Texas Stretched No-Bid Program to Help Austin Company

A powerful Texas Health and Human Services Commission general counsel who resigned last week stretched the boundaries of a little-known state purchasing program to ensure an Austin company would not face competition for a $110 million contract, according to interviews and a review of recent government purchases. *The Houston Chronicle* reported on the case Dec. 17.

GC Jack Stick used the program to award a massive Medicaid fraud detection contract to Austin technology firm 21CT, even though records show its no-bid process typically is used for small purchases, such as school printer cartridges, *The Chronicle* reported.

The Cooperative Contract program, which allows government agencies to bypass competitive bidding requirements by choosing from pre-approved IT products, has been used over the past five years for purchases averaging $3,493, according to a *Houston Chronicle* analysis of the 2.5 million transactions over that time.

Read the story.