

# The University of Texas System



## UT SYSTEM SUPPLY CHAIN ALLIANCE CONTRACT MANAGEMENT HANDBOOK

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# INTRODUCTION

## 1.1 Purpose

The purpose of this Contract Management Handbook (Handbook) is to offer Alliance Strategic Services Group (SSG) personnel (and personnel assigned to the UT System Office of Collaborative Business Services (OCBS), working on behalf of the Alliance) recommendations on documenting existing contract management processes and practices in connection with the sourcing of goods/services. This Handbook does not relate to the SSG's sourcing and/or purchasing of goods/services for SSG's own operations at University of Texas MD Anderson Cancer Center; MD Anderson Cancer Center's corresponding Handbook governs such sourcing and purchasing.

This Handbook does not govern real estate transaction contracts (even if the transaction is a lease under which an institution provides services in exchange for compensation), sponsorship agreements under which institutions receive compensation in exchange for recognition of the sponsor, sponsored research contracts or other intellectual property agreements where institutions convey an interest in intellectual property. Construction contracts are governed by separate statutory requirements and are also not addressed in this Handbook. However, this Handbook may provide useful information in connection with contracts that are not governed by the Handbook.

Use of this Handbook does not relieve SSG personnel and contractors of their responsibility to comply with Applicable Laws and University Rules related to specific programs and funding sources.

This Handbook:

- *Summarizes certain mandatory statutory, regulatory and policy compliance requirements related to Alliance contracting activities performed by the SSG that are evidenced by Handbook references to the applicable statute, regulation, or policy.*
- Provides practical suggestions and best practices related to SSG contracting activities which are encouraged but not mandatory. Taking into consideration the complexity of the contract on which the SSG is working, the SSG should exercise reasonable business judgment when applying practical suggestions and best practices. Recognizing that the needs of the Alliance and the requirements of each contract are different, the information in this Handbook is intended to be applied *flexibly, not mechanically*. This Handbook provides a framework for making contracting decisions that are in the best interest of the Alliance.
- Describes the duties of the SSG contract management team, including how to solicit and select a contractor, develop and negotiate a contract, and monitor contractor and subcontractor performance.
- Supplements (but does not replace) Applicable Laws and University Rules. The SSG is independently responsible for developing sound business policies and procedures in accordance with Applicable Laws and University Rules.
- Discusses many general legal principles; however, these general principles include many exceptions. This Handbook is not intended to be a manual on the law of contracts or constitute legal advice. Contract managers should consult with the Alliance Legal Counsel with regard to any legal questions that arise with respect to contracts.
- Includes model contract provisions and indicates whether each provision is essential or recommended.
- Addresses the permitted extent of contract changes that may be made before a new competitive solicitation may be needed.

- Suggests time frames for the solicitation, evaluation, negotiation and awarding of a major contract.
- Establishes the procedure for attempting to determine why a single response was received in reply to a sourcing solicitation.

This Handbook does not constitute specific legal advice on any particular issue that may arise. Feel free to consult with appropriate legal advisors as necessary.

### **Roles and responsibilities**

For purposes of this Handbook, contract management includes the coordination and administration of four core processes:

- Planning;
- Sourcing of goods or services (including complying with HUB laws and policies);
- Contract Formation (including scope of work, specification of contract price or rate and other relevant terms and conditions); and
- Contract Administration.

The nature and level of risk associated with each of these contract management elements vary depending on the type of contract and the business relationship between the Alliance and contractor. It is the responsibility of the Director of the SSG to assign responsibilities, assure appropriate training and oversight, and monitor the processes so that each sourcing event achieves the best value for the Alliance.

Fully implemented contract management requires coordinating and administering the four core processes. However, contract management also involves coordination, as appropriate, of a variety of distinct disciplines and roles, including:

- Executive Management;
- Project Management;
- Planning;
- Program Staff (subject matter experts and monitors);
- Contractor Interaction;
- Purchasers;
- Accounting and Budget;
- Legal;
- Audit; and
- Quality Control/Assurance.
- HUB Office

The contract manager or lead for the contract management team assigned to any particular contract is responsible for assuring that all necessary and appropriate disciplines are engaged and their work, with respect to the contract coordinated, to assure compliance with this Handbook, including meeting legal contract requirements. Various types of contracts are subject to different statutory standards, practices, processes and strategies for successful implementation. The suggestions, comments, techniques, examples and recommendations included in this Handbook are not appropriate for every type of contract.

## 1.2 Definitions

**Addendum:** An addition, change, or supplement to a solicitation issued prior to the opening date.

**Advertise:** A public announcement of the intention to purchase goods/services.

**Alliance:** UT System's internal group purchasing organization that conducts, through the SSG, sourcing and contracting activities for the benefit of Alliance members (UT System institutions) and affiliates (other institutions that have signed an affiliate agreement with the Alliance).

**Amend or Amended:** Status change to a Request for Proposal (RFP), Invitation for Bid (IFB), Request for Information (RFI), Request for Qualifications (RFQ) or contract that indicates a modification to that document.

**Amendment:** Written addition or change to a contract, including modifications, renewals and extensions.

**Applicable Laws:** All applicable federal, state or local, laws, statutes, regulations, ordinances and orders.

**Assignment:** Transfer of contractual rights from one party to another party.

**Best Value:** Factors to be considered in determining best value in making certain purchases of goods/services (ref. *Texas Education Code*, §§[51.9335](#) (SSG and all institutions except UTMDACC), [73.115](#) (UTMDACC) and [74.008](#) (UTMB), each subject to *Texas Education Code*, §[51.9337](#)).

**Best Value Invitation for Bids (IFB):** Best value sourcing process used when the requirements are clearly defined, negotiations are unnecessary, and price is the primary determining factor for selection (also known as Best Value Invitation to Bid or ITB). The mandatory evaluation criteria that must be used to evaluate bids are specified by the Best Value Statutes.

**Best Value Statutes:** The laws that authorize Institutions to use the specified best value sourcing procedures for goods/services, but not professional services. (ref. *Texas Education Code*, §§ [51.9335](#) (SSG and all institutions except UTMDACC), [73.115](#) (UTMDACC) and [74.008](#) (UTMB), each subject to *Texas Education Code*, §[51.9337](#)).

**Bid:** An offer to contract with the state, submitted in response to an Invitation For Bids (IFB). Bids are usually non-negotiable.

**Bidder:** An individual or entity that submits a bid. The term includes anyone acting on behalf of the individual or other entity that submits a bid, such as agents, employees and representatives (see Proposer and Respondent).

**Biennium:** The two (2) year period in which the Texas Legislature appropriates funds. The biennium begins on September 1 of odd numbered years.

**Board of Regents:** The Board of Regents of The University of Texas System.

**Bond:** Note or other form of evidence of obligation issued in temporary or definitive form, including a note issued in anticipation of the issuance of a bond and renewal note.

**Business Entity:** An entity (other than a governmental entity or state agency) through which business is conducted with an Institution, regardless of whether the entity is a for-profit or nonprofit entity.

**Certificate of Filing:** The disclosure acknowledgement issued by the Texas Ethics Commission to the filing Business Entity.

**Competitive Sealed Proposals:** Process of advertising a request for proposal (RFP), the evaluation of submitted proposals and awarding of the contract.

**Consultant:** A person that provides or proposes to provide a consulting service.

**Consulting Service:** Practice of studying or advising a state agency under a contract that does not involve the traditional employer/employee relationship (ref. *Texas Government Code*, [§2254.021](#) Definitions).

**Contract:** An agreement (including a purchase order) where a contractor provides goods/services to an Institution and the Institution pays for such goods/services in accordance with the established price, terms and conditions, as well as an agreement under which a contractor is given an opportunity to conduct a business enterprise on an Institution's premises in exchange for compensation to the Institution (i.e., auxiliary enterprise contracts).

**Contract Administration:** This generally refers to the processes that occur after a contract is signed and is explained in detail in [Chapter 7](#).

**Contract Advisory Team:** The team created to assist state agencies in improving contract management practices (ref. [Texas Government Code, Chapter 2262](#) Statewide Contract Management, Subchapter C Contract Advisory Team).

**Contract Management:** The entire contracting process from planning through contract administration, including contract close-out.

**Contract Manager:** A person who is employed by the SSG and has significant contract management duties for the Alliance.

**Contract Value:** The value of the contract, amendments, and *all potential* extensions or renewals, even if not exercised,

**Contractor (or Vendor):** A business entity or individual that has a contract to provide goods/services to an Institution.

**Controlling Interest:** (1) an ownership interest or participating interest in a Business Entity by virtue of units, percentage, shares, stock or otherwise that exceeds 10 percent; (2) membership on the board of directors or other governing body of a Business Entity of which the board or other governing body is composed of not more than 10 members; or (3) service as an officer of a business entity that has 4 or fewer officers, or service as one of the 4 officers most highly compensated by a Business Entity that has more than 4 officers.

**Deliverable:** A unit or increment of work required by a contract, including such items as goods, services, reports, or documents.

**Electronic State Business Daily (ESBD):** The electronic marketplace where State of Texas bid opportunities are posted (ref. *Texas Government Code*, [§2155.083](#) State Business Daily; Notice Regarding Procurements). Pursuant to Texas Government Code, [§2155.083\(n\)](#), IHEs to which *Texas Education Code*, §§ [51.9335](#) or [73.115](#) apply are not subject to *Texas Government Code*, [§2155.083](#).

**Emergency:** A purchase made when an unforeseen and/or a sudden unexpected occurrence creates a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

**Exclusive Acquisition:** Purchase of goods/services that exceed the authorized direct procurement dollar threshold (typically \$15,000 for Institutions) from a single vendor, without soliciting competitive offers or proposals. The term includes proprietary/sole source purchases.

**Executive Sponsor:** A high-level individual with primary responsibility for implementation and operation of the project. In some instances, the executive sponsor may be the executive head of the Institution. In other instances, the executive sponsor may be the division or program director with overall project responsibility.

**Financial Advisors or Service Providers:** Persons or business entities who act as a financial advisor, financial consultant, money or investment manager, or broker.

**Goods:** Supplies, material, or equipment, including a transportable article of trade or commerce that can be bartered or sold. Goods do not include construction services or real property.

**Group Purchasing Organization (GPO):** A purchasing program established by (1) a state agency that is authorized by law to procure goods/services for other state agencies, such as the Statewide Procurement and Statewide Support Services Division of the Texas Comptroller of Public Accounts (SPSS) and the Texas Department of Information Resources (DIR), or any successor agencies, respectively; or (2) a group purchasing organization the institution utilizes in accordance with the UT System GPO accreditation process, such as Premier, E&I and Sourcewell; or (3) the UT System Supply Chain Alliance.

**Handbook:** The University of Texas System Supply Chain Alliance Contract Management Handbook.

**Historically Underutilized Business (HUB):** A minority-owned, woman-owned or certain disabled veteran-owned businesses as defined by [Texas Government Code, Title 10, Subtitle D, Chapter 2161](http://www.window.state.tx.us/procurement/prog/hub/). (<http://www.window.state.tx.us/procurement/prog/hub/>).

**Institutions of Higher Education:** Institutions of higher education as defined by [Texas Education Code, §61.003\(8\)](#).

**Institution:** UT System and the institutions comprising UT System as listed in [Regents' Rule 40601](#).

**Interested Party:** (1) a person who has a Controlling Interest in a Business Entity with whom the Alliance contracts; or (2) a person who actively participates in facilitating the contract or negotiating the terms of the contract with the Alliance, including a broker, intermediary, adviser, or attorney for the Business Entity.

**Intermediary:** A person who actively participates in the facilitation of the contract or negotiating the contract, including a broker, adviser, attorney, or representative of or agent for the Business Entity who:

- (1) Receives compensation from the Business Entity for the person's participation;
- (2) Communicates directly with the SSG on behalf of the Business Entity regarding the contract; and
- (3) Is not an employee of the Business Entity.

**Negotiations:** A consensual bargaining process in which the parties attempt to reach agreement on a disputed or potentially disputed matter. In a contractual sense, negotiation means the "dealings conducted between two or more parties for the purpose of reaching an understanding."

**Payment Bond:** A bond executed in connection with a contract which secures the payment requirements of contractor.

**Performance Bond:** A surety bond that provides assurance of a contractor's performance of a certain contract. The amount for the performance bond is based on the value of the contract.

**Pre-proposal Conference:** A meeting chaired by SSG personnel that is designed to help potential bidders/proposers/respondents understand the requirements of a solicitation. Also known as a pre-bid conference.

**Professional Services:** Services directly related to professional practices as defined by the Professional Services Procurement Act ([Texas Government Code, §2254.002](#)). These include services within the scope of the practice of: accounting; architecture; optometry; medicine; land surveying; and professional engineering. Services provided by professionals outside the scope of their profession (for example, management consulting services provided by accounting firms) are not considered professional services. *Contracted services provided by professionals that fall outside their scope of practice are governed by the Best Value Statutes applicable to the purchase of goods/services.*

**Proposal:** An executed offer submitted by a respondent in response to a Request for Proposals (RFP) and intended to be used as a basis to negotiate a contract award.

**Proposer:** An entity submitting a proposal in response to a solicitation. The term includes anyone acting on behalf of the individual or other entity that submits a proposal, such as agents, employees and



representatives (see Respondent).

**Proprietary Purchase:** (see Exclusive Acquisition)

**Purchasing Office:** The office designated to purchase goods/services above the direct procurement dollar threshold for an Institution.

**Regents' Rules:** The *Rules and Regulations* of the Board of Regents of The University of Texas System.

**Renewal:** Extension of the term of an existing contract for an additional time period in accordance with the terms and conditions of the original or amended contract.

**Request for Information (RFI):** A general invitation to contractors requesting information for a potential future competitive solicitation. The RFI is not a competitive solicitation and a contract may not be awarded as the result of an RFI. An RFI is typically used as a research and information gathering tool for preparation of a competitive solicitation.

**Request for Proposal (RFP):** A solicitation requesting submittal of a proposal in response to the required specifications and SOW and usually includes some form of a cost proposal. The RFP process allows for negotiations between a respondent and the SSG. The mandatory evaluation criteria that must be used to evaluate proposals are specified by the Best Value Statutes.

**Request for Qualifications (RFQ):** A solicitation requesting submittal of qualifications or specialized expertise in response to the scope of services required. No pricing is solicited with an RFQ.

**Responsive:** A respondent or proposal that complies with all material aspects of the solicitation, including submission of all required documents.

**Respondent:** An entity submitting a proposal in response to a solicitation. The term includes anyone acting on behalf of the individual or other entity that submits a proposal, such as agents, employees and representatives (see Proposer).

**Responsible:** A respondent that is capable of fully performing and delivering goods/services in accordance with the contract requirements. The Alliance may include past performance, financial capabilities and business management as criteria for determining if a respondent is capable of satisfying the contract requirements.

**Scope of Work (SOW):** An accurate, complete, detailed, and concise description of the work to be performed by the contractor.

**Service:** The furnishing of skilled or unskilled labor by a contractor which may not include the delivery of a tangible end product. In some cases, services and goods may be combined (such as film processing). In these instances, the Alliance should determine whether labor or goods is the primary factor. In the case of film processing, the labor to process the film is the primary factor, therefore film processing is considered a service.

**Sole Source:** (see Exclusive Acquisition)

**Solicitation:** A document requesting submittal of bids, proposals, quotes or qualifications for goods/services in accordance with the advertised specifications.

**Specification:** Any description of the physical or functional characteristics or of the nature of goods/services to be purchased. It may include a description of any requirements for inspecting, testing, or preparing goods/services for delivery.

**Strategic Services Group or SSG:** the Alliance's team of supply chain professionals that conduct sourcing and contracting activities for the Alliance.

**State:** The State of Texas.

**State Agency:** An agency of the State of Texas as defined in [Texas Government Code, §2056.001](#) (excluding Institutions).

**Statute:** A law enacted by a legislature.

**Sub-recipient:** A non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A sub-recipient may also be a recipient of other federal awards directly from a federal awarding agency.

**Surety:** A person or entity providing a bond to a contractor to indemnify the Alliance against all direct and consequential damages suffered by failure of contractor to perform the contract and to pay all lawful claims of subcontractors, materials vendors and laborers as applicable.

**University Rules:** The Regents' Rules at <http://www.utsystem.edu/board-of-regents/rules>; the policies of UT System at <http://www.utsystem.edu/board-of-regents/policy-library>; and the Institutional rules, regulations and policies of the applicable Institutions.

**UT System:** The University of Texas System.

**Vendor (or Contractor):** A business entity or individual that has a contract to provide goods/services to an Institution.

## 1.3 Acronyms

**BAFO:** Best and Final Offer

**CPA:** State of Texas Comptroller of Public Accounts

**DIR:** State of Texas Department of Information Resources

**EIR:** Electronic and Information Resources

**ESBD:** Electronic State Business Daily

**GPO:** Group Purchasing Organization

**HSP:** HUB Subcontracting Plan

**HUB:** Historically Underutilized Business

**IFB:** Best Value Invitation for Bid (also known as Invitation to Bid or ITB)

**IHE:** Institution of Higher Education

**IR:** Information Resources

**LBB:** Texas Legislative Budget Board

**OGC:** The University of Texas System Office of General Counsel

**RFI:** Request for Information

**RFP:** Request for Proposal

**RFQ:** Request for Qualifications

**SAO:** State of Texas Auditor's Office

**SOW:** Scope of Work

**SPSS:** Statewide Procurement and Statewide Support Services Division of the Texas Comptroller of Public Accounts

**SSG:** Strategic Services Group; Alliance's team of supply chain professionals that conduct sourcing and contracting activities for the Alliance

**TAC:** Texas Administrative Code

**TIBH:** Texas Industries for Blind and Handicapped

## 1.4 Training for SSG Personnel

The SSG must train officers and employees authorized to execute contracts for the Alliance or to exercise discretion in awarding contracts, including training in ethics, selection of appropriate sourcing methods, and information resources purchasing technologies (ref. Section 51.9337(b)(5), *Texas Education Code*). The Director of the Alliance will assign a training coordinator to implement the training requirements summarized in this Section 1.4.

The SSG must also require its personnel who are directly involved in contract negotiations for the purchase of information resources to complete DIR training related to effective negotiation of contracts for information resources as defined by Section 2054.003, *Texas Government Code* (ref. Section 656.050, *Texas Government Code*).

