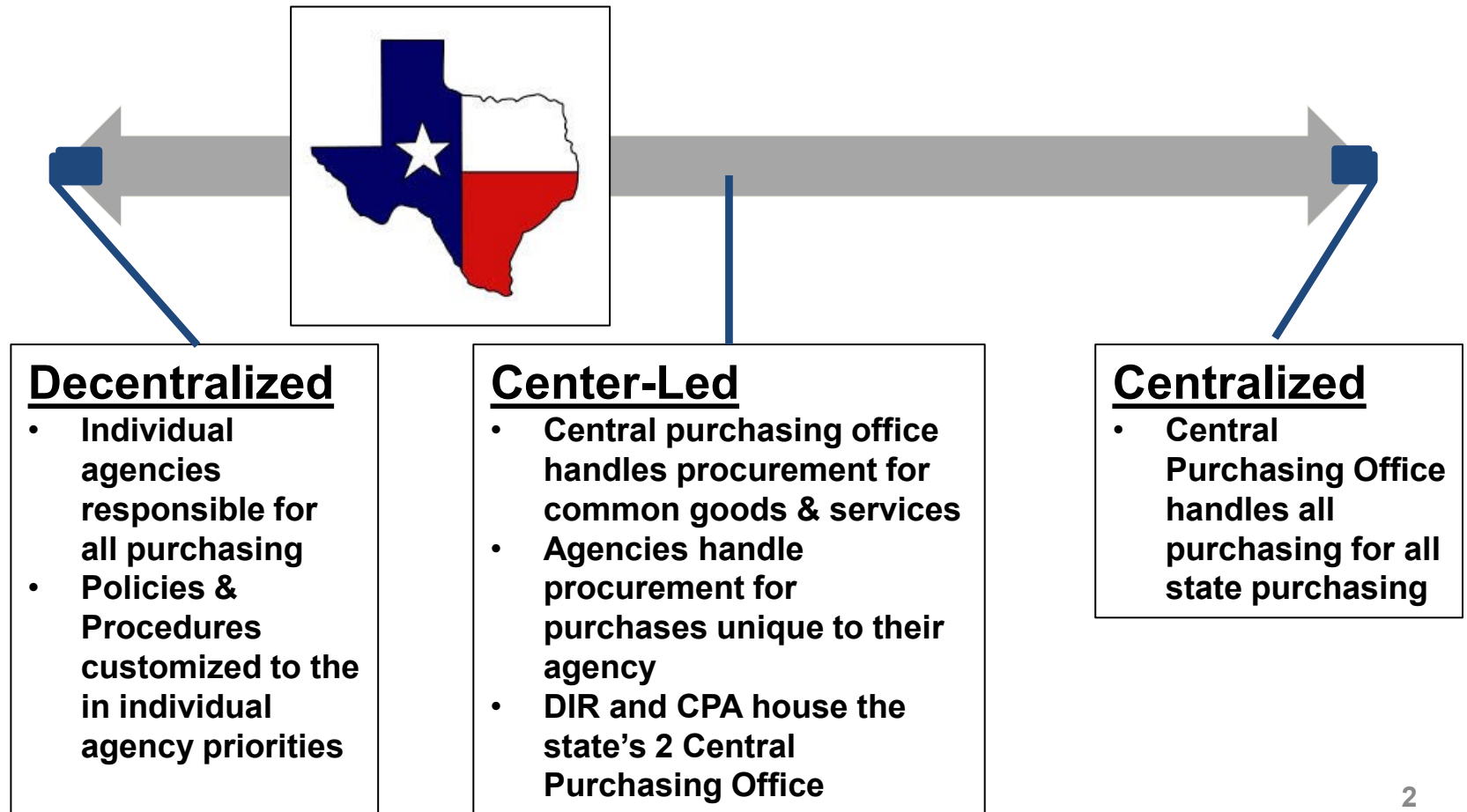
Director, Texas Procurement & Support Services (Interim)

