



Interim Charge 10: Oversight of the Health and Human Services Commission

Presented by:

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**House Committee on General
Investigating and Ethics**

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OIG Review of the HHS Procurement Process: 2013-2018

- On April 6, 2018, Texas Governor Greg Abbott requested that the Office of Inspector General (OIG) investigate the Health and Human Services (HHS) procurement process to “...uncover any and all errors with this system.”
- The OIG examined the recent CHIP Rural Service Areas request for proposal and conducted a review of previously published reports, audits, and inspections of HHS procurements.
- In July, the OIG published a report of its findings.



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CHIP Rural Services Areas Request for Proposal

The OIG found the following procurement process issues:

Pre-Procurement

- The evaluation tool was an Excel spreadsheet containing several hundred elements of criteria.
- Inadequate management of procurement tool.
- No system to protect the integrity of the procurement tool.
- Lack of communication about which tool was to be used.
- Lack of training for procurement staff in the advanced use of Microsoft Excel.

Mid-Procurement

- Repeated errors by the purchaser.
- The procurement tool failed to eliminate the manual transfer of data during the final aggregate scoring.

Post-Procurement

- No Quality Assurance process in place.
- Lack of a formal review process for procurement protests.



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HHS Procurement Review

Additionally, the OIG made five observations in its report:

1. PCS lacks necessary procurement policies and procedures
2. PCS needs a stronger evaluation and scoring process to ensure adequate oversight, consistency, and transparency
3. Thorough and accurate documentation must be completed and retained
4. PCS has not consistently required disclosures of conflicts of interest
5. PCS should seek opportunities to increase fair and open competition in purchasing activities whenever possible