The SSG must also comply with purchasing personnel training requirements set out in [UTS156 Purchaser Training and Certification](#). Institutions will also comply with local policies and procedures related to training.

In addition, the SSG is encouraged to assure that its contract managers receive training that covers topics related to:

- (1) Fair and objective selection and negotiation with the most qualified contractor;
- (2) Establishing prices that are cost-effective and that reflect the cost of providing the service;
- (3) Inclusion of provisions in a contract that hold the contractor accountable for results;
- (4) Monitoring and enforcing a contract;
- (5) Making payments consistent with the contract;
- (6) Compliance with any requirements or goals contained in the contract management guide; and
- (7) Use and application of advanced sourcing strategies, techniques, and tools.

### **Where can I go for more information?**

[\*Texas Education Code §51.9337\(b\)\(5\)\*](#)  
[\*Texas Government Code §656.050\*](#)  
[\*Texas Government Code §2054.003\*](#)  
[\*UTS156 Purchaser Training and Certification Policy\*](#)

## **1.5 Ethics Standards and Policies**

SSG officers and employees are responsible for maintaining the high ethical standards required for our stewardship of public monies. All SSG officers and employees should pursue a course of conduct that does not create a conflict of interest.

SSG personnel must adhere to the highest level of professionalism in discharging their official duties. The nature of the sourcing function makes it critical that everyone in the purchasing and contracting process remain independent and free from the perception of impropriety. Any erosion of public trust or any shadow of impropriety is detrimental to the integrity of the purchasing process. Clear, established guidelines and rules provide credibility for a purchasing program. Such guidelines are designed to prevent current and potential vendors from influencing SSG officers or employees in discharging their official duties. In addition, these guidelines will help prevent SSG officers' and employees' independent judgment from being compromised.

With these principles in mind and in accordance with state law, SSG officers and employees will adhere to the following policies and procedures, as well as Applicable Laws and University Rules.

### **1.5.1 SSG Ethics Policy**

SSG officers and employees may not have a direct or indirect interest, including financial and other interests, engage in a business transaction or professional activity, or incur any obligation of any nature, that is in substantial conflict with the proper discharge of their duties in the public interest.

### **1.5.2 Standards of Conduct**

An SSG officer or employee will not:

- Accept or solicit any gift, favor, or service that might reasonably tend to influence them in the discharge of their official duties or that they know, or should know, is being offered with the intent to influence their official conduct;
- Accept other employment or engage in a business or professional activity that they might reasonably expect would require or induce them to disclose confidential information acquired by reason of the official position;
- Accept other employment or compensation that could reasonably be expected to impair their independence of judgment in the performance of their official duties;
- Make personal investments that could reasonably be expected to create a substantial conflict between their private interest and the public interest; or
- Intentionally or knowingly solicit, accept or agree to accept any benefit for having exercised their official powers or performed their official duties in favor of another.

The SSG may not use appropriated money to compensate a state employee who violates a standard of conduct.

### **1.5.3 Prohibition of Economic Benefit**

In accordance with the Texas Constitution, an officer or employee of the state may not, directly or indirectly, profit by or have a pecuniary interest in the preparation, printing, duplication or sale of a publication or other printed material issued by a department or agency of the executive branch. A person who violates this Section may be dismissed from SSG employment.

#### **Where can I go for more information?**

[Regents' Rule 30104 Conflict of Interest, Conflict of Commitment, and Outside Activities](#)

[UTS159 Purchasing Policy](#)

[UTS180 Conflicts of Interest, Conflicts of Commitment, and Outside Activities Policy](#)

[OGC Ethics Home Page](#)

## **1.6 Conflict of Interest**

To avoid conflicts of interest, the SSG should require all potential contractors bidding or proposing to provide goods or services in response to a competitive sourcing event to disclose, in their responses to solicitations, any actual or potential conflicts of interest in their proposed provision of goods/services or other performance under any contracts. Specifically, solicitation documents should require that debarred vendors and principals of debarred vendors (i.e. owner, proprietor, sole or majority shareholder, director, president, managing partner, etc.) be identified to ensure such vendors/principals are not awarded, extended or renewed any contract. Vendors should also be required to update that information throughout the term of the contract resulting from the solicitations.

The SSG should also require respondents to:

- Represent and warrant that their provision of services or other performance under the contract will not constitute an actual or potential conflict of interest.
- Disclose any proposed personnel who are related to any current or former employees of the SSG.
- Warrant that they have not given, nor intend to give, at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to an officer or employee of SSG in connection with the solicitation.

Contractors should not be allowed to assign any portion of the contract or their performance, to others, for example, subcontractors, without the prior written consent of the Alliance. Contractors should remain responsible for the performance of the contract notwithstanding any such assignment or subcontract. This ensures that the evaluated and selected entity will actually be responsible for performance and that proposed transactions may be reviewed for compliance with the conflict of interest and related party provisions.

### **1.6.1 Financial Advisors**

When soliciting and contracting for the services of financial advisors, the SSG will comply with Texas Government Code, Chapter 2263, regarding conflict of interest and related party provisions applicable to those advisors.

Financial advisors or service providers must disclose in writing to the administrative head of the Alliance and SAO the following:

- any relationship the provider has with any party to a transaction with the Alliance, other than a relationship necessary to the investment or funds management services that the provider performs for the Alliance, if a reasonable person could expect the relationship to diminish the provider's independence of judgment in the performance of the person's responsibilities to the Alliance; and
- all direct or indirect pecuniary interests the provider has in any party to a transaction with the Alliance, if the transaction is connected with any financial device or service the provider provides to the entity or member, in connection with the management or investment of Alliance funds.

The statute further provides that financial advisors or service providers:

- will disclose a relationship (described above), without regard to whether the relationship is a direct, indirect, personal, private, commercial, or business relationship;
- will file an annual statement with the administrative head of the governmental entity and with SAO disclosing the relationships outlined above;

If no relationship existed during the disclosure period, the annual statement will state this fact affirmatively. In addition, and the annual statement will be filed no later than April 15th (for the previous calendar year period) on a form prescribed by the entity.

### **1.6.2 Purchasing Personnel Nepotism Disclosure**

Before awarding a contract with a value of at least \$1 million (major contract) for the purchase of goods or services, SSG employees (purchasing personnel) who, in connection with that major contract, make decisions or recommendations regarding (A) preparation of a solicitation, (B) evaluation of a bid or proposal, (C) determination of contractor to be awarded the contract, or (D) contract terms or conditions, must complete the State Auditor's "Disclosure Statement for Purchasing Personnel" form posted at <https://www.sao.texas.gov/Forms/Nepotism/> to disclose in writing to the UT System Executive Vice Chancellor for Business Affairs, any known relationships (within the third degree by consanguinity or the second degree by affinity) the employee has with (i) a contractor employee or partner, major stockholder or other owner, or (ii) a paid consultant of contractor under a contract with a value exceeding \$25,000. A new or amended Disclosure Statement must be filed whenever there is new information to report.

Subject matter experts and other personnel from institutions involved in Alliance sourcing activities will be required by the SSG to sign an appropriate conflict of interest form (see APPENDIX 12) prior to review of any Respondent proposals and/or bids.

#### **Where can I go for more information?**

[Texas Education Code §51.923](#)

[Texas Government Code, Chapter 551](#)

[Texas Government Code, Subchapter B, Chapter 573 \(definitions of consanguinity and affinity\)](#)

[Texas Government Code, Subchapter A, Chapter 2262](#)

[Texas Government Code, Chapter 2263](#)

[OGC Ethics Home Page](#)



## **1.7 Ethics Requirements from Senate Bill 20 (84<sup>th</sup> Legislative Session - 2015)**

The passage of Senate Bill 20 in the 84th Legislature (SB 20) included a number of provisions related to ethics and purchasing.

SB 20 created Chapter 2261, Subchapter F, *Texas Government Code*. In connection with ethics, Chapter 2261 requires that:

- Each SSG officer or employee who is involved in sourcing or contract management for the Alliance will disclose to UT System any potential conflict of interest specified by state law or UT System policy that is known by the employee or official with respect to any contract with a private vendor or bid for the purchase of goods/services from a private vendor.
- The Alliance may not enter into a contract for the purchase of goods/services with a private vendor with whom any of the following employees or officials have a financial interest:
  - the governing official, executive director, general counsel, chief procurement officer, or procurement director of the agency; or
  - a family member related to an employee or official described above within the second degree of affinity or consanguinity.
- A SSG employee or official has a financial interest in a private vendor if the employee or official:
  - owns or controls, directly or indirectly, an ownership interest of at least one percent, including the right to share in profits, proceeds, or capital gains; or
  - could reasonably foresee that a contract with the person could result in a financial benefit to the employee or official.
- A financial interest prohibited by this Section does not include a retirement plan, a blind trust, insurance coverage, or an ownership interest of less than one percent in a corporation.

Best value purchasing authority held by institutions of higher education in *Texas Education Code*, §§51.9335, 73.115 and 74.008 is conditional on satisfying the requirements of *Texas Education Code*, §51.9337 (see [Section 2.3](#) of this Handbook). Some of those requirements relate to ethics. The ethics-related requirements the Board of Regents must adopt are:

- A code of ethics for the institution's officers and employees, including provisions governing officers and employees authorized to execute contracts for the institution or to exercise discretion in awarding contracts, including:
  - general standards of conduct and a statement that each officer or employee is expected to obey all federal, state, and local laws and is subject to disciplinary action for a violation of those laws;
  - policies governing conflicts of interest, conflicts of commitment, and outside activities, ensuring that the primary responsibility of officers and employees is to accomplish the duties and responsibilities assigned to that position;
  - a conflict of interest policy that prohibits employees from having a direct or indirect financial or other interest, engaging in a business transaction or professional activity, or incurring any obligation that is in substantial conflict with the proper discharge of the employee's duties related to the public interest;
  - a conflict of commitment policy that prohibits an employee's activities outside the institution from interfering with the employee's duties and responsibilities to the Institution;

- a policy governing an officer's or employee's outside activities, including compensated employment and board service, that clearly delineates the nature and amount of permissible outside activities and that includes processes for disclosing the outside activities and for obtaining and documenting Institutional approval to perform the activities;
  - a policy that prohibits an officer or employee from acting as an agent for another person in the negotiation of the terms of an agreement relating to the provision of money, services, or property to the Institution;
  - a policy governing the use of institutional resources; and
  - a policy providing for the regular training of officers and employees on the code of ethics and policies discussed therein.
- Policies for the internal investigation of suspected defalcation, misappropriation, and other fiscal irregularities and an Institution or system-wide compliance program designed to promote ethical behavior and ensure compliance with all applicable policies, laws, and rules governing higher education, including research and health care to the extent applicable.
  - Training for officers and employees authorized to execute contracts for the Institution or to exercise discretion in awarding contracts, including training in ethics, selection of appropriate procurement methods, and information resources purchasing technologies.

Finally, *Texas Government Code*, Chapter 572, includes a revolving door provision for institution officers and employees involved in procurement. Under *Texas Government Code*, Section 572.069, a former state officer or employee of a state agency who, during the period of state service or employment participated on behalf of a state agency in a procurement or contract negotiation, may not accept employment from that vendor or service provider before the second (2<sup>nd</sup>) anniversary of the date the officer's or employee's service or employment with the state agency ceased.

### Where can I go for more information?

[Senate Bill 20 - 84<sup>th</sup> Legislature](#)

[Texas Education Code §51.9335](#)

[Texas Education Code §51.9337](#)

[Texas Education Code §73.115 \(MD Anderson\)](#)

[Texas Education Code §74.008 \(UTMB\)](#)

[Texas Government Code, Chapter 2261, Subchapter F](#)

[Texas Government Code, Chapter 572](#)

[Texas Government Code §572.069](#)

[Regents' Rule 30104 Conflict of Interest, Conflict of Commitment, and Outside Activities](#)

[UTS159 Purchasing Policy](#)

[UTS180 Conflicts of Interest, Conflicts of Commitment, and Outside Activities Policy](#)

[OGC Ethics Home Page](#)

## 1.8 **Disclosure of Interested Parties**

The Alliance must comply with the “Disclosure of Interested Parties” requirements mandated by Section 2252.908, *Government Code*, as implemented by the Texas Ethics Commission. Briefly stated, the Alliance may not execute a contract for goods or services exceeding \$1 million with certain Business Entities *unless* those Business Entities present the Alliance with a signed form disclosing interested parties to the contract. Business Entities may be unaware of these requirements and successful implementation may require some outreach and education by the Alliance so that the contracting process can be successfully navigated and large contracts executed timely.

Specific Disclosure requirements include:

Before the Alliance may execute certain contracts exceeding \$1 million, Business Entities with which the Alliance is contracting must submit FORM 1295 to the Alliance at the same time the Business Entity submits the signed contract to the Alliance.

*“Business Entity” is defined as an entity (other than a governmental entity or state agency) through which business is conducted, regardless of whether the entity is for-profit or non-profit. However, the “Disclosure of Interested Parties” requirements do not apply to: an interagency contract; a contract related to health and human services if the value cannot be determined at the time the contract is executed and any qualified vendor is eligible for the contract; a contract with a publically traded business entity, including a wholly owned subsidiary of the business entity; a contract with an electric utility as defined by Section 31.002, *Utilities Code*; or a contract with a gas utility as defined by Section 121.001, *Utilities Code*.*

This requirement applies to contracts [including contract amendments, renewals and extensions] that:

- ✓ Require action or vote by the Board of Regents before the contract may be signed, or
- ✓ Have a value of at least \$1 million (the Alliance should value each contract as described by Rule 10501, Section 3.1.1), not including (1) sponsored research contracts; (2) interagency contracts; or (3) contracts related to health and human services if the value cannot be determined at the time the contract is executed and any qualified vendor is eligible for the contract.

### 1.8.1 **Automated Disclosure Process**

The Texas Ethics Commission provides an automated electronic disclosure process that both the Business Entity and the Alliance must use to comply with the Disclosure requirements. Access to the electronic disclosure process is posted at <https://www.ethics.state.tx.us/tec/1295-Info.htm>, which currently contains a link to FORM 1295 and other related information.

### 1.8.2 **Current Disclosure Process**

Step #1 – Business Entity completes FORM 1295 in electronic format on the Texas Ethics Commission website.

Step #2 – Upon receipt of a completed 1295 Disclosure, Texas Ethics Commission issues a Certification of Filing to Business Entity and Business Entity downloads and signs FORM 1295.

Step #3 – When Business Entity submits the signed, unsworn FORM 1295 to the Alliance with the signed contract, Business Entity also submits the Certificate of Filing.

Step #4 – Not later than the 30th day after the date the contract has been signed by all parties, UT System must notify the Texas Ethics Commission (in electronic format) of the receipt of (1) FORM 1295, and (2) the Certification of Filing.

Step #5 – Not later than the 7th business day after receipt of notice from UT System, Texas Ethics Commission makes the Disclosure available to the public by posting the Disclosure on its web site.

### 1.8.3 Contents of Disclosure

FORM 1295 requires Business Entity to provide the following information:

1. Name of Business Entity;
2. Address of Business Entity's place of business;
3. Name of UT System;
4. Identification number used by Alliance to identify the contract;
5. Description of goods or services provided under the contract;
6. Name, address and nature of interested parties (Controlling Interest and/or Intermediary);
7. If none, a representation that there are no Interested Parties; and
8. Signature of authorized representative of Business Entity

#### Where can I go for more information?

[Texas Government Code §2252.908 \("Disclosure of Interested Parties" Statute\)](#)

[Texas Utilities Code §31.002](#)

[Texas Utilities Code §121.001](#)

[Texas Administration Code, Title 1, Sections 46.1 through 46.3 \("Disclosure of Interested Parties" Regulations\)](#)

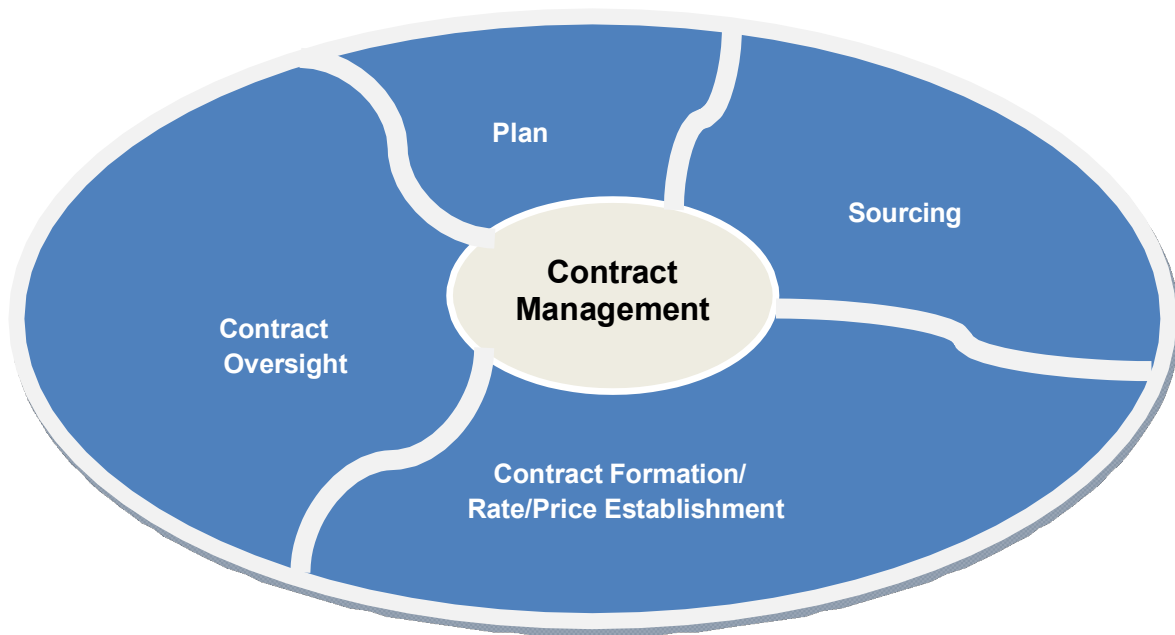
[Texas Ethics Commission "Implementation of House Bill 1295 - Certificate of Interested Parties" Web Page](#)

[Texas Ethics Commission Form 1295, "Certificate of Interested Parties" sample form](#)  
[Regents' Rule 10501, Section 3.1.1](#)

## CHAPTER 2 PLANNING

The first step in contract management is planning. Planning is crucial to the successful outcome of any sourcing activity. With proper planning, the SSG is more likely to successfully achieve contracting objectives. Planning assists the SSG in determining and documenting need, preparing the SOW, choosing the appropriate sourcing method, soliciting for responses, negotiating the terms of the responses, drafting the contract, administering and overseeing the contract, and monitoring the contractor. If the sourcing cannot be handled simply through the development of a straight-forward IFB, these steps can be complex and there are many opportunities for error to be introduced into the process. Proper planning will reduce or eliminate the risk of error.