Texas Comptroller of Public Accounts

# Contents

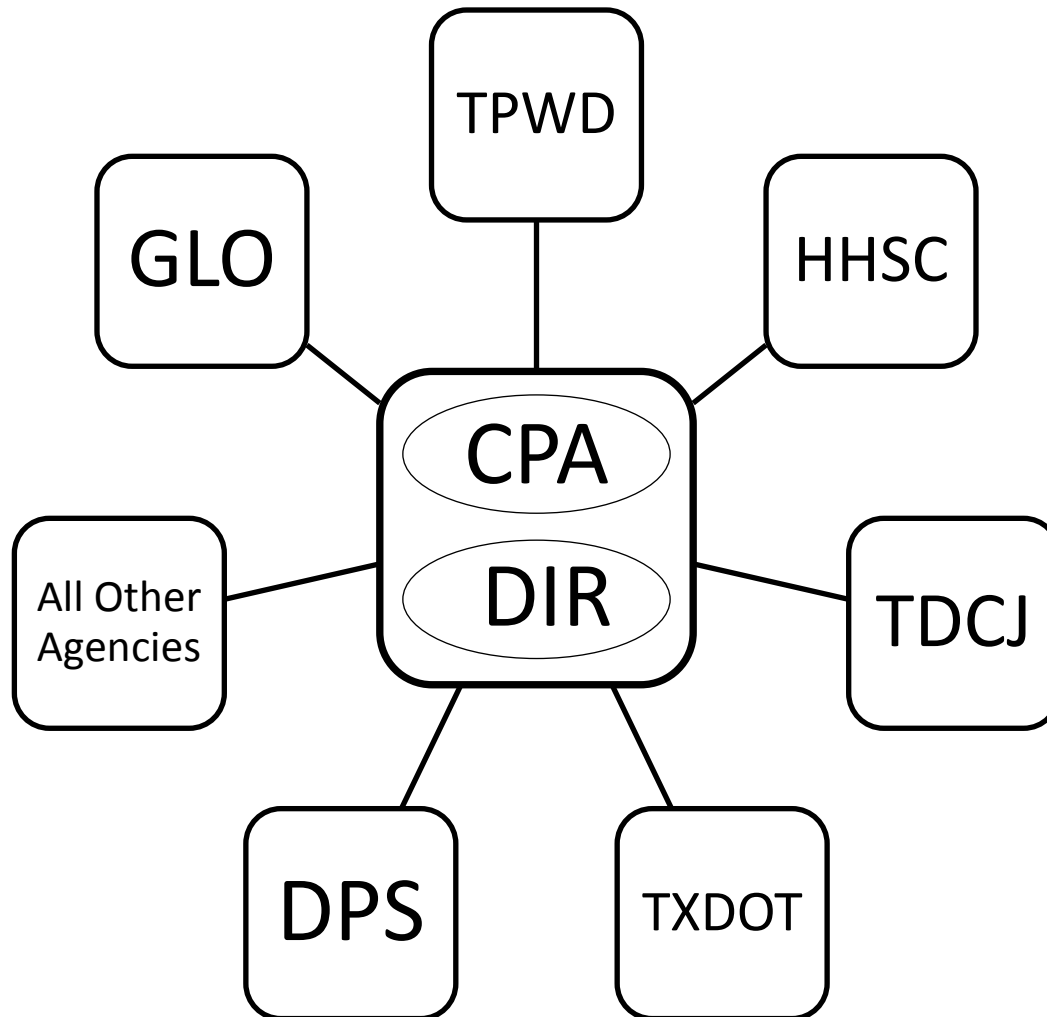
- **The Texas Procurement Landscape**
- **TPASS at a Glance**
- **CPA's Approach to Strategic Sourcing**
- **Additional Questions & Answers**

# Where does Texas fall on the Procurement Spectrum?



# Texas Procurement Landscape:

CPA & DIR have “moderate” oversight of other agency purchasing practices



# Departments Within TPASS

## Statewide Contracting

- Contract Development
- Contract Management
- CAT-RAD

## Statewide HUB

- Certification
- Compliance
- HUB Marketing

## State Mail Office

- Metering Services
- Incoming Mail Services
- Interagency Mail Services

## Technical Support

- TxSmartBuy Support
- VPTS
- CO-OP Marketing

# Annual Expenditure By Contract Type

Almost \$7 Billion passed through the various contract types administered by TPASS from fiscal years 2012-14.

