



Presentation to the Select Committee on Child Protection: Procurement and Contracting Services

**Wayne Wilson, CTPM, CTCM
Deputy Executive Commissioner, Procurement and Contracting
Health and Human Services Commission**

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HHSC Procurement and Contracting Services

- The Office of Procurement and Contracting Services (PCS) of the Health and Human Services Commission (HHSC) is responsible for the procurement and contracting functions and oversight policy and procedures for the five Health and Human Services agencies.
- House Bill 2292 (2003) consolidated procurement activities.
- The contracting process is a coordinated effort which includes input from all agencies, program staff, and interested stakeholders.

Procurement Process: Identifying A Need

- The first step in the procurement process happens when individual agencies or programs identify a need.
- That agency or program then submits an estimated contract cost to the Procurement and Contracting Services (PCS) division at HHSC.
- PCS works with stakeholders on Scope of Work (i.e., identifies goods/services procurement is based on).
- PCS also establishes the HHS System's Historically Underutilized Business (HUB) goals and ensures a good faith effort to use HUBs in contracts for good and services.
 - PCS is responsible for HUB administration, coordination, and reporting for all five HHS agencies.
 - If the estimated cost of a contract is over \$100,000, procurement staff works with HUB staff on solicitation requirements.

Procurement Process: Solicitation

- PCS drafts a solicitation document, also known as a Request for Proposal (RFP), and confers with HHSC's legal division and agency program staff for document review.
- PCS then submits external reviews if required:
 - If resulting contract is over \$10 million, PCS sends a draft RFP to the CPA Contract Advisory Team.
 - If contract is an Administrative Purchase over \$100,000, PCS seeks CPA delegation.
 - If contract is a Consultant Contract, PCS sends Finding of Fact to Governor's Office and Posting to Texas Register.

Procurement Process: Solicitation

- Once external reviews are complete, PCS develops a scoring tool in coordination with HHSC's legal division (legal) and agency or program staff.
- PCS then posts the solicitation document to Electronic State Business Daily (ESBD) for a specified timeframe.
- PCS coordinates a solicitation conference in coordination with legal and relevant agency or program.
- PCS accepts questions regarding RFP from entities interested in responding to RFP.
- PCS coordinates question and answers to be posted to the ESBD.

Procurement Process: Evaluation

- PCS receives proposals and screens for responsiveness.
- PCS trains the evaluation team which consists of agency or program subject matter experts on evaluation requirements.
 - This team leads the evaluation process.
- PCS compiles scores and holds outlier discussions with evaluation team.
- PCS coordinates vendor presentations with legal and agency or program staff.

Procurement Process: Tentative Award

- PCS prepares tentative award recommendation(s) based on outcome of evaluation and presentations.
- Agency or program reviews and approves tentative award recommendation.
 - On request agency or program will cancel or re-solicit contract as appropriate.
- PCS posts notice of tentative award notice to ESBD.

Procurement Process: Contract Negotiations and Award

- PCS coordinates contract negotiations with vendor and agency/program.
- If protest is received PCS conducts a review and responds to protest.
 - No award is made during this time.
- Upon successful negotiations and approval for final award, contracts are prepared.
- PCS works with agency/program and legal to prepare the contract.
- PCS delivers executed contract to the vendor and to agency contract manager.
- PCS conducts requested debrief of procurement project.

Procurement Staff Certifications

The training and certification program for procurement staff at HHSC contains three levels of training and two levels of formal certification.

- For purchases ranging from \$0 - \$25,000 no certification is required.
 - Procurement staff must complete the CPA required course within their first six-months of employment with an agency.
- Competitive Purchases ranging from \$25,000.01 to \$100,000 required staff to obtain a Certified Texas Purchaser's (CTP) certification.
 - Staff must complete the CPA required courses (or have the current equivalent certification from a national purchasing association),
 - Apply to test for CTP exam; 70+ grade required, and
 - Apply for certification; must have at least one year of purchasing experience.
- Competitive Purchases over \$100,000 require staff to obtain a Certified Texas Procurement Manager's (CTPM) certification.
 - Staff must complete the CPA required courses (or have the current equivalent certification from a national purchasing association.),
 - Apply to test for CTPM exam; 70+ grade required, and
 - Apply for certification; must have at least three years of purchasing experience.