During the planning phase each of the following elements of contract management will be considered:



***Plan*** – Identify contracting objectives and contracting strategy.

***Sourcing*** – Fairly and objectively select the most qualified contractor(s).

***Contract Formation/Rate/Price Establishment*** – Ensure the contract contains provisions that hold contractor(s) accountable for producing desired results, including all relevant terms and conditions as well as establishing processes that are cost-effective and aligned with the cost of providing the goods/services.

***Contract Oversight*** – Monitor and enforce the terms of the contract.

The level of risk associated with each of these elements varies depending on the type of business relationship between the Alliance and the contractor. For example, the nature and extent of contract monitoring will vary considerably between fee for service and cost reimbursement types of relationships.

Contract planning includes several preliminary steps, including development of a contract management team, developing a communication plan, determining the sourcing method, developing the specifications and SOW for the goods/services, assessing contracting risk and developing a cost estimate.

## **2.1 Contract Management Team**

For each Alliance event requiring competitive sourcing, each contract management initiative should include, as appropriate, an executive sponsor, a contract manager, Alliance legal counsel, institutional personnel, and HUB office staff to assist in the contract management process.

The extent and degree of executive sponsorship and participation should be directly related to the level of risk associated with the sourcing event. For some contracts, written approval from the executive sponsor should be obtained. A *Sample Executive Approval Memo* is included in the attached Competitive Sourcing Guidelines APPENDIX 1.

The contract manager should be experienced with the proposed type and size of contract.

All SSG sourcing personnel will be familiar with this Handbook, even though the sourcing personnel may not be the designated contract manager. The SSG sourcing lead will review all sourcing events above the competitive threshold to ensure that Applicable Laws and University Rules relating to sourcing processes are followed and that the sourcing method is appropriate.

The HUB office will review contracts with expected values of \$100,000 or more, to ensure compliance with HUB laws and regulations.

Institutional personnel, as appropriate, will provide input as to the technical requirements and serve as the subject matter experts for the sourcing event. Often, Institutional personnel may be tasked with primary contract administration and any reporting or other necessary actions following contract formation.

If the Alliance lacks internal resources or expertise for a particular sourcing event, the Alliance may contract for development of the SOW as necessary and appropriate.

### **2.1.1 Contract Risk Management**

The SSG contract manager will initiate the contract risk management process on sourcing events above the competitive threshold and determine the level of risk associated with the sourcing event. The contract risk management process includes: 1) risk identification, 2) risk analysis, 3) risk evaluation, 4) risk mitigation and contingency planning and 5) risk monitoring. Contract management risks are as varied as the types of contracts. Risk categories common to contract management include product risk, process risk, business continuity risk, financial risk and schedule risk.

There is not an objective or mathematical formula that can be used to identify or quantify the risk associated with a particular contract. Risk determination is based on subjective experience. Several factors that may be useful in identifying the level of risk may include:

- Whether vendor will create, receive from or on behalf of Institutions, or have access to, the Institutions' records or record systems which will require compliance with UTS165 Information Resources Use and Security Policy;
- Whether vendor will provide electronic and information resources which will require compliance with UTS150 Access by Persons with Disabilities to Electronic and Information Resources Procured or Developed by The University of Texas System Administration and The University of Texas System Institutions;
- The complexity and subject matter of the sourcing event;
- The dollar amount of the sourcing event, and whether the sourcing event will result in a major contract;
- The anticipated payment methodology;
- The experience the SSG staff have with the type of sourcing;
- Whether the results of the sourcing event will impact the public or only impact the Alliance;
- Time constraints or the expected duration of the sourcing event; and
- The type, availability or experience of staff resources required to implement the objectives of the sourcing event.

The table below provides examples of the various degrees of risks associated with specific sourcing event:

CONTRACT FACTOR	LOW RISK	HIGH RISK
<b>COMPLEXITY</b>	Landscaping Services	Software Development Services implementing new financial system or <i>permitting vendor access to institution records or record systems</i>
<b>DOLLAR AMOUNT</b>	\$500	\$5,000,000
<b>PAYMENT METHODOLOGY</b>	Firm Fixed Price	Cost plus % of savings
<b>EXPERIENCE OF ALLIANCE STAFF</b>	Office Supplies	Outsourcing of Information Technology Functions
<b>IMPACT TO PUBLIC OR ALLIANCE</b>	Janitorial Services	Outsourcing of Debt Collection Services
<b>TIME CONSTRAINTS OR CONTRACT DURATION</b>	14 day delivery of paper	Implementation of new program to meet deadline of legislative mandate

At the beginning of the sourcing phase, the SSG contract manager will conduct a preliminary risk assessment to make an initial determination about the level, type and amount of management, oversight and resources required to plan and implement the sourcing event (including the contract) from beginning to end.

Simply put, as the risk associated with a particular sourcing event increases, the level and degree of executive management's sponsorship, participation and oversight should be increased by a corresponding level. High risk sourcing events (including a cost-plus percentage of savings, outsourcing and complex software development sourcing events) should involve significant Alliance executive management sponsorship, participation and oversight. A low risk contract, such as routine purchases of goods/services, does not typically require the significant participation or sponsorship of Alliance executive management.

Risk assessment is an ongoing process. For complex, long-term contracts, risk should be reviewed and re-evaluated by the SSG contract manager on a continual basis until the contract is fully performed, final payment is made, and the contract is closed-out.

### **Where can I go for more information?**

[Texas Education Code §51.9337\(b\)\(3\) and \(d\)](#)

[Texas Government Code §2261.256](#)

[UTS150 Access by Persons with Disabilities to Electronic and Information Resources Procured or Developed by The University of Texas System Administration and The University of Texas System Institutions](#)

[UTS165 Information Resources Use and Security Policy \(including Standards 1, 21, and 22\)](#)

[Chapter 7 - Contract Administration](#)

[APPENDIX 1 – Competitive Sourcing Guidelines](#)



## **2.2 Communications Plan**

For significant sourcing opportunities, the SSG contract manager will develop a plan to manage and control internal and external communication. After identifying internal and external stakeholders (executive management, program staff and other subject matter experts, oversight entities, etc.), the contract manager, with the assistance of other SSG personnel, will determine the type, content and frequency for reporting status, and develop and report status according to a timetable with key decision points and milestones. The contract manager will also determine who, what, when, where and how information will be communicated to the contractor-community regarding the potential sourcing opportunity.

## 2.3 Determining Sourcing Method

The Best Value Statutes authorize the Alliance to acquire goods/services (not professional services [except for UTMDACC]) by the method that provides the best value to the Alliance. Section 51.9337, *Texas Education Code*, provides that the Alliance may not exercise the best value procurement authority for goods and services granted by the Best Value Statutes, unless the Board of Regents promulgates policies covering:

- Code of Ethics for officers and employees related to executing contracts or awarding contracts (ref. Section 51.9337(b)(1) and (c));
- Policies for internal investigation of suspected fiscal irregularities (ref. Section 51.9337(b)(2) and (c));
- Compliance program to promote ethical behavior and compliance with applicable laws, rules and policies (ref. Section 51.9337(b)(2));
- Contract management handbook covering contracting policies, contract review and risk analysis (ref. Section 51.9337(b)(3) and (d));
- Contracting delegation guidelines (ref. Section 51.9337(b)(4), (e) and (f));
- Training for officers and employees authorized to execute contracts or exercise discretion in awarding contracts (ref. Section 51.9337(b)(5)); and
- Internal audit protocols (ref. Section 51.9337(b)(6), (g), (h), (i) and (j)).

UT System's chief auditor must annually assess whether UT System (including the Alliance) has adopted rules and policies required by Section 51.9337, *Education Code*, and report the finding to the State Auditor. If the State Auditor determines that the UT System has not adopted rules and policies required by Section 51.9337, the State Auditor shall report that failure to the Legislature and to the Board of Regents and work with UT System to develop a remediation plan. Failure by UT System to comply with the remediation plan within the time specified by the State Auditor will result in a finding that UT System is noncompliant. That finding will be reported to the Legislature and CPA.

An Institution that is not in compliance with Section 51.9337, *Education Code*, is subject to the laws governing the acquisition of goods and services by other state agencies, including Subtitle D, Title 10, *Government Code* and Chapter 2254, *Government Code*.

Always, keep best value considerations in mind when selecting the sourcing method. The lowest cost is not necessarily the best value for all sourcing events. For example, a commodity or service of higher quality, such as a longer life span, may be a better value and investment for the Alliance, even if the initial cost is more. The Alliance should think strategically when considering its sourcing needs. Do not make the mistake of sourcing for immediate needs without considering these questions:

"What is the desired outcome of the sourcing event?"

"What is the best way to achieve this outcome?"

For example, in connection with the sourcing of a heating and air conditioning unit, consider the total cost of ownership. Average life span, electricity consumption, maintenance record and parts availability are just a few considerations when analyzing total cost of ownership. Additional considerations include qualifications and availability of the service technicians and the vendor's performance history.

In addition to the requirements of Applicable Laws, note that University Rules require Institutions to follow certain procedures in connection with certain procurements.

### Where can I go for more information?

[Texas Education Code §51.9335 \(Institutions except MD Anderson\)](#)

[Texas Education Code §73.115 \(MD Anderson\)](#)

[Texas Education Code §74.008 \(UTMB\)](#)

[Texas Education Code §51.9337](#)

[Texas Government Code, Chapter 2254](#)

## 2.3.1 Calculating Contract Value

Pursuant to Rule 10501, Section 3.1.1, contract value means the total cost or monetary value of the contract, including all potential contract extensions or renewals whether automatic or by operation of additional documentation. In addition, Rule 10501 specifies that *any contract with unspecified cost or monetary value and a term of greater than four (4) years, is presumed to have a total value of greater than \$1 million.*

The SSG contract manager will include in the contract value calculation the value for the original term and all renewal terms (whether automatic or by operation of additional documentation).

The SSG contract manager, with the assistance of program staff, will base value estimates on best business practices, state fiscal standards, Applicable Laws and University Rules.

Sourcing of similar goods/services and resulting contracts with a particular vendor will generally be aggregated together to determine contract value for purposes of Rule 10501.

### Where can I go for more information?

[Regents' Rule 10501, Section 3.1.1](#)

### 2.3.2 Dollar Thresholds for Direct and Competitive Sourcing

SSG personnel will first refer to any Applicable Laws or University Rules that may direct the use of a specific sourcing method. If Applicable Laws or University Rules do not direct a specific method, SSG personnel will use the following contract value thresholds to determine whether direct/spot market, informal or formal sourcing methods should be used:

Estimated Spend	Sourcing Activities
<\$15,000	No competitive sourcing required.
\$15,000 to \$50,000	Informal quotes from three or more potential vendors are required (Institutions may allow end users to secure these quotes directly). Two (2) HUB quotes are strongly encouraged within this range.
>\$50,000	Formal procurement by the Institution directly or via another state agency or a GPO. The Institution's purchasing office, not program staff, must take lead responsibility for conducting or overseeing the procurement, unless the procurement is led by the UT System Supply Chain Alliance.

**NOTE:** A large purchase may not be divided into small lot purchases to meet the contract value thresholds prescribed by this Section.

## 2.3.3 Competitive Sourcing Exemptions

In limited circumstances, some purchases may not require competitive sourcing processes and exclusive acquisition may be authorized. An exemption from competitive sourcing processes does not exempt the purchase from HUB requirements if the expected value of the purchase is \$100,000 or more.

**2.3.3.1 Emergency Purchases** – Emergencies occur as the result of *unforeseeable* circumstances that suddenly and unexpectedly cause the Alliance to need goods/services (for example, the issuance of a court order, new legislation or a natural disaster). Delay or negligence on the part of the Alliance does not qualify as an emergency.

If an *unforeseen* situation arises in which compliance with normal sourcing practice (including, normally Applicable Laws and University Rules) is impracticable or contrary to the public interest, an emergency purchase may be warranted to prevent a hazard to life, health, safety, welfare, property or to avoid undue additional cost to the Alliance.

*Notwithstanding the immediate nature of an emergency purchase, all sourcing events conducted as emergencies should be made as competitively as possible under the circumstances.*

*In addition, emergency purchases should not exceed the scope or duration of the emergency.*

The Alliance must comply with University Rules regarding determination, authorization and documentation of emergency purchases, including a written exclusive acquisition justification and a written best value justification.

**2.3.3.2 Exclusive Acquisitions (also known as Sole Source or Proprietary Purchases)** –

University Rules establish requirements applicable to purchases of goods/services that exceed the authorized direct (sometimes called spot market or open market) sourcing dollar threshold (typically \$15,000) from a single vendor, without soliciting offers or proposals from other vendors. These purchases are sometimes called exclusive acquisitions or sole source or proprietary purchases.

University Rules establish policies and procedures applicable to exclusive acquisitions. As always, the Alliance must source all goods/services in a manner designed to achieve and document best value to the Alliance. If exclusive acquisitions are made in excess of the competitive threshold, the Alliance must be careful to demonstrate the achievement of best value, despite the exclusive acquisition approach.

With this in mind, a written exclusive acquisition justification (for internal use only) for an exclusive acquisition should clearly:

- Describe how the purchased goods/services would be used;
- Explain why the distinctive characteristics of the goods/services or distinctive conditions of purchase are necessary to accomplish the objectives of the Alliance;
- Explain why these characteristics or conditions require that the goods/services be obtained only from the exclusive source;
- Name other sources and alternative goods/services that have been considered and evaluated, and explain individually why the other identified sources and products/services would not meet the requirements of the Alliance; and

**NOTE:** *In doing this, be careful to focus on the unique or specialized nature of the goods/services to be procured. If there is, in fact, an alternative that would meet the Alliance's requirements, exclusive acquisition may not be justified, even if the alternative source received lower evaluation scores.*

- Confirm that the Alliance signatories do not have a conflict of interest in connection with the sourcing.

After all appropriate approvals and signatures, the written exclusive acquisition justification should be retained in the sourcing file.

All exclusive acquisitions must comply with Applicable Laws and University Rules.

A sample *Exclusive Acquisition Justification Form* is attached as APPENDIX 2.

### Where can I go for more information?

[Texas Education Code §51.9335 \(higher education, generally \[including UTMB\]\)](#)

[Texas Education Code §51.9337](#)

[Texas Education Code §73.115 \(MD Anderson\)](#)

[Texas Education Code §74.008 \(UTMB\)](#)

[Texas Government Code §2155.067](#)

[Texas Government Code §2155.063](#)

[APPENDIX 2 – Sample Exclusive Acquisition Justification Form](#)

**2.3.3.3 Purchases from Persons with Disabilities** – Applicable Laws (including the Best Value Statutes) require the Alliance (except UTMDACC) to comply with Applicable Laws related to the Purchases from Persons with Disabilities program.

The Purchases from Persons with Disabilities program (1) furthers the state's policy of encouraging and assisting persons with disabilities to achieve maximum personal independence by engaging in useful productive employment activities; and (2) provides state agencies, departments, and institutions and political subdivisions of the state with a method for achieving conformity with requirements of nondiscrimination and affirmative action in employment matters related to persons with disabilities.

Subject to certain exceptions, Applicable Laws require the Alliance (except UTMDACC) to purchase, on a non-competitive basis, the products made and services performed by persons with disabilities, which have been approved by the state agency pursuant to Applicable Laws.

The Institution must report any exceptions taken.

### Where can I go for more information?

[Texas Education Code §51.9335 \(Institutions except MD Anderson\)](#)

[Texas Education Code §51.9337](#)

[Texas Education Code §73.115 \(MD Anderson\)](#)

[Texas Education Code §74.008 \(UTMB\)](#)

[Texas Government Code §§2155.069, 2155.138 and 2155.441](#)

[Texas Administrative Code, Title 40, Part 20, Chapter 806](#)

[Texas Human Resources Code §§122.008, 122.0095, 122.016 and 122.029 \(ref. also entire Chapter 122\)](#)

**2.3.3.4 Group Purchasing** – The Alliance will comply with the following clarifications/modifications related to the sourcing of goods/services through GPOs (“GPO” includes state agencies performing GPO functions):

- **Use of GPOs.** When total spend under a contract is anticipated to exceed \$50,000 (requiring a formal sourcing under [Section 2.3.2](#)), the Alliance members may use a contract procured by a GPO only if the GPO uses sourcing processes accredited by UT System as meeting minimum procurement standards. GPOs presently accredited by UT System are listed on the [UT System Office of Business Affairs website](#).

In using any contract procured by an external GPO, University should remember that UT System policies apply to these procurements. The specifics of how policy compliance

should be handled in practice will require the exercise of sound business judgment. When an external GPO has a national focus, the GPO is unlikely to require proposers to comply with specifications that are unique to UT System or the State of Texas. For example, when the SSG conducts a procurement in house, it may require proposers to commit to very specific insurance coverage recommended by the UT System risk management activity. The external GPO, however, may not have required proposers to do so. In that case, the SSG should use good business judgment to decide whether it would be appropriate to impose these requirements, after the fact, on the proposer to which the external GPO has made its contract award.

- **Comparison of Multiple Contract Awards.**

Note: the following material on multiple contract awards is for information only, since the guidelines are applicable to Institution use of GPOs.

- If the institution proposes to use a contract procured by a UT System-accredited GPO other than the UT System Supply Chain Alliance or Premier, and the GPO has made a multiple award, the institution must obtain a minimum of three valid proposals (or two, if there are only two vendors in the category) from contracted vendors in order to identify “best value.”
  - If the institution proposes to use a contract procured by Premier, the institution will obtain a minimum of three valid proposals (or two, if there are only two vendors in the category) from contracted vendors, in order to identify “best value,” *but only if the spend is anticipated to exceed the applicable spend threshold shown below.*
    - \$1.0 million for UTPB, UTRGV, UTT and UTHSCT;
    - \$2.0 million for UTA, UTD, UTEP, UTSA; and
    - \$3.0 million for UTAUS, UTHSCH, UTHSCSA, UTMB, UTSWMC, and UT System.
    - \$5.0 million for UTMDACC
  - If the Institution proposes to use a contract procured by the UT System Supply Chain Alliance, the Institution does not need to obtain and compare proposals from multiple contracted vendors, in order to identify “best value” because in most cases the UT System Supply Chain Alliance makes a contract award to only a single vendor for particular goods/services. If the Alliance does make a dual contract award, any requirement to compare bids from both vendors will be specified in the Alliance’s contract launch brief.
- **Exclusive Acquisition Justification for Single Awards.**
    - When a UT System accredited GPO is used for a procurement, and an award has been made to only a single vendor in a given category, it is not necessary to justify the purchase as an exclusive acquisition, because it is presumed that the GPO conducted a competitive procurement.