*\$ Million*

Contract Type	FY12	FY13	FY14	Total	% of Total
Term	1,680	1,767	1,881	5,329	77%
TxMAS	335	373	382	1,090	16%
CCG	104	104	126	334	5%
Co-Op	60	57	37	154	2%
Open Market	15	7	24	45	1%
Total	2,194	2,308	2,450	6,952	100%

# TxSmartBuy

- TxSmartBuy 2.0 is TPASS' E-commerce solution
- It allows our customers to purchase goods in a manner similar to amazon.com
- Vendors are charged a 1.5% fee on all transactions

## Expenditure By Fiscal Year

Fiscal Year	Dollars Through	Fees Collected
2012	\$ 574 Million	\$ 8.6 Million
2013	\$ 615 Million	\$ 9.2 Million
2014	\$ 627 Million	\$ 9.4 Million

# Vendor Performance Tracking System (VPTS)

The VPTS provides the state procurement community with a tool for evaluating vendor performance to reduce risk in the contract award process

- Agencies are required to report their evaluations of vendor performance under TPASS contracts through an online portal
- Vendors are scored on a scale of 0-100%
- Purchasers can use a vendor's score to make a best-value determination when awarding new contracts
- Although reporting of vendor performance is mandated by statute, compliance could be improved



# The Contract Advisory Team (CAT)

- The CAT reviews agency RFPs to ensure best practices are being followed
  - Contracts > \$10 million must be submitted
  - CAT Members: CPA, DIR, HHSC, Gov., TFC, CSEC
  - Members also receive assistance from OAG, SAO & LBB
  - Agencies are **not required** to follow CAT recommendations
- CAT-RAD (Review and Delegation)
  - Agencies must request delegation for non-IT contracts above a \$ threshold (\$25K commodities, \$100k services)
  - Some exemptions include emergency contracts, HHSC client services, TXDOT highway construction, Higher Ed

## Reviews by Fiscal Year

Fiscal Year	# of Reviews	Dollars Reviewed
2012	256	\$ 2.3 Billion
2013	252	\$ 1.5 Billion
2014	224	\$ 5.2 Billion

# Contract Monitoring

For most of the largest TPASS contracts, we employ enhanced monitoring.

- TPASS staff actively reach out to customers with surveys on the performance of individual contracts and vendors
- Issues identified are immediately tended to by assigned category managers
- Performance data is tabulated and summarized in a monthly report

