Celebrating National Purchasing Month: big, Texas-style transparency

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The state of Texas is known for doing things big, and with the third largest state budget in the country, the Lone Star State tends to spend big as well. In 2011, the state spent $94 billion in total expenditures, with approximately $660 million spent on IT-related goods and services alone. Earlier this month, the Texas Department of Information Resources (DIR) informally announced upcoming contracts with both Capgemini (**opportunity A**) and Xerox Corp (**opportunity B**) that would replace the troubled IBM (**opportunity C**) contract. The new multi-year contracts for data center management and operations services are worth $127 million and $1.1 billion, respectively. So, who is tracking all this money, where is it going, and how exactly is it being used?

Texas State Comptroller Susan Combs is responsible for capturing how all public funds are collected and used. When Combs took office in 2007, she wanted to make transparency a priority. She understood that on the heels of an economic crisis, prompted by shady transactions and closed-door deals, the call for transparency in government had become a hot topic. Later that year, Combs began posting state agencies' expenditures online, which provided details – down to the purchase of each pencil – on how the state spent public money. Today, her office tracks half-a-billion dollars a day, and the transparency website is updated with the latest numbers every evening. It's no wonder that the **Texas Transparency** Web portal was recently ranked No. 1 for government spending transparency by the U.S. Public Interest Research Group (U.S. PIRG).

The open data made accessible on the website not only lists expenditure by year and agency, but also lists links to all state contracts including DIR statewide co-op contracts. This website can be an invaluable tool for vendors interested in doing business with the state. They can learn which agencies use which contracts, and how much they spend using those contracts. In addition, the state's transparency website provides contract information such as incumbent pricing and detailed scopes of work.

For example, the Texas transparency website details that in 2011, the Health and Human Services Commission spent $22 million on computer hardware and software, $135 million on data processing and programming services, $10 million on IT equipment repair/maintenance, and $3 million on telecommunications equipment and software. The website also reveals that 79 percent of the nearly $170 million public dollars spent for the commission's IT-related needs went to just four vendors: Northrop Grumman Systems, Deloitte Consulting LLP, AT&T, and IBM Corp (see Figure 1). This in-depth financial transparency can help vendors build their business pipeline and get a leg up on winning future contracts.

Figure 1: Allocation of 2011 IT Expenditure in Texas among the top seven grossing vendors from the eight largest state agencies

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