- **Review of Certain Purchases under GPO Contracts.**
  - If the Alliance proposes to use a contract procured by a UT System-authorized GPO, and total contract spend is anticipated to exceed the applicable spend threshold below, a summary of the contract must be submitted, on the prescribed form, to the UT System Executive Vice Chancellor for Business Affairs (via [Lloyd@utsystem.edu](mailto:Lloyd@utsystem.edu)) who will forward the summary to the General Counsel for the Board of Regents and the UT System Chief Audit Executive. If no member of that committee, within two (2) business days, raises a question about the contract or asks that it be submitted to the entire Board of Regents for review and approval, no further Board review or approval of the contract will be required:
    - \$1.0 million for UTPB, UTRGV, UTT and UTHSCT;
    - \$2.0 million for UTA, UTD, UTEP, UTSA; and
    - \$3.0 million for UTAUS, UTHSCH, UTHSCSA, UTMB, UTSWMC, and UT System.
    - \$5.0 million for UTMDACC
- **Use of DIR-Procured Contracts.** DIR adopted regulations (1 Texas Administrative Code 212) clarifying that the restrictions in Texas Government Code Chapter 2157 do not apply to institutions of higher education. Under those regulations, Institutions do not need to comply with restrictions governing other state agencies in connection with Chapter 2157 commodity item purchases and statements of work.

#### Where can I go for more information?

*Texas Government Code §§ [2157.068](#) and [2157.0685](#)*

*Regents' Rule 10501 Delegation to Act on Behalf of the Board*

*APPENDIX 22 – Contract Process Guidelines (Group Purchasing Organization (GPO) Contract Submittal Form)*

**2.3.3.5 Direct Purchases** – Unless Applicable Laws or University Rules direct the use of a specific procurement method, University Rules authorize direct purchases (sometimes called spot market or open market purchases) for goods/services with a contract value of *less than* \$15,000 (see [Section 2.3.2](#)). The direct purchase method does not require an informal or formal competitive process. Direct purchases may be directed to a single vendor without the need for competition.

## 2.3.4 Informal Competitive Offers

***The following is generally applicable to institutional purchases from non-contract sources and is provided for information purposes.*** The informal competitive offers method requires a minimum of three (3) informal written quotes. Of the three (3) or more written quotes, at least two (2) quotes must be from HUBs, when available. If the Alliance is unable to locate two HUB vendors, the institution should make a written notation in the sourcing file of all HUB listings and resources the institution used in an attempt to locate two HUBs. For more information regarding HUB requirements, see [Section 3.1](#) of this Handbook.

In addition to the three (3) informal quotes, the institution should also attempt to obtain an offer from the last vendor who held the contract, as may be applicable and appropriate.



The Best Value Statutes specify the mandatory criteria that the Alliance must use to evaluate the offers and determine best value to the Alliance. When using the informal competitive offers method, the Alliance must prepare a best value justification and retain the justification in the sourcing file.

### Where can I go for more information?

[Texas Education Code §51.9335 \(Institutions except MD Anderson\)](#)

[Texas Education Code §51.9337](#)

[Texas Education Code §73.115 \(MD Anderson\)](#)

[Texas Education Code §74.008 \(UTMB\)](#)

## 2.3.5 Formal Competitive Sourcing Events

If a formal sourcing method is appropriate, the type of formal sourcing method used will be a significant factor in the contract planning process. Each formal sourcing process has unique features. For example, some methods permit negotiation with respondents and some do not. In addition, the sourcing lead time for some methods is longer than for others.

- 2.3.5.1 Best Value Invitation for Bids (IFB)** – The best value competitive sealed bid method uses the IFB solicitation document. The IFB is generally used when the requirements for the goods/services are clearly defined, negotiations are not necessary, and price is the primary evaluation criterion (for example > 50 percent) for selection.

The Best Value Statutes specify the mandatory criteria that Alliances must use to evaluate responses to IFBs and determine best value to the Alliance.

- 2.3.5.2 Request for Qualifications (RFQ)** – An RFQ is generally used to procure professional services.

The Alliance may not select a provider of professional services or a group or association of providers or award a contract for the professional services on the basis of competitive bids, but must *generally* make the selection and award on the basis of demonstrated competence and qualifications to perform the services for a fair and reasonable price.

However, the sourcing of architectural, engineering, or land surveying services is an exception to the general rule. For architectural, engineering and land surveying services, the Alliance shall:

- first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications (*no consideration of price at this point*); and
- then attempt to negotiate with that provider a contract at a fair and reasonable price.

If a satisfactory contract cannot be negotiated with the most highly qualified provider of architectural, engineering, or land surveying services, the Alliance shall:

- formally end negotiations with that provider;
- select the next most highly qualified provider; and
- attempt to negotiate a contract with that provider at a fair and reasonable price.

The Alliance must continue this process to select and negotiate with providers until a contract is awarded.

*When preparing an RFQ, please check with the Alliance legal counsel before using the OGC RFQ templates posted at <https://www.utsystem.edu/ogcprotected/sampledocs.htm> (UT Authentication Required).*

- 2.3.5.3 Request for Proposal (RFP)** – An RFP is generally used when best value competitive

sealed bidding is not practicable or advantageous. For example, an RFP may be used when price is not the primary evaluation criterion and *factors other than price receive significant weight* (for example >50%). An RFP may also be used when subjective (rather than objective) criteria for the goods/services are used. *One of the key differences between the IFB and the RFP formal solicitation methods is that negotiations are allowed under the RFP method, but not under the IFB. The RFP method permits the Alliance to enter into discussions with respondents and solicit best and final offers.*

The Best Value Statutes specify the mandatory criteria that the Alliance must use to evaluate responses to RFPs and determine best value to the Alliance.

***NOTE:*** *When conducting sourcing events under the Best Value Statutes, the Alliance is not subject to the Texas Government Code, Chapter 2254, Subchapter B, requirements related to the sourcing of consulting services and the Alliance will follow the Best Value Statutes applicable to goods/services.*

### Where can I go for more information?

[Texas Government Code, Chapter 2254, Subchapter A, Professional Services](#)  
["Sample Documents" web page at OGC Contracting & Procurement Practice Group web site \(UT Authentication Required\)](#)

## 2.3.6 Request for Information

*If the Alliance does not have sufficient information with which to develop the solicitation, the Alliance may issue an RFI to gather the necessary data.*

An RFI is *not* a competitive sourcing solicitation and a contract may *not* be awarded based on an RFI.

An RFI is used primarily as a planning tool to gather information to be used to prepare a complete and accurate competitive sourcing solicitation (including the specifications, the SOW and other sections of the solicitation) when the Alliance does not have the necessary data. RFI's are used to identify industry standards, best practices, potential performance measures, and cost or price structures. RFI's may also be used to gauge the level of interest of prospective vendors. An RFI usually includes a description of the program objectives and a general description of the proposed SOW.

The Alliance may not use an RFI to award a contract, but may use the information developed from RFI responses to develop a formal competitive sourcing solicitation. The Alliance is not required to incorporate any of the information provided by RFI respondents; however, the hope is that RFI respondents will provide information useful in the solicitation development process.

An RFI sample is posted at <https://www.utsystem.edu/ogcprotected/sampledocs.htm> (UT Authentication Required).

If Applicable Laws and University Rules do not direct a specific formal sourcing method, the following chart may provide assistance in selecting the most appropriate method.

## Formal Sourcing Methods

Sourcing Method	Use When	Advantages	Disadvantages
<b>Best Value IFB</b>	<p>Requirements for goods/services must be clearly defined.</p> <p>Goods/services are available from more than one source.</p> <p>Strong competition for the goods/services exists.</p>	<p>Award is made to the bidder offering the best value to the Alliance.</p> <p>Evaluation and award process are simpler.</p>	<p>Price is the primary evaluation criterion (&gt; 50%); <u>however</u>, all criteria mandated by the Best Value Statutes must be considered.</p> <p>Does not permit negotiations.</p> <p>Does not encourage innovation.</p>
<b>RFQ</b>  [Required by Applicable Laws for professional services.]	Selection is made based on qualifications of the professional in accordance with Subchapter A, Chapter 2254, Texas Government Code	Emphasizes the competency of the proposed contractors.	Contractor is selected before price is negotiated.
<b>RFP</b>	<p>When factors other than price are evaluated.</p> <p>Ability to negotiate is desirable.</p> <p>Vendor is expected to provide innovative ideas.</p>	<p>Permits consideration of factors other than price.</p> <p>Encourages innovations and allows customized proposals suggesting different approaches to the same business need.</p> <p>Permits negotiation with respondents to obtain the best value for the Alliance.</p>	<p>Lead times for complex sourcing events are greater than for an IFB.</p> <p>Evaluations are more complex and subjective than for an IFB.</p>

### Where can I go for more information?

[Texas Education Code §51.9335 \(Institutions except MD Anderson\)](#)

[Texas Education Code §51.9337](#)

[Texas Education Code §73.115 \(MD Anderson\)](#)

[Texas Education Code §74.008 \(UTMB\)](#)

[Texas Government Code, Chapter 2254, Subchapter A, Professional Services](#)

["Sample Documents" web page at OGC Contracting & Procurement Practice Group web site \(UT Authentication Required\)](#)

## **2.4 Planning for Contract Content**

Clearly identifying general contract objectives, assumptions, and constraints is an important step in the contracting process. This step may seem obvious, but when a contract fails, it often fails because expectations were not met and there was not a true meeting of the minds. A clear understanding of the contract objectives is essential to success. Sometimes a contract will be part of a larger organizational project. The SSG must carefully consider how the objectives, assumptions and constraints integrate into the larger organizational project. SSG personnel will identify and document potential integration risks so that a strategy for mitigating or managing those risks may be developed.

### **2.4.1 Needs Assessment**

The purpose of the needs assessment is to ensure the SSG plans for the correct contract objective. A clear definition provided by SSG, in cooperation with affected institutions, of the contract objectives and purpose will assist in developing the SOW, preparing the solicitation, negotiating and drafting contracting documents, and verifying the performance of the contractor. This assessment should incorporate the initial needs assessment when the determination was made to contract out for the service.

If the contract purpose is to implement, change or support an institution's statutory duties, it is useful for the SSG to identify Applicable Laws, University Rules and business processes that will be impacted by the contract. If business processes are not documented, it is often useful to document the business processes. After the legal requirements and business processes are clearly identified the Alliance can assess how these duties or processes will be changed or impacted. The SSG should document any concerns or risks identified by the assessment so that the changes and risks can be managed or mitigated in the contract documents.

The success of many contracts is dependent upon how well business requirements are documented, communicated and understood by the contractor. Do not assume that the contractor understands the business of the institution. Detailed institution business processes are frequently incorporated into the SOW in a contract, so SSG personnel play a key role in planning and developing the SOW and during contract administration.

### **2.4.2 Well-Formed Sourcing Objectives and Purpose**

A well-formed statement of the sourcing objectives may provide a general understanding of what will be accomplished by the contractor. Well-formed objectives will help guide the sourcing event and keep the contracting process focused and on track.

### **2.4.3 Technique**

Defining the sourcing objectives, assumptions, and constraints may sound simple and straightforward, but this definition process can be complex. The Alliance may find that individuals hold different views as to the sourcing event's objectives. The following questions are intended to assist in clarifying and harmonizing potential divergent objectives and interests. Answering the following three questions will aid in defining and refining the sourcing objective:

- What goods/ services does the Alliance/program specifically need?
- What will fulfilling this need accomplish for the Alliance/program?
- How will the Alliance/program know when the need has been met?

Each sourcing event is different. The description of the objective, assumptions and constraints will vary. A good measure of the quality of the SOW is whether the sourcing objectives, assumptions and constraints make sense and are readily understandable to an individual that is not familiar with the sourcing event.

#### **2.4.4 Research**

The SSG may, as appropriate, contact and interview people within the Alliance and at other institutions of Higher Education (IHEs) who have developed solicitations, drafted contracts and engaged in contract administration for similar sourcing events. For significant and high-risk sourcing events, the SSG may document the strengths, weaknesses, problems and the lessons learned in the interviews. SSG personnel may use the Internet to search for copies of solicitations, contracts and oversight documents or products used by others, review websites for useful information, and check with trade associations and professional organizations to identify industry practices, methods, standards and rules that will deliver the goods or perform the services.

Another approach to identifying information regarding the availability, features or measures for the purchase of goods/services is to publish an RFI. Potential contractors may respond to the RFI with information that will assist the Alliance during the contract management process.

While researching, the SSG may wish to contact potential contractors to discuss the sourcing event. This is an acceptable practice as long as the SSG solicits information from more than one contractor and advises prospective contractors up front that the SSG's interest at this point is strictly for research purposes and that any formal requests for pricing or other information will be made through the IFB, RFQ or RFP process. The solicitation should not favor any potential respondents over others, but should identify the Alliance's needs.

#### **2.4.5 Business Model**

A business model should represent a high-level view of how a proposed significant or high-risk business transaction is expected to work. The business model may include plans relating to a contract strategy, contract administration (including the contractor performance monitoring approach), as well as financial assumptions and limitations. The business model, based on the needs and desired objectives of the program, should be reflected in the SOW.

#### **2.4.6 Cost Estimates**

During the planning stage of the sourcing event, the SSG will develop an estimated cost of goods/services. The cost estimate will assist in determining which type of sourcing method to use. Even if limited by budget restraints, an estimated cost will provide an idea of the range and duration of services that the SSG can include in the SOW.

The SSG should contact individuals within the institutions who have knowledge in the subject area to assist with the cost estimate. However, if unable to find anyone with knowledge in the subject area, the SSG may choose to contact several contractors to obtain pricing information. If contractors are contacted, be sure to advise them that you are obtaining price estimates for information purposes only and that the estimate is not a formal solicitation. In obtaining price estimates from potential contractors, great care should be taken to avoid sharing information that would provide any contractor with a competitive advantage.

## 2.4.7 Sourcing Lead Time

The table below is provided to assist the SSG in the planning process.

TASK	TARGETED DURATION OF EACH TASK
Begin Preparation of Solicitation – SSG works with subject matter experts and Legal to develop SOW and contract language embedded in the solicitation	30-60 days
Publish and Issue Solicitation (after final versions of solicitation documents are available)	7 days
Receipt of Responses	30 days
Evaluation of Responses	30-60 days
*Contract Negotiation (if allowed) and Formation	30 to 60 days
Contract Execution – all signatures are obtained	15 days
Performance Begins (generally the effective date)	0 days

\*the time required for contract negotiation and formation may vary widely

To complete sourcing, contract formation and execution in a timely manner, the SSG should plan as far ahead as possible for the Alliance's business needs, assist in early planning with respect to an anticipated sourcing event, and be committed to timely completion of contract management team tasks.

The target times above are shown as ranges and are suggestions only. Actual duration times will vary depending on the specific requirements of the Alliance and the complexity of the sourcing event. Less complex sourcing events may be accomplished in less time, while more complex sourcing events may require more time. Contact the SSG to ascertain more specific lead time requirements. Keep the following points in mind with regard to lead time:

- During preparation of the solicitation is where the planning and research discussed earlier pays off. Some SSG employees are more adept at writing SOWs and solicitation documents. Using experienced employees for these tasks will reduce the time required to prepare the SOW and solicitation.

- A **30-day** solicitation period is typical for most RFPs. IFBs usually require a **14- to 21-day** solicitation period; however, the duration may vary depending on the urgency of the requirement. That time may be reduced or increased, at the discretion of the SSG, depending on the complexity of the sourcing event and the requirements for the response. For example, if the sourcing event (including the SOW) is unusual or complex and requires respondents to submit significant documentation and/or complicated pricing, additional time for the solicitation period should be allowed. In addition, if the sourcing event is unusual or complex, the SSG may receive requests from respondents for an extension of the submittal deadline.
- Evaluation of the proposals may take more or less time, depending on the size of the evaluation team and the complexity of the solicitation. The evaluation period could also increase if oral presentations, discussions or best and final offers are utilized.
- Contract negotiation and formation timeframes will vary significantly depending on the complexity of the sourcing event and the cooperation and responsiveness of the proposer.
- Depending on the signature requirements of the Alliance and contractor, the contract execution task time may need to be adjusted.