## Sample Report

Current Monitoring Dashboard for the reporting period of: August 2014 - September 2014																		
Overall Contract Status:						Monitoring:						Satisfaction:						
	3	Both measures are deficient				11	Phone Calls needed				5	Dissatisfied						
	10	1 measure is deficient				10	No issues				16	Satisfied						
	8	Both measures exceed current goals																
Overall Contract Status	Category Info			Monitoring							Satisfaction							
	Category	Contract Monitor	Category Manager	Total Customer Base	# Customers Contacted in Last 6 months	% Customers Contacted in Last 6 months	# Emails This Reporting Period	% Satisfied This Reporting Period	# Customers Responded in Last 6 months	% Customer Responded in Last 6 months	% Goal	# Customers Responded This Reporting Period	% Dissatisfied	% Satisfied	% Goal	# Satisfied in the Last 6 months	% Satisfied over the last 6 months	% Goal
	CCG - RETAIL FUEL CARD	Sara Kassem	David Bennett	310	884	285%	257	0	278	90%	25%	61	2	7	52	221	79%	75%
	CHARGE CARD	Jennifer Tram	David Bennett	1287	1442	112%	636	0	422	33%	25%	198	0	19	169	357	85%	75%
	OVERNIGHT MAIL SERVICES	Jeffery Yeomans	David Bennett	1569	542	35%	0	0	325	21%	25%	0	0	0	0	325	100%	75%
	MERCHANT CARD	Sara Kassem	David Bennett	42	45	107%	0	0	14	33%	25%	0	0	0	0	12	86%	75%
	TRAVEL SERVICES	Sara Kassem	David Bennett	173	208	120%	208	0	56	32%	25%	56	4	5	18	18	32%	75%
	TRAFFIC CONTROL	David Bennett	David Bennett	66	83	126%	0	0	25	38%	25%	0	0	0	0	21	84%	75%
	CCG - SPECIALTY PAPER & SUPPLIES	Jennifer Tram	Jennifer Tram	6	2	33%	0	0	2	33%	25%	0	0	0	0	2	100%	75%
	MAIL EQUIPMENT LEASE	Jeffery Yeomans	Joaquin Luna	136	81	60%	62	0	47	35%	25%	35	0	0	35	47	100%	75%
	FOOD	Joaquin Luna	Joaquin Luna	11	0	0%	0	0	0	0%	25%	0	0	0	0	0	0%	75%
	OFFICE SUPPLIES	Aubrey Carver	David Bennett	244	282	116%	215	0	76	31%	30%	53	2	11	40	60	79%	75%
	ROAD AGGREGATE	Joaquin Luna	Charlene Rendor	71	0	0%	0	0	0	0%	25%	0	0	0	0	0	0%	75%
GRAND TOTAL				4510	3780	96%	1452	3	1343	42%	36%	437	8	45	345	1154	87%	75%

# The Texas Multiple Award Schedule (TXMAS)

- TXMAS is a collection of contracts that were competitively bid by a governmental entity other than TPASS
- Allows us to use competed contracts without the administrative burden associated with producing them in house
- 649 contracts (2/3 commodities, 1/3 services)
- The vast majority of TXMAS contracts come from Federal Government (GSA)

## Expenditure By Fiscal Year

Fiscal Year	Dollars Through	Rebate
2012	\$ 335 Million	\$ 2.4 Million
2013	\$ 373 Million	\$ 2.6 Million
2014	\$ 381 Million	\$ 3.3 Million