## 2.4.8 Technology Contracts

Many of the IR projects initiated by institutions involve procurement of technology-related goods/services. Technology-based procurement projects present a unique level of complexity that requires specific contract management practices, processes, and strategies. *(Note: the material in Section 2.4.8 is generally for information purposes only and is not applicable to SSG sourcing events. The SSG relies on institutions affected by an Alliance IR sourcing event to comply with the subject requirements pertaining to related IR projects, which the institutions are responsible for. as appropriate, the SSG will incorporate in its solicitation and contract documents certain provisions mentioned below.)*

**2.4.8.1 Project Management Practices** – As required by *Texas Government Code*, Chapter 2054, Subchapter G, institutions must manage IR projects based on project management practices that are consistent with DIR guidelines set forth in *Texas Administrative Code*, Title 1, Chapter 216, Subchapter C. DIR guidelines require institutions to:

- implement, approve, and publish an operating procedure that communicates an institution-wide approach for project management practices that at a minimum will:
  - identify components and general use of project management practices, citing sources of reusable components adopted from a state agency or another institution of higher education that satisfy requirements specified under 1 TAC §216.21; and
  - be approved by the president or chancellor of the institution or designee.
- manage IR projects based on project management practices that meet the following criteria:
  - include a method for delivery of IR projects that solve business problems;
  - include a method for governing application of project management practices;
  - be documented, repeatable, and include a single reference source (e.g., handbook, guide, repository) that communicates how to effectively apply use of the project management practices components;
  - include a project classification method developed by DIR (ref. <http://publishingext.dir.texas.gov/portal/internal/resources/DocumentLibrary/ProjectClassificationMethod.pdf>), the institution, or another source that:
    - Distinguishes and categorizes projects according to level of complexity and risk

(e.g., technology, size, budget, time to deliver); and

- Defines how to use the project classification method to establish, scale, and execute the appropriate level of processes;
- include a method to periodically review, assess, monitor, and measure the impact of project management practices on the institution's ability to achieve its core mission;
- accommodate use of other practices and methods that intersect with application of project management practices; and
- be reviewed and updated at least annually to help ensure continuous process improvement.
- identify and adopt one or more standards as a basis for project management practices to meet project requirements in a minimum of the following knowledge areas:
  - integration management;
  - scope management;
  - schedule management;
  - cost management;
  - quality management;
  - resources management;
  - communications management;
  - risk management;
  - procurement (acquisition) management; and
  - stakeholder management

**2.4.8.2 Texas Project Delivery Framework** – Institutions must comply with the Texas Project Delivery Framework (Framework) set forth in *Texas Government Code*, Chapter 2054, Subchapter J, when procuring either of the following types of technology contracts:

- a major IR project, as defined in *Texas Government Code* §2054.003(10) to mean:
  - any IR technology project whose development costs exceed \$1 million and that:
    - requires one year or longer to reach operations status;
    - involves more than one state agency; or
    - substantially alters work methods of state agency personnel or the delivery of services to clients; and
  - any IR technology project designated by the legislature in the General Appropriations Act as a major IR project; or
- a major contract, defined by *Texas Government Code* §2054.301(b), to mean a contract that has a value of at least \$1 million under which a vendor will perform or manage an outsourced function or process.



If necessary, institutions may contact the Chief Information Officer on the applicability of Framework requirements to a specific major contract. Institutions may refer to [this page](#) on the DIR website for detailed information regarding the Framework, including guidance and tools.

- **2.4.8.3 Special Procurement Considerations for Technology Contracts** – Institutions must comply with the following specific legal and regulatory requirements for technology contracts: Please be aware that temporary information technology (IT) staffing services and certain IT goods (e.g., printer paper) may be available through TIBH Industries. If so, Texas law may require an institution to procure such services or goods from TIBH Industries. For more information, please see [Section 2.3.3.3](#) of this Handbook.
- Other best practices and legal requirements applicable to the procurement of IT are set forth in the “Software Procurement Issues” guide available as one of the training presentations available from OGC’s Contracting & Procurement Practice Group website.
- Before procuring IR technologies under an interagency contract with another state agency or IHE, an institution needs to ensure that it has complied with specific legal requirements which may require the institution to first conduct an RFP or IFB for those technologies. These legal requirements are set forth in Section 2054.119, *Texas Government Code*, and 1 TAC Chapter 204. Such requirements are addressed in more detail in the “Software Procurement Issues” guide identified in the preceding paragraph.
- When procuring EIR, institutions are required to ensure compliance with state EIR accessibility requirements set forth in Title 1, Section 206.70 and Chapter 213, Subchapter C of the *Texas Administrative Code*. For more information, see OGC Bulletin 2006-1 for procured EIR (including outsourcing) on the OGC’s Contracting & Procurement Practice Group website. (Please note that when procuring EIR, institutions must require the vendor to provide applicable accessibility information, as set forth in 1 TAC §213.38(b)).
- If purchasing or leasing computer equipment (defined to include desktop or notebook computers, as well as computer monitors or other display devices that do not contain a tuner), then pursuant to Section 361.965, *Texas Health and Safety Code*:
  - (1) institutions must require each prospective respondent that offers to sell or lease computer equipment to certify the respondent's compliance with the Computer Equipment Recycling Program set forth in Chapter 361, Subchapter Y, *Texas Health and Safety Code* (a prospective respondent's failure to provide the certification renders that respondent ineligible to participate in the procurement process);
  - (2) in considering responses to solicitations for computer equipment, institutions must, in addition to any other preferences provided under Texas law, give special preference to a manufacturer that has a program to recycle the computer equipment of other manufacturers, including collection events and manufacturer initiatives to accept computer equipment labeled with another manufacturer's brand; and
  - (3) Institutions must require contractors from which institutions buy or lease computer equipment to include the following state Computer Equipment Recycling Program Certification in the contract between the contractor and the institution:

**State of Texas Computer Equipment Recycling Program Certification.** Pursuant to Section 361.965, *Texas Health and Safety Code*, Contractor certifies that it is in full compliance with the *State of Texas Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act* set forth in Chapter 361, Subchapter 7, *Texas Health and Safety Code*, and the rules adopted by the Texas Commission on Environmental Quality under that Act as set forth in Title 30, Chapter 328, Subchapter I, *Texas*

*Administrative Code.* Contractor acknowledges that this Agreement may be terminated and payment may be withheld if this certification is inaccurate.

- Similar requirements apply if institutions purchase or lease covered television equipment, which is defined as the following equipment marketed to and intended for consumers: (a) a direct view or projection television with a viewable screen of nine inches or larger whose display technology is based on cathode ray tube, plasma, liquid crystal, digital light processing, liquid crystal on silicon, silicon crystal reflective display, light-emitting diode, or similar technology; or (b) a display device that is peripheral to a computer that contains a television tuner.

Specifically, pursuant to Section 361.991, *Texas Health and Safety Code*:

- (1) Institutions must require each respondent offering to sell or lease covered television equipment to certify the respondent's compliance with the Television Equipment Recycling Program set forth in Chapter 361, Subchapter Z, *Texas Health and Safety Code*, before the institution may accept the respondent's proposal;
- (2) In considering proposals for television equipment, institutions must, in addition to any other preferences provided under Texas law, give special preference to a television manufacturer that (1) through its recovery plan collects more than its market share allocation; or (2) provides collection sites or recycling events in any county located in a council of governments region in which there are fewer than six permanent collection sites open at least twice each month; and
- (3) Institutions must require a contractor selling or leasing covered television equipment to agree to include the following state Television Equipment Recycling Program Certification in its contract with the institution:

**State of Texas Television Equipment Recycling Program Certification.** Pursuant to Section 361.991, *Texas Health and Safety Code*, Contractor certifies that it is full compliance with the Television Equipment Recycling Program set forth in Chapter 361, Subchapter Z, *Texas Health and Safety Code*, and the rules adopted by the Texas Commission on Environmental Quality under that Act as set forth in 30 TAC Chapter 328, Subchapter J. Contractor acknowledges that this Agreement may be terminated and payment may be withheld if this certification is inaccurate.

As required by Section 2054.130, *Texas Government Code*, institutions must permanently remove data from data processing equipment before disposing of or otherwise transferring the equipment to a person who is not a state agency or other agent of the state. This requirement applies only to equipment that will not be owned by the state after the disposal or other transfer. To comply with this requirement, institutions should follow (1) DIR's *Security Controls Standards Catalog* [[http://publishingext.dir.texas.gov/portal/internal/resources/DocumentLibrary/Security\\_Control\\_Standards\\_Catalog.docx](http://publishingext.dir.texas.gov/portal/internal/resources/DocumentLibrary/Security_Control_Standards_Catalog.docx)] established under 1 TAC 202.76; and (2) UTS165 Information Resources Use and Security Policy.

Both the DIR *Security Controls Standards Catalog* and UTS165 set forth requirements for the removal of data from data processing equipment that exceed the requirements of Section 2054.130, *Texas Government Code*.

#### **Where can I go for more information?**

[Texas Government Code, Chapter 2262](#)  
[Texas Government Code, Chapter 2262, Subchapter C Contract Advisory Team](#)  
[Texas Government Code, §§ 2262.001\(5\) and 2262.002\(a\)](#)  
[Texas Government Code, Chapter 2054, Subchapter G](#)  
[Texas Government Code, Chapter 2054, Subchapter J](#)  
[Texas Government Code §2054.003\(10\)](#)  
[Texas Government Code §2054.301\(b\)](#)  
[Texas Government Code §2054.130](#)  
[Texas Administrative Code, Title 1, Chapter 216, Subchapter C](#)  
[Texas Administrative Code, Title 1, §216.21](#)  
[Texas Administrative Code, Title 1, §206.70](#)  
[Texas Administrative Code, Title 1, Chapter 213, Subchapter C](#)  
[Texas Administrative Code, Title 1, §213.38\(b\)](#)  
[Texas Administrative Code, Title 30, Chapter 328, Subchapter I](#)  
[Texas Administrative Code, 30, Chapter 328, Subchapter J](#)  
[Texas Administrative Code, Title 1, §202.76](#)  
[Texas Health and Safety Code §361.965](#)  
[Texas Health and Safety Code, Chapter 361, Subchapter Y](#)  
[Texas Health and Safety Code §361.991](#)  
[Texas Health and Safety Code, Chapter 361, Subchapter Z](#)  
[Texas Department of Information Resources – Project Delivery Framework web page](#)  
[Texas Department of Information Resources – Project Management Practices Project Classification Method](#)  
[Texas Department of Information Resources – Security Control Standards Catalog](#)  
[UTS150 Access by Persons with Disabilities to Electronic and Information Resources Procured or Developed by The University of Texas System Administration and The University of Texas System Institutions](#)  
[UTS165 Information Resources Use and Security Policy](#)  
[OGC Bulletin 2006-1 on OGC Contracting & Procurement Practice Group web site \(UT authentication required\)](#)  
[OGC Contracting & Procurement Practice Group web site \(some areas require UT authentication\)](#)

### **2.4.9 Exempt from Contract Advisory Team**

UT System institutions are exempt from statutes related to contract advisory team review of procurement solicitations and contracts.

#### **Where can I go for more information?**

[OGC Bulletin 2006-1 on OGC Contracting & Procurement Practice Group web site \(UT authentication required\)](#)  
[OGC Contracting & Procurement Practice Group web page \(some areas require UT authentication\)](#)  
[Texas Government Code, Chapter 2262.002](#)  
[Texas Government Code, Chapter 2262, Subchapter C Contract Advisory Team](#)

## 2.5 Information Security: Access to Electronic and Information Resources

Contracts of any kind (including purchase orders, memoranda of understanding, letters of agreement or other legally binding agreements) that involve current or future third-party access to, or creation of institutional information resources or data, must comply with UTS165 Information Resources Use and Security Policy (*see link below*).

In addition, contracts of any kind that relate to electronic and information resources must comply with UTS150 Access by Persons with Disabilities to Electronic and Information Resources Procured or Developed by The University of Texas System Administration and The University of Texas System Institutions.

### Where can I go for more information?

[UTS150 Access by Persons with Disabilities to Electronic and Information Resources Procured or Developed by The University of Texas System Administration and The University of Texas System Institutions](#)  
[UTS165 Information Resources Use and Security Policy](#)  
[SECTION 6.6 – Contract Terms](#)

## 2.6 Record Retention

The SSG must retain in its records each contract entered into by the Alliance and all contract solicitation documents related to the contract. The SSG may destroy the contract and solicitation documents only after the seventh (7<sup>th</sup>) anniversary of the later of the date: (a) the contract is completed or expires; or (b) all issues that arise from any litigation, claim, negotiation, audit, open records request, administrative review, or other action involving the contract or documents are resolved.

### **Where can I go for more information?**

*Texas Government Code §441.1855*

*Texas Government Code, Chapter 441*

*APPENDIX 3 – Records Retention Policy*

## CHAPTER 3

# PREPARING THE SOLICITATION

For sourcing events above the competitive threshold (see [Section 2.3.2](#) of this Handbook), after the SSG completes the sourcing planning activities, the SSG will coordinate the preparation of the solicitation document(s).

- Before attempting to draft a solicitation, SSG personnel, in coordination with Alliance legal counsel, will review Applicable Laws and University Rules to identify each applicable requirement.

In addition, before institution personnel involved in a sourcing event begin work, the SSG will inform the personnel of their non-disclosure obligations relating to the event and require their acknowledgment of the same.

### 3.1 Historically Underutilized Business (HUB) Requirements

HUB requirements are an integral part of the sourcing process and are intended to promote full and equal business opportunity for all businesses. If the Alliance considers entering into a contract with an expected value of \$100,000 or more, the SSG will determine whether subcontracting opportunities are probable under the proposed contract before publishing the solicitation and before entering into the contract.

Institutions are required to make a good faith effort to utilize HUBs in state contracts in accordance with the goals specified in the *2009 State of Texas Historically Underutilized Business Disparity Study*. These goals may be achieved directly by contracting with HUBs or indirectly through subcontracting opportunities in accordance with Chapter 2161, Subchapter F, *Texas Government Code*, and 34 TAC Chapter 20, Subchapter D, Division 1.

If subcontracting opportunities are probable and the expected value of the contract is \$100,000 or more, the solicitation documents will state that subcontracting is probable and require respondents to submit an HSP.

For all contracts where subcontracting is probable and the expected value of the contract is \$100,000 or more, each respondent is required to complete HUB subcontracting forms and return the completed forms with the response to the solicitation, or the solicitation will be considered non-responsive as provided in 34 TAC §20.285(b).

*Note: For all contracts where subcontracting is not probable, but the respondent intends to subcontract, the respondent is required to complete the HUB subcontracting forms and return the completed forms with the response to the solicitation, or the solicitation will be considered non-responsive as provided in 34 TAC §20.285(b).*

Specific HUB procedures are detailed in Rule 20701 Use of Historically Underutilized Businesses, UTS137 Historically Underutilized Business (HUB) Program and the HUB Subcontracting Plan documents posted at <http://www.utsystem.edu/offices/historically-underutilized-business/hub-forms>.

The SSG's HUB operating guidelines are attached as Appendix 4.

#### Where can I go for more information?

[Texas Government Code, Chapter 2161, Subchapter F](#)  
[Texas Administrative Code, Title 34, Part 1, Chapter 20, Subchapter D, Division 1](#)  
[Texas Administrative Code, Title 34, Part 1, Chapter 20, Subchapter B, Rule §20.285\(b\)](#)  
[The State of Texas Disparity Study 2009 at Texas Comptroller website](#)  
[Regents' Rule 20701 Use of Historically Underutilized Businesses](#)  
[UTS137 Historically Underutilized Business \(HUB\) Program](#)  
[HUB Forms at The University of Texas System HUB Office website](#)  
[The University of Texas System HUB Office website](#)

## **3.2 Contract Term**

A reasonable contract term compliant with Applicable Laws and University Rules should be included in the solicitation. Individual business needs may inform the decision regarding length of contract term. Contract terms exceeding five (5) years, including renewal periods, should be justified based on compelling business needs, documented in writing, and approved by the Director of the Alliance.

See [Section 6.6](#) of this Handbook for a list of provisions that should be included in a contract that results from the solicitation, including essential provisions as well as recommended provisions

**Where can I go for more information?**

[Chapter 6 – Contract Formation](#)

## **3.3 Background Information**

Subject to Applicable Laws and University Rules, the solicitation will provide potential respondents with all appropriate background information to assist respondents' understanding of the sourcing event.

The solicitation will detail any relevant background data and work previously performed on which the anticipated SOW will build. Previously performed work will be made available to respondents during the solicitation phase of the sourcing event. The solicitation will also specify whether respondents may rely on the accuracy of any background data or work previously performed or whether the data or work is provided for information purposes only. If provided for informational purposes only, notify respondents if they are responsible for verifying the accuracy of the information to the extent necessary to respond to the solicitation and perform the SOW.

In some solicitations, it may be important to describe existing business processes. If the existing process will change as a result of the contract, then it may be important to also describe that modified process.

## **3.4 Proposal Submission Requirements**

The solicitation should include one section listing all of the required information that respondents must submit with their proposal. This will assist respondents to confirm that all required documentation is submitted. Additionally, any recommended or required proposal formats should be specified in this section, such as page number limitations, size of paper, and number of copies.

## **3.5 Evaluation of Proposals**

### **3.5.1 Criteria**

The solicitation will advise respondents how proposals will be evaluated.

The Best Value Statutes require the Alliance to use the following mandatory evaluation criteria to evaluate proposals for goods/services:

- Threshold Criteria Not Scored:
  - Ability of Alliance to comply with laws regarding HUBs; and
  - Ability of Alliance to comply with laws regarding purchases from persons with disabilities.
- Scored Criteria:
  - Cost of goods/services;
  - Reputation of respondent and of respondent's goods/services ("Reputation Criterion");
  - Quality of respondent's goods/services;
  - Extent to which the goods/services meet the Alliance's needs;
  - Respondent's past relationship with the Alliance;



- Total long-term cost to the Alliance of acquiring respondent's goods/services;
- Use of material in construction or repair to real property that is not proprietary to a single vendor *unless* the Alliance provides written justification in the solicitation for use of the unique material specified [*applies only when the Alliance specifies in the solicitation material to be used in construction or repair of real property in the solicitation*]; and
- *Any other relevant factors that a private business entity would consider in selecting a contractor* ("Other Relevant Factors Criterion").

In connection with the Reputation Criterion, CPA administers a Vendor Performance Tracking System for use by all state agencies. Best practice indicates that the SSG should use the CPA Vendor Performance Tracking System to evaluate past vendor performance for the state.

Under the Other Relevant Factors Criterion, the SSG should include additional evaluation criteria that reflect the essential qualities or performance requirements necessary to achieve the objectives of the contract. In addition, the SSG should include a criterion that permits evaluation of any of respondent's exceptions to the contract terms and conditions required by the solicitation.

The language within the solicitation will determine the evaluation criteria and the determinations the evaluation team will make when evaluating proposals, so the evaluation criteria should not be unduly restrictive. Criteria not included in the solicitation may not be used in evaluation of proposals, ranking of proposals or selection of a contractor.

The criteria should allow the evaluation team to fairly evaluate the proposals. The criteria may take a variety of sources of information into consideration such as respondent's written response, oral presentation, past performance and references relevant to the contract. To ensure fairness in evaluation, the evaluation criteria should reflect only those requirements specified in the solicitation.

#### **Where can I go for more information?**

[Texas Education Code, §51.9335 \(higher education, generally \[including UTMB\]\)](#)

[Texas Education Code §51.9337](#)

[Texas Education Code, §73.115 \(MD Anderson\)](#)

[Texas Education Code, §74.008 \(UTMB\)](#)

[Texas Government Code §§2155.070, 2155.077, 2155.089, 2262.001\(5\), 2262.0015, 2262.002\(a\) and 2262.055](#)

[34 Texas Administrative Code §§20.115, 20.285\(g\)\(5\), 20.509, and 20.581 - 20.587](#)

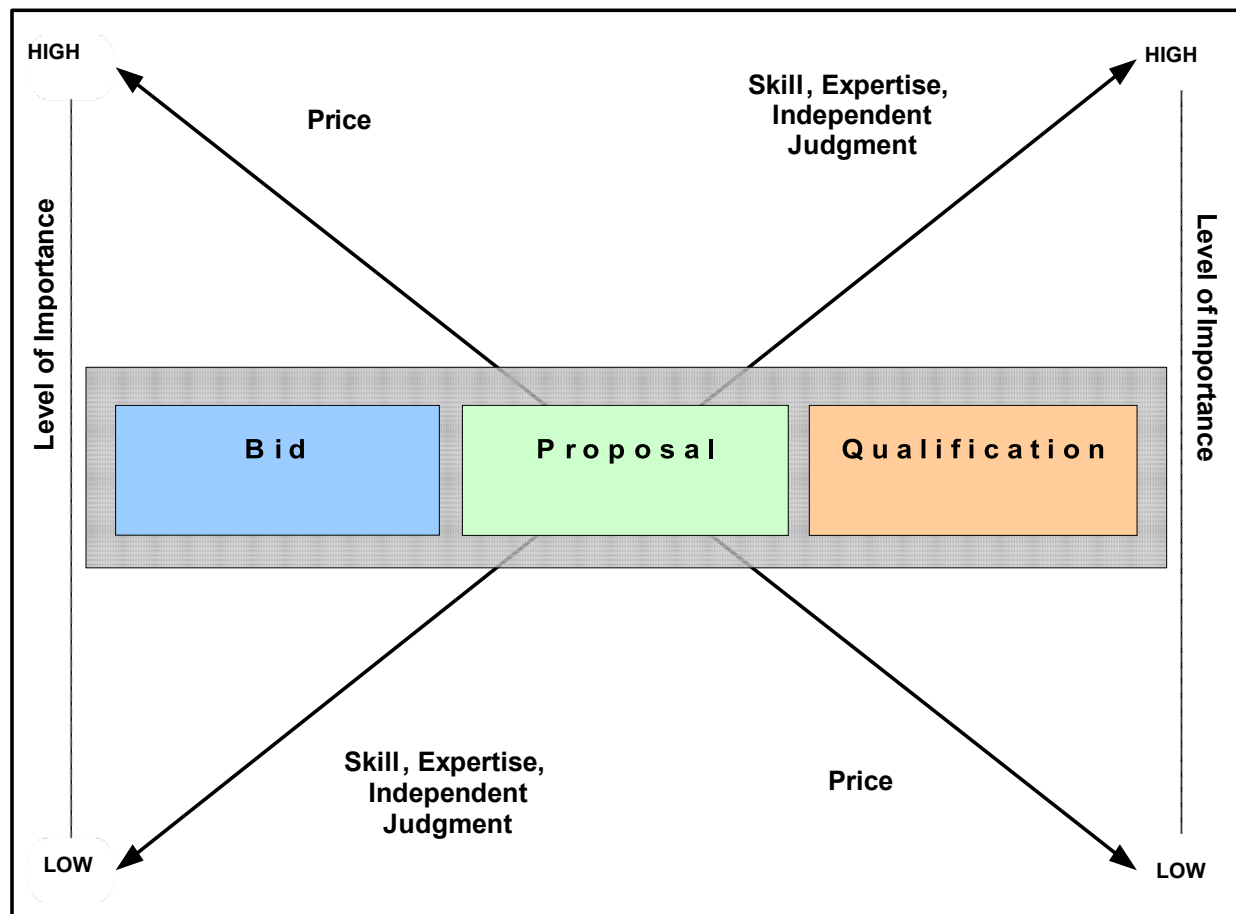
[CPA Vendor Performance Tracking System web page at Texas Comptroller web site](#)



### 3.5.2 Scoring Weight

There are several schools of thought on how much information to provide respondents regarding the evaluation criteria. At a minimum, the solicitation will identify the criteria.

When establishing the scoring weight of each criterion, cost may be the most significant criterion. However, there are solicitations in which the skills and experience of contractor or other factors may be more important than cost. For example, if a trainer needs a specific set of skills, the Alliance may be willing to pay more for those skills. When establishing the scoring weight, consider the importance of each criterion to the overall project. The criteria deemed most important by the Alliance should be weighted higher than the other criteria. The following diagram demonstrates the relationship of the evaluation criteria and the level of importance.



### 3.5.3 Requests for Information

Consider the information and other submissions that the SSG requests in connection with each evaluation criterion. Request that the proposals contain all information necessary to effectively evaluate each criterion. Specific sections of the requested proposal may be designed to directly relate to each criterion.

Ensure that the solicitation requests information with which to evaluate each criterion. For example:

<b>Evaluation Criteria</b>	<b>Solicitation Requirement</b>	<b>Submission Requirement</b>
Contractor Qualifications	Licensed Accountant.	Copy of License
Contractor Experience	Minimum of five (5) projects of similar size and scope.	Detailed information regarding size, dollar amount and scope of project for each individual project and any additional information necessary to evaluate contractor experience.
Financial Capability	Financially capable of handling a project of this size and scope.	Copy of latest financial statements, including balance sheets, Dunn and Bradstreet report, etc.
Proposed Services	Service delivery strategy for how proposed services will be performed.	Plan should include the number of staff resources and experience level, implementation strategy, reporting requirements, response times, etc.

Conversely, all information requested by the solicitation should relate to one of the criteria to be evaluated. Information that does not relate to at least one of the evaluation criteria may not be considered.

## 3.6 **Solicitation Requirements**

The solicitation will notify respondents of all requirements and clearly state the consequence of failing to meet these requirements (for example, reduction in evaluation score or disqualification).

Consider carefully any requirements that may disqualify a proposal. For example, the HSP is required by Applicable Laws and University Rules; the SSG has no choice but to disqualify respondent if respondent does not submit the HSP or if the respondent's HSP does not demonstrate that respondent used a good faith effort to prepare the plan. However, if respondent fails to submit a copy of a license, for example, that failure may or may not be a valid business reason for disqualification and respondents can be given the opportunity to cure technical deficiencies in some proposal requirements.

### 3.6.1 **Contractor Qualifications**

The solicitation should specify the minimum qualifications required for contractor. Typically, in an RFP, contractor qualifications are less stringent than in an IFB where price is the primary criterion. At a minimum, the solicitation should require that contractor have a specified level of experience in providing the type of goods/services solicited.

### 3.6.2 **Posting Security**

The SSG must advise respondents in the solicitation if respondents will be required to post security and, if so, what forms of security are acceptable (e.g., third party bond, irrevocable letter of credit or cashier's check). When considering whether or not to require security, remember that the cost of the security is typically passed on to the affected institutions by respondents.

Bonds are one form of security. The three most common forms of bonding are solicitation response bonds or deposits, performance bonds and payment bonds. Some bonds are required by statute for specific types of contracts. For example, some contracts with auxiliary enterprises require bonds.

#### **Where can I go for more information?**

[Texas Government Code, Chapter 2252 Contracts with Governmental Entity, Subchapter C, Private Auxiliary Enterprise Providing Services to State Agencies or Institutions of Higher Education](#)  
[Texas Government Code, Chapter 2253 Public Work Performance and Payment Bonds](#)

### 3.6.3 **Monitoring and Oversight**

It is important to develop effective contract monitoring strategies appropriate for each contract to be procured. The methods used to monitor contractor performance may be outlined in the solicitation because those methods will become important contract terms. The SOW and/or an engagement letter ultimately should set specific deadlines for completion of tasks and a schedule for submittal of deliverables, required meetings, presentations or other activities. Monitoring strategies ensure contractor performs as specified in the SOW and/or engagement letter.

Monitoring, which will be risk-based, is usually the responsibility of the SSG and should be balanced and adequate to meet the Alliance's needs, but limited in type, scope and frequency sufficient to achieve the desired result, without unnecessarily increasing costs. Overly restrictive monitoring may interfere with contractor's ability to perform the work and may unnecessarily and inadvertently increase costs for the Alliance.

Further discussion of contract monitoring and oversight is covered in Chapter 7.

The SSG's Supplier Relationship Management-related operating guidelines are attached as APPENDIX 5.

#### **Where can I go for more information?**

[Chapter 7 – Contract Administration](#)  
[APPENDIX 5 – SSG SRM Guidelines](#)

### 3.6.4 Statement of Work

The Statement of Work is very important as it forms the basic framework for the resulting contract. The needs assessment discussed in Chapter 2 is the foundation for the SOW. The SOW is a detailed description of what is required for contractor to satisfactorily perform the work. The SOW should provide a clear and thorough description of the goods/services to be procured. If appropriate, describe the relevant environment where the goods/services will be used.

The success or failure of a contract can often be linked to the adequacy or inadequacy of the planning, analysis and thoroughness of the SOW. Time spent planning, analyzing, and drafting the SOW will ultimately save time, resources, and money and improve the quality of the goods/services procured.

It is important that the SOW:

- Be clearly defined;
- Be unbiased and non-discriminatory so that all potential respondents have a level playing field;
- Encourage innovative solutions to the requirements described, if appropriate;
- Allow for free and open competition to the maximum extent reasonably possible; and
- Secure the best value goods/services for the Alliance.

**3.6.4.1 Organization** – One way to organize the SOW is to divide each of the sourcing objectives into logical parts, such as phases. Phases may include (1) planning, development, implementation, operation, and management or (2) planning, equipment installation, testing, operation and maintenance. The specific phases should support the subject matter and purpose of the contract. Phases may be further divided into smaller segments of work.

**3.6.4.2 Define SSG's Role** – The contract should clearly define the role each party will play in the work to be performed and any specific contributions or resources each party will provide.

The contract should also define the roles of SSG staff that will administer the contract and monitor contractor's progress.

**3.6.4.3 Specification Types** – Specifications are the primary means of communication between the SSG and a vendor. A specification is a description of the goods/services the Alliance seeks to procure. A specification also describes goods/services that must be proposed to be considered for an award. Specifications should include deliverables. Each deliverable may include the following elements, as appropriate:

- Description of the work.
- Standard for performance.
- Test condition, method or procedure to verify that the deliverable meets with the standard.
- Method or process to monitor and/or ensure quality of the deliverable.
- Acceptance process for each deliverable.
- Compensation structure that is consistent with the type and value of work performed.
- Contractual remedy.

Specifications control quality of the goods/services, the suitability of the goods/services for the business purpose, and the method of evaluation used in determining best value and in making a contract award.

**3.6.4.4 Characteristics of Effective Specifications** –

**SIMPLE:** Avoid unnecessary detail and complexity, but be complete enough to ensure that goods/services procured will satisfy the intended purpose.

**CLEAR:** Use terminology that is understandable to the Alliance and potential respondents. Use correct spelling and appropriate sentence structure to eliminate confusion. Avoid legalese and jargon when possible.

**ACCURATE:** Use measuring units that are compatible with industry standards. All quantities and packing requirements should be clearly identified.

**COMPETITIVE:** Identify at least three (3) commercially available brands, makes, or models (whenever possible) that will satisfy the intended purpose. Avoid unneeded “extra” features that could reduce or eliminate competition and increase cost.

**FLEXIBLE:** Avoid inflexible or narrow specifications which prevent the acceptance of a response that could offer greater performance for fewer dollars. Whenever possible, use approximate values for dimensions, weight, speed, etc., if the approximations will satisfy the intended purpose.

**3.6.4.5 Performance-Based, Design and Mixed Specifications** – Performance-based specifications focus on outcomes or results of the required goods/services rather than how the goods/services are produced. Conversely, design specifications outline exactly how contractor must make the goods or perform the services. Performance-based specifications allow respondents to bring their own expertise, creativity and resources to the sourcing process without restricting respondents to predetermined methods or detailed processes. This may allow respondents to provide the goods/services at lower cost. Performance-based specifications also shift some risk to contractor. For example, if the SSG utilizes a design specification for a unit of laboratory equipment and the equipment ultimately does not satisfy the business need for which it was procured, then the results may be the fault of the SSG’s specifications. However, if the SSG used performance-based specifications, the unit must perform in accordance with the specifications. If the equipment does not perform, then contractor may be at fault.

Performance-based specifications may permit respondents maximum flexibility when satisfying the requirements of a solicitation. Design specifications may limit respondent’s flexibility.

Mixed specifications include both performance-based specifications and design specifications. Consider the purchase of media and advertising services:

- **Performance-Based Specification:** Contractor shall provide media services which shall increase employment applicants by a minimum of 3 percent in the next fiscal year. Out-of-state applicants shall increase a minimum of 10 percent. These figures will be measured based on the Alliance’s prior year applications data-base.
- **Design Specifications:** Contractor shall conduct at least seven (7) media campaigns during the fiscal year. Three of these campaigns must be directed to out-of-state applicants.
- **Mixed Specifications:** Contractor shall provide Alliance media services which shall include a minimum of seven media campaigns during the fiscal year. Media services shall result in a minimum increase in applicants of 3 percent in the next fiscal year based on the Alliance’s prior year applications data-base.

Performance-based specifications focus on results. Design specifications focus on resources. If the Alliance uses design specifications only, contractor may provide all seven campaigns, but the desired result of increased applicants may or may not occur.

As with all performance measures, the Alliance must ensure that performance specifications are reasonable and measurable. Note that performance-based specifications clearly outline how the results will be measured. While performance-based specifications are sometimes preferable, the expertise required to conduct the contract planning, sourcing and management may be different than the expertise needed for design specifications.

Design specifications are appropriate for simple purchases of goods such as paper, pens, furniture, and services such as temporary staff. Usually these purchases are accomplished by defining specific quantities and specifications for the goods/services, such as price per unit as well as requirements for the time, place and manner for delivery and acceptance.

The SSG may include performance incentives in contract terms. Incentives may be used for superior performance that exceeds contract goals. In the prior example, if Alliance applicants increased by 5 percent, the contract may provide a pre-established monetary incentive for increases above the required 3 percent.

It is not always beneficial to use performance-based specifications. Consider the following examples of when to use performance and design specifications:

- **New installation, entire system provided by one vendor:** Consider using performance-based specifications to allow the contractor to provide the system that provides best value to the Alliance.
- **New installation of multiple system components provided by various vendors:** Consider using design specifications to ensure that all of the components (for example, HVAC controls, chillers and boilers) that must work together will work together.
- **Expansion of an existing installation:** Consider using design specifications because the new equipment must connect and integrate with the existing system.

**3.6.4.6 Quantify Goods/Services** – Quantify the volume, amount, and frequency required for goods/services to meet specifications.

**3.6.4.7 Standards for Goods/Services** – The SOW should identify the quality of goods/services required for acceptable performance. For example: All dusting must be performed so as to ensure cleanliness of surfaces, as determined through inspection by the contract administrator.

**3.6.4.8 Established Industry Standards** – If established industry standards (international, national, state, local) are available, those standards may be used to define the contract performance requirements. Examples of national and international standards include American National Standards Institute (ANSI), American Society for Testing and Materials (ASTM) and International Organization for Standardization (ISO). Using established standards provides consistency in measuring acceptability, quality or accuracy of contractor's performance.

Contracts will often incorporate by reference “standards” maintained by entities representing particular industries such as Generally Accepted Accounting Principles (GAAP), Institute of Electrical and Electronic Engineers (IEEE) or ISO. If a standard is incorporated by reference, consider specifically identifying by number the standards of performance that relate to each activity, task, work product or deliverable. Simply referring to “industry standards” is usually inadequate.

**Warranty Standards** – An express warranty is a standard that is expressly included in the contract language to establish a performance standard for the work. The contract does not generally need to use the words “warrant” or “guarantee” to create an express warranty. Neither does contractor need to have the specific intention to make a warranty. A simple affirmation of the value of the goods/services or a statement merely purporting to be contractor's opinion or commendation of the goods/services does not create a warranty.

Unless disclaimed, excluded or modified by the language of the contract, warranties or standards may be implied in a contract by a statute or by case law. For example, in the sale or lease of some types of goods there may be implied statutory warranties, such as: a warranty of title, a warranty that the goods will be merchantable, or a warranty that the goods are fit for a particular purpose. If an implied warranty is important to the quality of the goods/services, the best practice is to make the implied warranty an express warranty by including the warranty in the language of the contract.

Include clear standards for contractual performance or an express warranty describing the standard of performance in the SOW or contract.

**3.6.4.9 Reporting** – Status reporting, performance and activity reporting are terms used to describe information that a contractor must provide to show the status of a contract. These terms must be defined in the SOW or the contract, and the definition of each should include content, frequency and audience for each report.

A status report describes the level of completion of the work and/or the cost of the contract. Percent complete is often used to describe status. For the report to be useful, a baseline should be established for timelines and budgeting.

If deliverables are specified, include the format of the deliverable and the number of copies required. For example, if a deliverable is a final project report, state how many copies of the report are needed and specify the format of the electronic copy. State all items that must be included in the report. These requirements are usually addressed in the SOW within the solicitation.

If vendor-provided information is anticipated to be reported as part of the Alliance's performance measures, ensure that there are requirements that allow for data verification and that the data corresponds with the data required for the performance measures.

If possible, include in the solicitation the desired format or a sample of any required reports.

**3.6.4.10 Inspection and Testing** – The SOW should provide for inspection and testing. The SSG should include inspection and testing of goods/services purchased under the contract to ensure compliance with the specifications of the solicitation and the contract.

Testing should be performed on samples submitted with the proposal and samples taken from regular shipments. All costs of inspection and testing should be borne by contractor. In the event the goods/services tested fail to meet or exceed all conditions and requirements of the solicitation and contract, the goods/services should be rejected in whole or in part at contractor's expense. Latent defects may result in cancellation of a contract at no expense to the Alliance. The SSG should contact Alliance legal counsel with any questions regarding latent defects.

**3.6.4.11 Final Acceptance** – The SOW should clearly define how the Alliance will determine that the contract has been satisfactorily completed. The SOW sets a standard for acceptance of the deliverable and establishes a procedure to receive or reject the deliverable based on specific factors.

Tracking the status of several phases, segments and deliverables, where each deliverable may have multiple tasks, activities, and products, can be challenging. A formal acceptance process for each step in a contract allows the contract manager and the contractor to know the conditions of contract performance.