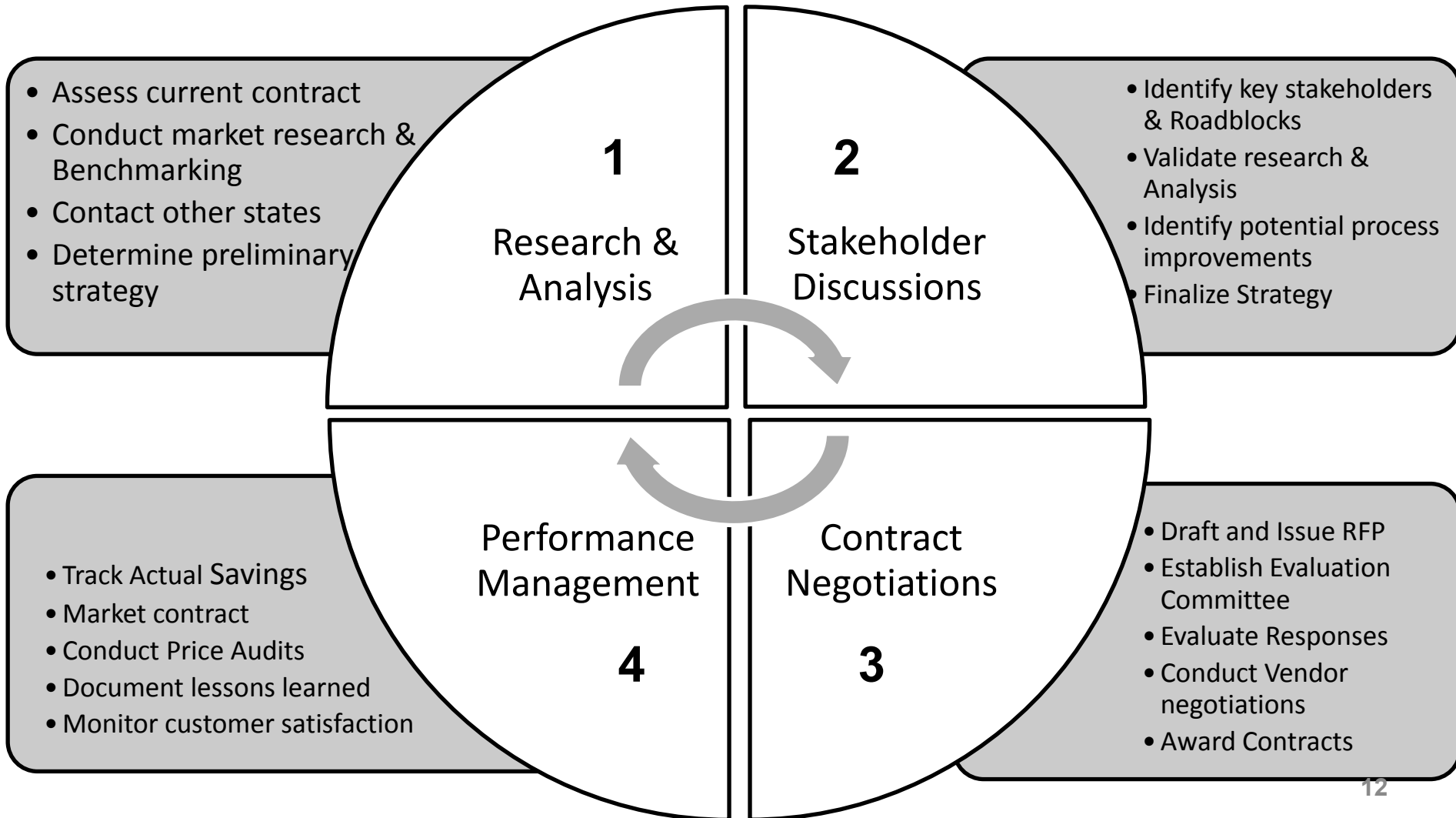
# The Statewide (HUB) Program

The Statewide Historically Underutilized Business (HUB) Program facilitates the use of HUBs in state procurement and provides them with information on the state's procurement process

- Provides education and outreach to minority and woman-owned businesses regarding the HUB Program and initiatives
- Certifies new HUBs and ensures compliance with HUB rules
- Assists state agencies with training, planning, and implementing HUB education and outreach efforts
- Develops rules to ensure full and equal access to state procurement opportunities for HUBs
- Compiles semi-annual reports for the Legislature on HUB expenditures and contract awards

# Strategic Sourcing Methodology

TPASS utilizes strategic sourcing to establish best-value cooperative contracts for our customers. The amount of time and effort put into individual contracts varies based size and risk.



# Additional Questions and Answers

- **Question: Under what circumstance does TPASS entertain No-Bid contracts?**
  - **Answer:** TPASS does not allow no-bid contracts. However, statute requires agencies to purchase certain goods from TIBH and the Texas Correctional Institution (TCI).
- **Question: Are you complying with Governor Abbott's recent letter to State Agencies on contracting?**
  - **Answer:** TPASS was already in compliance with most of the requirements, and were working internally now to ensure we're in full compliance.
- **Question: How are contracting opportunities advertised to the public?**
  - **Answer:** All TPASS contracts are advertised to the public via the Electronic State Business Daily (ESBD). Vendor's can also sign up for the Centralized Master Bidders List (CMBL), which automatically emails them when relevant contracts are solicited.