**3.6.4.12 Additional Considerations** – Listed below are additional issues which the SSG should consider when preparing the SOW. These items may affect pricing, so it is important that respondents are aware of these requirements. The SOW answers – who, what, when, where, why and how. If these questions are answered, it is a reasonable assumption that the SOW is complete.

- *Data security and privacy requirements;*
- *Accessibility of electronic and information resources requirements;*
- Licenses or permits required;
- Use of institution equipment;
- Storage space for contractor materials/supplies, including space license (if appropriate);
- Intellectual property/use of marks/copyright issues;
- Access to the institution's premises;
- Subcontractor requirements;
- Insurance requirements; and
- Conflicts of interest/organizational restrictions.

**Where can I go for more information?**

*UTS150 Access by Persons with Disabilities to Electronic and Information Resources Procured or Developed by The University of Texas System Administration and The University of Texas System Institutions*

*UTS165 Information Resources Use and Security Policy (including Standards 1, 21, and 22) "Scope of Work Issues" Training Presentation on "Training" web page of OGC Contracting & Procurement Practice Group web site (UT Authentication required)*

*Chapter 2 - Planning*

*Section 6.6 – Contract Terms*



### **3.7 Payment Types**

As with specification types, there are also various payment types. Payment method should be consistent with the goods/services delivered. Payments should be structured to fairly compensate contractor and encourage timely and complete performance of work. As a general rule, payment should be approximately equal to the value of the completed work.

Institutions generally may not pay for goods/services not received.

Institutions also may not use funds in or outside of the state treasury to pay the vendor if CPA is prohibited from issuing a warrant or initiating an electronic funds transfer to the vendor (ref. Section 403.055 and Section 2107.008, *Government Code*).

Institutions may only make prepayments if the appropriate institution authority analyzes the facts surrounding the transaction and makes a written determination that (1) there is, in fact, a public purpose for any pre-payments required by the contract, and (2) there are sufficient controls over the pre-payments, contractual or otherwise, to ensure that the public purpose is actually achieved. This written determination must identify the facts supporting the determination and be retained in the sourcing file.

The table on the following page illustrates the various common types of payments and how each applies to various types of contracts:

## COMMON PAYMENT METHODS

Payment Type	Commonly used for:	Payment based on:
<b>Cost Reimbursement</b>	<p>Interagency Cooperation Agreements</p> <p>Interlocal Cooperation Agreements</p>	<p>Reimbursement of allowable costs in accordance with the approved budget.</p> <p>Some contracts may combine payment methods and include cost reimbursement of contractor's expenses (<i>see Note 1 below</i>).</p>
<b>Cost Plus Incentives</b>	<p>Materials contract where the materials are unknown at the time of contract award.</p> <p>Example: Job order contracts.</p>	<p>Contractor's cost <u>plus</u> a percentage of cost or cost <u>plus</u> fixed fee.</p> <p>This payment method is discouraged because there is no incentive for contractor to minimize costs.</p>
<b>Fee For Service</b>	<p>Contracts where a fee can be established per unit of goods/services.</p> <p>Example: When providing flu shots to employees, unit of service may be one flu shot.</p>	<p>Number of completed good/service units.</p>
<b>Firm Fixed Price</b>	<p>Contracts where a firm fixed price can be established for goods/services to be provided.</p> <p>SOW must provide clear and accurate specifications.</p> <p>Examples: Contracts for common goods/services, including office supplies and furniture.</p>	<p>Firm fixed price agreed upon at the time the contract is awarded.</p> <p>In this pricing method, contractors carry any pricing risk because the fee does not change, regardless of costs incurred by contractor to provide the goods/services. This risk may cause contractors to inflate the quoted price to protect themselves from fluctuations in material/labor costs.</p>
<b>Firm Fixed Price with Escalator</b>	<p>Contracts where a firm fixed price can be established for goods/services to be provided, including longer term contracts and contracts where the costs of materials/labor are subject to market fluctuations.</p> <p>Examples: Lumber, steel, fuel and paper contracts.</p>	<p>Firm fixed price subject to escalation based on a fixed percentage or an index such as the Consumer Price Index.</p> <p>Contractors are less likely to inflate the quoted price to protect themselves against possible increases in materials/labor because the contract allows for market adjustments to the price.</p>
<b>Progress Payments</b>	<p>Contracts where the SOW is completed in phases or stages.</p> <p>Examples: Consulting services and construction.</p>	<p>Pre-established deliverables.</p> <p>Deliverables must be measurable (<i>see Note 2 below</i>).</p>
<b>Time and Materials with Fee Cap</b>	<p>Service contracts under which the volume of labor/ materials required to perform the work are difficult to forecast.</p> <p>Examples: Electrician, plumber and carpenter services.</p>	<p>Number of hours worked for a specific SOW <u>plus</u> cost of materials <i>subject to</i> maximum fee cap.</p> <p>Also consider establishing fixed labor fees for specific units of labor such as "installation of 120 volt outlet."</p>

**Note 1:** The SSG may reference the state *Travel Allowance Guide* published by CPA at <https://fm.xcpa.state.tx.us/fm/pubs/travallow/index.php> or the institution's vendor travel policy, when including travel costs as an allowable expense within a contract.

**Note 2:** For example, a contractor is hired to conduct an *analysis* of a specific business process and prepare a *report* with recommendations for improvement. Contractor will be paid 30 percent of the contract amount upon receipt and acceptance of the analysis and the remaining 70 percent upon receipt and acceptance of the report and recommendations. The contract must specify what documentation will be required to evidence completion of each deliverable, such as paper and electronic copies of the analysis and the report. *Be careful not to shift the financial risk to the Institution by paying contractor for more than the amount (or percentage) of work contractor has actually completed.*

Also consider the importance of the deliverable. In this example, the institution could be asked to pay contractor 80 percent of the contract amount upon completion of the analysis because the analysis takes a significant amount of labor. This increase in the payment for the analysis shifts financial risk to the Institution because the institution may pay for 80 percent of the work, but will have nothing to show for the dollars spent if contractor fails to complete and submit the report and recommendations.

Best practice suggests that each payment should reflect the value and importance of the work completed. Institutions should manage financial risk by dividing the overall contract payments into smaller amounts that each reflects a small increment of the work as it is completed. If there is a dispute, the scope of the dispute may be contained to a discrete deliverable (rather than the entire contract) since the amount of money associated with each deliverable is known and limited. Keep in mind that each of the deliverables has the ability to shift risk between the institution and contractor.

#### Where can I go for more information?

[Texas Government Code §§ 403.055 and Section 2107.008](#)  
[Travel Allowance Guide \(Textravel\) at Texas Comptroller website](#)  
[Chapter 6 – Contract Formation](#)  
[Section 6.9 – Required Check of Vendor Hold Status](#)  
[Section 7.4 – Invoices and Payments](#)

# CHAPTER 4

## PUBLICATION OF THE SOLICITATION

### 4.1 Advertising

The Alliance is not required by Applicable Laws to post solicitations to the Electronic State Business Daily (ESBD) (an Internet based website for posting state sourcing opportunities). However, the SSG has adopted guidelines requiring use of the ESBD (see Appendix 6). The SSG will comply with any relevant University Rules related to use of the ESBD. The ESBD is available on the Internet at <http://esbd.cpa.state.tx.us>.

When marketing a solicitation, the SSG will consider the types of goods/services being sourced. For example, effective advertising for goods/services may be different from effective advertising for professional services. The SSG should refer to Applicable Laws and University Rules to ensure compliance.

#### Where can I go for more information?

[Texas Education Code §51.9335 \(higher education, generally \[including UTMB\]\)](#)

[Texas Education Code §51.9337](#)

[Texas Education Code §73.115 \(MD Anderson\)](#)

[Texas Education Code §74.008 \(UTMB\)](#)

[Texas Government Code, §§ 2155.083 and 2155.083\(n\)](#)

[APPENDIX 6 – SSG ESBD Guidelines](#)

### 4.2 Solicitation Announcements

Announcements are an efficient way to reduce mailing costs when publishing solicitations. An announcement is a brief notification sent by the SSG to potential proposers (including potential HUB proposers) advising of the sourcing opportunity and providing a link to the solicitation. A *Sample Solicitation Announcement* is attached as APPENDIX 7.

The UT System HUB Coordinator assigned to the SSG should be notified of significant sourcing events so that announcements can be shared within the HUB community.

#### Where can I go for more information?

[APPENDIX 7 – Sample Solicitation Announcement](#)

### 4.3 **Communication with Respondents**

All communication with potential respondents should be made only through the SSG or the UT System HUB office. The solicitation should provide only SSG and HUB office points of contact with acceptable forms of communication such as email and address. Although SSG or HUB staff may not be able to answer technical questions, they will obtain the responses from the appropriate sources and ensure that the information is communicated to all potential respondents.

*Other individuals should not have contact with potential respondents outside of the pre-proposal conference.* If a potential respondent contacts such individuals, they should politely decline to discuss the solicitation and forward the inquiry to the SSG's sourcing lead.

A respondent that contacts someone other than designated staff in the SSG or the HUB office regarding the solicitation may be disqualified *so long as the solicitation notifies respondents of this possible penalty.*

#### **Where can I go for more information?**

[Sample Solicitation Templates on "Sample Documents" web page of OGC Contracting & Procurement Practice Group web site \(UT Authentication required\)](#)  
[OGC Contracting & Procurement Practice Group web site](#)

### 4.4 **Written Questions**

The solicitation may invite respondents to submit written questions. This option may be in addition to or in lieu of a pre-proposal conference. The date and time for submission of written questions should be specified in the solicitation. Written questions may be submitted by mail, facsimile, email or hand delivery, as directed in the sourcing document.

All answers to written questions should be incorporated into an addendum to the solicitation, and posted with the solicitation. See *Sample RFP Addendum APPENDIX 8*.

#### **Where can I go for more information?**

[Sample Solicitation Templates on "Sample Documents" web page of OGC Contracting & Procurement Practice Group Resource Pages web site \(UT Authentication required\)](#)  
[OGC Contracting & Procurement Practice Group web site](#)  
[APPENDIX 8 – Sample RFP Addendum](#)

## **4.5 Pre-Proposal Conferences**

The SSG may conduct either voluntary or mandatory pre-proposal conferences. Carefully consider the use of mandatory conferences. Mandatory conferences may raise concerns because requiring respondents to be at a certain place at a given time may limit competition. Conferences should be mandatory only if there is a reasonable business justification for the requirement. For example, a mandatory pre-proposal conference may be appropriate if (1) an on-site visit is required to have a full understanding of the sourcing event or (2) the solicitation is so complex that attendance is critical for potential respondents to fully understand the sourcing event. The SSG should document the justification for a mandatory conference in writing.

- Pre-proposal conferences provide a forum for the SSG (including HUB office staff) to explain the solicitation (including HUB requirements) and respond to questions regarding the solicitation. Conferences provide a forum for the SSG to provide additional information, schematics, plans, reports, or other data that is not easily transferable or distributed through hard copy.
- Conferences allow potential respondents to address specific questions or concerns with the solicitation, including questions about HUB compliance.
- Conferences are especially important when there is a need for an on-site visit prior to submitting proposals. Note that, in lieu of a conference, in some cases site photographs or a slide show may be sufficient. Photographs or a slide show may also be an alternative to taking respondents to multiple physical locations. Copies of photographs and slide shows should be provided to all respondents and posted on the Internet.
- If issues are identified at the conference, the SSG may need to publish an addendum to the solicitation.
- All potential respondents must receive the same information.
- Subcontracting relationships may develop through the contacts established by potential respondents at the conference.

The solicitation must indicate the date, time and location of the conference. The conference is usually held approximately ten (10) days after the solicitation is published. All conference attendees should be documented through a sign-in sheet. A sign-in sheet is especially important if the conference is mandatory because the sign-in sheet is the document used by the SSG to verify respondent attendance at the conference.

The SSG should facilitate and conduct the conference. The SSG should answer sourcing related questions, while subject matter experts should assist in responding to the technical questions. If it is not possible to answer all questions at the conference, unanswered questions should be answered in writing as soon after the conference as possible. Depending on the significance of the questions asked and answers given, the SSG may consider posting the questions and answers for the benefit of potential respondents unable to attend the conference. If clarification of the solicitation is necessary, addenda to the solicitation may be issued.

The SSG may take written minutes of the conference for future reference. Conferences may be recorded for future reference.

*Sample Pre-proposal Conference Guidelines* are attached as APPENDIX 9.

### **4.5.1 Written Addenda**

All changes to solicitations must be made through written addenda. Each addendum must be provided to all conference attendees and posted with the solicitation where it may be accessed by all other potential respondents.

When issuing an addendum, consider the amount of time remaining until the opening date of the solicitation. It may be necessary to extend the proposal deadline – which must also be done through a written addendum.

## 4.5.2 Sample Agenda

A typical agenda for a pre-proposal conference follows:

- Opening. SSG representatives introduce themselves and explain their role in the sourcing event.
- Introductions. Attendees introduce themselves and identify the company they represent.
- Solicitation Review. Solicitation is reviewed section by section. It is not necessary or recommended to read the entire document, but the entire document should be covered. Questions should be answered as each section is discussed.
- HUB Requirements. HSP requirements and resources for answering HUB questions should be discussed.
- Closing. Summarize any solicitation changes to be included in an addendum. List any unanswered questions requiring written response after the conference. Remind attendees that verbal comments or discussions about the solicitation are not binding and that all changes to the solicitation must be in the form of a written addendum.

### Where can I go for more information?

*[Sample Solicitation Templates on “Sample Documents” web page of OGC Contracting & Procurement Practice Group web site \(UT Authentication required\)](#)*  
*[OGC Contracting & Procurement Practice Group web site](#)*  
*[APPENDIX 9 –Sample Pre-proposal Conference Guidelines](#)*

## 4.6 Solicitation Submission and Opening

The solicitation must indicate the submission deadline (including date and time) and location for submission.

### Where can I go for more information?

*[Sample Solicitation Templates on “Sample Documents” web page of OGC Contracting & Procurement Practice Group web site \(UT Authentication required\)](#)*  
*[OGC Contracting & Procurement Practice Group web site](#)*

# CHAPTER 5

## EVALUATION AND AWARD

The SSG must ensure responses are evaluated in a fair and impartial manner consistent with the solicitation, Applicable Laws and University Rules. As discussed in Chapter 3, the solicitation should include a general description of the evaluation process, the evaluation criteria and, at the SSG's discretion, the scoring weight.

### **5.1 Evaluation Guide**

During the planning stage for the sourcing event, the SSG should develop an evaluation guide, which identifies the evaluation team, the detailed scoring matrix, the process for evaluation of responses and award of any contracts, and an anticipated evaluation schedule. With a well-developed evaluation guide, the evaluation team simply follows the guide to ensure a smooth process.

The SSG Evaluation Guide is attached as APPENDIX 10.

### **5.2 Evaluation Team**

The evaluation team should be comprised of individuals who are stakeholders in the goods/services being sourced and/or individuals who have necessary technical or program expertise. The evaluation team will include a representative of the SSG and institution. The institution's evaluation team members are typically selected by the respective institutions, with review and approval by the SSG, as appropriate. It is important to select members who understand the needs of the Alliance, and who understand the desired outcome of the sourcing event. The evaluation team should bring together as much knowledge as possible to ensure selection of the vendor that provides the best value to the Alliance.

The SSG will coordinate with evaluation team members to assure that they have the opportunity to participate in preparing the solicitation, especially the evaluation criteria and assigned scoring weights. The members should fully understand the requirements of the solicitation and must be able to critically read and evaluate responses and document their judgments clearly, concisely and consistently in accordance with the evaluation guide.

The recommended size of an evaluation team is three to five members. To avoid potential individual bias, the team should not be fewer than three members. Complex projects may require more than five members or even additional teams. Coordination and management of the evaluation process becomes more difficult as the size and number of teams increase.



## 5.3 Scoring Matrix

The scoring matrix, which should be a part of a well-developed evaluation guide, is used by the evaluation team members to score the individual responses based on the evaluation criteria defined in the solicitation. The evaluation team scoring matrix should be completed prior to publishing the solicitation because, when developing the scoring matrix, it may become apparent that the solicitation needs to be supplemented or revised. If time does not permit the scoring matrix to be completed prior to publication, the scoring matrix must be completed prior to the opening and review of the solicitation responses. Failure to complete the scoring matrix before the opening of responses may subject the sourcing event to protests.

A *Sample Proposal Score Sheet* is included in APPENDIX 10.

**Where can I go for more information?**

[\*Chapter 3 – Preparing the Solicitation\*](#)  
[\*APPENDIX 10 – SSG Evaluation Guide\*](#)

## 5.4 Responsive Proposals

Prior to distributing proposals to the evaluation team members, the following will occur:

1. For proposals requiring HSPs, the HUB office will review the HSPs for compliance with HUB requirements. The HUB Office will notify the SSG in writing if an HSP is not compliant or not.
2. The SSG will conduct a review of the proposals to determine if they are responsive. This is sometimes referred to as an administrative review. At a minimum, this includes review of the signed execution of offer, responses to respondent questions or similar documents, and any other required documents such as bonds and certificates of insurance. In addition, the SSG will review the proposals to ensure that minimum qualifications are met. The SSG is responsible for assuring that all appropriate reviews necessary to determine responsiveness are completed.

Once the reviews by the HUB Office and the SSG's are complete, then only proposals containing a compliant HSP and who are determined by the SSG to be responsive may be provided to the evaluation team.

Proposals containing a non-compliant HSP and or are deemed non-responsive will be rejected and be removed from further consideration.

An administrative review checklist is a good tool for ensuring the proposals are responsive. A *Sample Administrative Review Checklist* is attached as APPENDIX 11

**Where can I go for more information?**

[\*APPENDIX 11 - Sample Administrative Review Checklist\*](#)

## 5.5 Evaluation Team(s) Training

In advance of receiving responses, the evaluation team leader may provide training for the evaluation team to outline the team's duties and responsibilities in accordance with the material contained in a well-developed evaluation guide. This may be a separate meeting or may be held in conjunction with and just prior to the evaluation. The *SSG Evaluation Guide* is attached as APPENDIX 10.

Team members should be instructed on their responsibilities including the critical nature of confidentiality to the integrity of the evaluation process.

Each evaluation team member should submit a signed *Non-Disclosure Statement* to the SSG prior to engaging in any discussion about, or having access to response documents. A Sample Non-Disclosure Statement is attached as APPENDIX 12.

The team leader will review all evaluation criteria with the team members and explain how the evaluation process will be conducted.

Communication between team members during the evaluation must be limited to asking questions of the team leader and, if authorized, obtaining information from technical experts (for example, insurance and accounting experts) to better understand the response contents and requirements.

Each response must be evaluated individually against the requirements of the solicitation.

Each solicitation is considered independently of all other solicitations.

A sample of written instructions for the Evaluation Team are included in APPENDIX 10.

### Where can I go for more information?

*APPENDIX 10 – SSG Evaluation Guide*

*APPENDIX 12 – Sample Non-Disclosure/Conflict of Interest Statement*

## 5.6 Single Responses

To determine why the SSG received only one response to a competitive solicitation, the SSG should do the following:

- Re-review the solicitation for any unduly restrictive requirements; and
- Contact some potential respondents to determine why they did not submit a response.

If it is determined that there were unduly restrictive requirements in the solicitation, the SSG may decide to re-advertise the solicitation.

Otherwise, the SSG should consider the reasons that other responses were not received and determine if it is in the best interest of the Alliance to make an award, to re-advertise with a revised solicitation, or to determine if an exclusive acquisition justification is required.

## 5.7 Proposal Evaluation

Once responses have been reviewed and found to be responsive by the SSG, the evaluation team leader will provide members of the evaluation team copies of the qualified responses. Some evaluations are conducted with the evaluation team in the same room evaluating the responses at the same time. This may facilitate questions by team members to the SSG or technical experts.

Alternatively, evaluation team members may work from their respective workspaces. In that case, the SSG and technical experts need to be available to answer technical questions regarding responses. For example, if a response recommends the use of a software product one of the team members is not familiar with, the member should discuss the pros/cons of this software with a technical expert if the member is allowed to do so by the evaluation guide. Otherwise, if not allowed to conduct independent conversations, all questions must be presented to the team leader, who may seek out the answers to questions. Evaluation team members should only ask questions in the areas related to the evaluation criteria presented in the solicitation in accordance with the evaluation guide.

Once the evaluations are complete, the team leader will collect all of the evaluation score sheets and the responses. The team leader totals the score sheets and verifies the accuracy of calculations for input into the final evaluation formula.

If it is apparent that one or more team members' evaluations differ significantly from the majority, the team leader should conduct a meeting with all team members to discuss the situation to ensure the criteria were clear to all team members and that information was not overlooked or misunderstood. If after this discussion, a team member feels that he/she did not understand the criteria, the requirement, or missed information that was included in the response, the member, at his own discretion, may revise his evaluation score. Under no circumstances should any team member attempt to pressure other members to change evaluation scores.

It is recommended that the cost or price information be scored by the SSG as cost/price is a criterion that should be calculated through predetermined formulas outlined in a spreadsheet.

A sample proposal score sheet is included in APPENDIX 10.

**Where can I go for more information?**

*APPENDIX 10 - SSG Evaluation Guide*

## 5.8 References

The evaluation team may verify references included in the response and conduct any other reference or credit check deemed appropriate. Or, reference verifications may be performed by the SSG that would contact all references and attempt to obtain answers to questions developed by the evaluation team.

All reference checks should be documented in writing. The same script or format of questions should be used when conducting reference checks so that the results are consistent and fair to all respondents. A *Sample Reference Check Form* is attached as APPENDIX 13.

Sometimes it is difficult to obtain information from references, either because references have a policy of not providing information or because they cannot be reached in a timely manner.

Depending on the importance of the sourcing event, the SSG may want to consider using the following statement in the solicitation in lieu of checking references for all respondents:

***The SSG reserves the right to check references prior to award. Any negative responses received may be grounds for disqualification of the proposal.***

By including this statement, the SSG is not required to check references but may choose to do so. Whether or not to check references as part of the evaluation is at the discretion of the SSG, as determined by the sourcing lead, based on the individual sourcing event.

Best practice indicates that the evaluation team should also use the CPA Vendor Performance Tracking System at [http://comptroller.texas.gov/procurement/prog/vendor\\_performance](http://comptroller.texas.gov/procurement/prog/vendor_performance) to evaluate past vendor performance for the state.

### **Where can I go for more information?**

*Texas Education Code, §51.9335 (higher education, generally [including UTMB])*

*Texas Education Code §51.9337*

*Texas Education Code, §73.115 (MD Anderson)*

*Texas Education Code, §74.008 (UTMB)*

*Texas Government Code §§2155.070, 2155.077, 2155.089, 2262.001(5), 2262.0015, 2262.002(a) and 2262.055*

*34 Texas Administrative Code §§20.115, 20.285(g)(5), 20.509, and 20.581 - 20.587*

*CPA Vendor Performance Tracking System web page at Texas Comptroller web site*

*APPENDIX 13 - Sample Reference Check Form*

## 5.9 Oral Presentations/Discussions

Oral presentations or discussions are conducted at the option of the SSG. If conducted, the solicitation should state approximately when oral presentations or discussions will occur. Oral presentations and discussions provide an opportunity for respondents to highlight the strengths and unique aspects of their response and to provide answers to questions the evaluation team may have regarding the response.

Demonstrations of product functionality are recommended, when appropriate. Demonstrations may be useful for information technology sourcing events.

Oral presentations and demonstrations should be fair to all parties. The time allowed, format, and audience, including evaluation team members, should be the same for all presenters. A prepared script will ensure consistency. Since some respondents believe there is an advantage to the order in which they present, it is best to draw names for the presentation order. This will ensure impartiality of the process.

The SSG's *Sample Oral Presentation Materials* (instructions to respondents) are attached as APPENDIX 14.

### 5.9.1 Determining Competitive Range

Oral presentations and demonstrations may be scheduled for all respondents or limited to only the top ranked vendors in the competitive range. The SSG should look for a “natural break” in the scores that will determine the competitive range. The competitive range should consist of those responses determined to be reasonably considered for award.

An example of how to determine competitive range is demonstrated below:

Respondent	Evaluation Scores - Scenario 1	Evaluation Scores - Scenario 2	Evaluation Scores - Scenario 3
1	97	97	97
2	93	93	96
3	90	82	90
4	89	81	89
5	88	79	88
6	65	68	85

NOTE: In Scenario 1, the top five respondents are in the competitive range.

In Scenario 2, the competitive range could include the top two respondents or the top five respondents.

In Scenario 3, there is a six-point difference between the second (2<sup>nd</sup>) and third (3<sup>rd</sup>) score, with the remaining scores close behind. Therefore, the best option may be to include all six respondents.

**Where can I go for more information?**

*APPENDIX 14 – Sample Oral Presentation Materials*

## **5.10 Best and Final Offers (Applies to Proposals Only)**

After oral presentations or demonstrations are completed, discussions between the SSG and respondent may be held. If discussions are held and the SSG intends to permit respondents to revise their responses, all respondents within the competitive range and that participated in oral presentations or demonstrations will be given equal opportunity to discuss and submit revisions to their responses.

Revisions of proposals are normally accomplished by formally requesting best and final offers. The request sets a deadline for receipt of BAFO responses and provides instructions regarding information and documentation that should be submitted. After consideration of all BAFO responses, the SSG may choose to reduce the number of respondents with which to negotiate to the competitive range.

*Where can I go for more information?*

*APPENDIX 15 – Sample BAFO*

## 5.11 Negotiations

Before negotiating with respondents, the SSG should closely review the terms of the solicitation to confirm that negotiation is permitted. The IFB sourcing method, including best value bids, does not allow negotiations. However, the RFP and RFQ methods generally do allow negotiations.

During negotiations the SSG may not use “technical leveling” and/or “technical transfusion” techniques. “Technical leveling” means helping a respondent bring their proposal up to the disclosed level of other proposals through successive rounds of discussion, usually by pointing out proposal weaknesses. “Technical transfusion” means disclosing technical information or approaches from one respondent’s proposal to other competitors in the course of discussion.

In addition, the following disclosures are prohibited:

- disclosing competing respondents’ cost/prices (even if the disclosure is made without identifying the vendor by name); and
- advising a respondent of its price standing relative to other respondents.

Care must be taken to avoid making substantial changes to the Alliance’s contracting objectives, requirements and specifications set out in the solicitation. If the contracting objectives, requirements or specifications are substantially changed through the negotiation process, the pool of contractors who may have been interested in submitting a response may change. Additional contractors may have competed, if the changed objectives, requirements and specifications were included in the original solicitation. *Whenever it appears that contracting objectives, requirements or specifications may have been changed, legal counsel should be consulted before proceeding further.*

The SSG may continue with negotiations until the best value for the Alliance is achieved and an award to one or more respondents is made.

**NOTE:** A request for a respondent to clarify its proposal is not the same as negotiation of the terms of respondent’s proposal. However, when seeking clarifications, the SSG should not give one respondent an advantage over another and should extend the same opportunity to each respondent.

### 5.11.1 **Negotiation Strategies**

Negotiation strategy should be tailored to suit the particular facts and circumstances of the specific sourcing event. When establishing negotiation strategy, care should be taken to avoid giving the respondents a cost or price that must be met to proceed in the selection process. Suggesting a cost or price could keep the competitive process from generating the cost or price that is the best value to the Alliance. Also, be mindful that disclosing competitor costs or prices is not allowed, even if done without tying the cost or price to the specific vendor. In addition, a respondent cannot be told its price standing relative to other competitors.

Negotiation is based on the willingness of each party to compromise. In any contract, there are usually terms or conditions that each party may be willing to relinquish. Before conducting negotiations, the SSG should identify those terms or conditions that are essential and those that are desirable but negotiable. Like other parts of the contract management process, planning is essential to conducting a successful negotiation. The best practice is to meet with members of the contract management team and divide the terms and conditions into groups. Identify the terms and conditions that are essential to the contract. These are the terms or conditions upon which the SSG is either unable or unwilling to compromise. Then identify and prioritize the terms and conditions that are desirable, but not essential to the contract and which the SSG is willing to compromise or relinquish.

## 5.11.2 Negotiation Techniques

There is not a single approach to negotiation. A discussion of one method to facilitate a successful negotiation effort follows:

Designate a lead negotiator to establish an organized and controlled negotiating environment that ensures the SSG's efforts are efficient, coordinated and unified. The lead negotiator should control the meeting and ensure everyone is hearing and discussing the same issue. Side discussions are distracting and may inadvertently provide information to the respondent to the disadvantage of the Alliance. If available, provide a private side room for the negotiation team to use for private conversations or to "caucus" during negotiations.

Do not provide the list of essential or other prioritized issues to the respondent because the list will offer a negotiating advantage. On the other hand, before meeting with the respondent, if objections to terms and conditions were not a part of a complete response, the SSG should request a list of respondent's objections to any contract terms and conditions and an explanation regarding why respondent is objecting to each term or condition.

Be prepared to explain why a particular term or condition is essential or objectionable and place the burden on respondent to identify an alternative solution that meets Alliance needs. Do not feel pressured to agree or disagree to a single term or condition without considering the impact of the entire group of negotiated terms and conditions within the context of a final contract. When the entire group of negotiated terms and conditions is completed, consider any new risks, costs or benefits. Take frequent breaks to discuss suggestions, options or alternatives, outside of the presence of respondent. Write down or use a laptop to record the exact language of any proposed or alternative terms and conditions, so that the team evaluates the exact language that will be included in the contract.

Negotiations can reach an impasse over conflicting terms thought to be essential to each party. The following three-question approach used to assist in identifying the contracting objectives may be useful to assist the parties in clarifying and harmonizing potentially divergent objectives and interests. The three questions are:

1. What does the party want, *specifically*?
2. What will having what the party wants, *specifically*, do for the party?
3. How will the party know, *specifically*, when the party has received what it wants?

The second question, "What will having what the party wants, *specifically*, do for the party?" may provide common ground to explore options to meet the needs of both parties. If an agreement is not reached, consider beginning negotiations with the next ranked respondent or re-soliciting.



## 5.12 **Award**

The SSG will award a contract for the purchase of goods/services that provides the best value for the Alliance pursuant to the mandatory evaluation criteria required by the Best Value Statutes and specified in the solicitation.

The SSG will complete a best value award justification describing the rationale for the award and retain the justification in the contract file. A *Sample Best Value Award Justification* is attached as APPENDIX 16.

Upon award of a contract, the SSG is responsible for assuring that any notifications required by Applicable Laws or University Rules are made to announce the award of the contract.

In addition, the HUB office should be informed of the contract award in order to track all subcontracting associated with the contract.

**Where can I go for more information?**

*APPENDIX 16 - Sample Best Value Award Justification*

# CHAPTER 6

## CONTRACT FORMATION

The information in this chapter is not intended to provide legal advice. This chapter includes general rules regarding contract formation.

Texas courts define a contract as a promise or a set of promises to which the law attaches legal obligation. The law regards the performance of these promises as a duty and provides a remedy for the breach of that duty.

Contracts that deviate substantially from the Alliance's requirements and specifications defined in the solicitation are subject to protest by unsuccessful respondents.

### **6.1 Approach to Contract Formation**

Fundamentally, the purpose of any written contract is to (1) create a legal, binding and enforceable obligation, and (2) serve as a reference document that records the terms of an agreement to prevent misunderstanding and conflict as to those terms at a later date. Most often, conflicts over contracts arise well into a contract period – when memories fade and prove to be unreliable. With this in mind, clarity of the terms and completeness of the issues addressed are of primary importance. The person who drafts the contract must (1) know the subject matter and the concerns of the parties thoroughly enough to anticipate potential areas of disagreement and confusion, and (2) specifically address those areas in the contract.

Thoroughness and precision are necessary in determining the scope of a contract because contract law does not allow parties to add terms not part of the original contract without the consent of both parties. This rigidity in contract law is mostly seen as an advantage to both parties. However, this advantage may become a liability if the SSG does not include all necessary terms and conditions in the contract.

Creating contracts for the state is an exercise in balancing potentially conflicting interests. These interests include (1) the state's requirements, fiscal constraints, and statutory requirements, and (2) the contractor's requirements. The primary concern should always be the benefit of the contract to the state as a whole, or more specifically, the taxpayers of the state.

Negotiating the best contract for the state does not mean taking advantage of the contractor. While onerous and unnecessarily harsh provisions may be legal, they usually have negative future consequences that outweigh the initial gains. Contractors who feel they have been aggrieved by the state are less likely to provide good service and are more apt to engage in legal action. Or, these contractors may decide to never contract with the state again, thus limiting future competition on state contracts. In addition, contractors who have been informed by other contractors of bad experiences with the state, may demand more money on future contracts to do the same work to offset that perceived risk.

## **6.2 Legal Elements of a Contract**

The essential elements necessary to form a binding contract are usually described as:

- An Offer;
- An Acceptance (in strict compliance with the terms of the offer);
- Legal Purpose/Objective;
- Mutuality of Obligation (also known as the “meeting of the minds”);
- Consideration; and
- Competent Parties.

### **6.2.1 Offer**

An offer is considered the indication of one party of a willingness to enter into a bargain made in a manner that justifies the other parties' belief that assent to the bargain is invited and will create an obligation.

### **6.2.2 Acceptance**

Acceptance of an offer can occur in several ways. Acceptance of an offer is a manifestation of assent to the terms thereof made by the offeree in a manner invited or required by the offer. An acceptance may not change the terms of an offer. If it does, the offer has not been accepted and has been rejected. However, an acceptance with a material change in a proposed offer also creates a counteroffer, which, before a contract is formed, must be accepted by the other party.

### **6.2.3 Legal Purpose**

The objective of the contract must be for a legal purpose. A contract for an illegal purpose is not binding. For example, a contract for illegal distribution of drugs is not a binding contract because the purpose of the contract is illegal.

### **6.2.4 Mutuality of Obligation**

Mutuality of obligation is also known as a “meeting of the minds.” Mutuality of obligation refers to the parties' mutual understanding of and assent to the terms of their agreement. The parties must agree to the same thing, in the same sense, at the same time. The determination of a meeting of their minds, and thus offer and acceptance, is based on the objective standard of what the parties said and did and not their subjective state of mind. Unexpressed subjective intent is irrelevant. In determining whether mutual assent is present, a court looks to the communications between the parties and to the facts and circumstances surrounding those communications. The offer must be clear and definite, just as there must be a clear and definite acceptance of all terms contained in the offer. Where a meeting of the minds is contested, the determination of the existence of a contract is a question of fact. If a court determines that one party reasonably drew the inference of a promise from the other party's conduct, that promise will be given effect in law.

To be enforceable, the parties must have agreed on the essential terms of the contract. Full agreement on all contractual terms is the best practice and should be the norm. However, parties may agree upon some contractual terms, understanding them to be an agreement and leave other non-essential contract terms to be agreed upon later. Use caution when leaving contract terms to be agreed upon in the future because when an essential term is left open for future negotiation there is nothing more than an unenforceable agreement to agree. Such an agreement is void as a contract.

### **6.2.5 Certainty of Subject Matter**

In general, a contract is legally binding only if its terms are sufficiently definite to permit a court to understand the parties' obligations. Material terms of an offer cannot be accepted to form a contract unless the terms are reasonably definite. Material contract terms are those that are essential to the understanding between the parties. The material terms of a contract must be agreed before a court can enforce the contract. The unique facts and circumstances surrounding each contract are considered to determine which contract terms are material.



As a general rule, an agreement to enter into negotiations for a contract later does not create an enforceable contract. However, as previously discussed, parties may agree on the material terms of a contract and understand them to be an agreement, and leave other immaterial portions of the agreement to be established later.

When immaterial terms are omitted from contracts, a court may imply or supply the term to preserve the enforceability of the contract. A court may uphold an agreement by supplying missing immaterial terms. Historically, Texas courts prefer to validate transactions rather than void them. However, courts may not create a contract where none exists. Therefore, courts will not insert or eliminate material terms. Whether or not a court will imply or supply missing contract terms will depend on the specific facts of the transaction. An example of terms that have been implied or supplied by a court are time and place of performance.

## Consideration

Consideration is an essential element of any valid contract. Consideration is a present exchange bargained for in return for a promise. It may consist of some right, interest, profit, or benefit that accrues to a party, or alternatively, of some forbearance, loss or responsibility that is undertaken or incurred by a party. Consideration is not required to be monetary.

### 6.2.6 Competent Parties

Parties to a contract must be *competent* to enter into a binding contract. In Texas, a person typically must be eighteen years of age and of sound mind to be competent.

## 6.3 Drafting the Contract

The contract should fully describe the actual agreement of the parties. Except for contract terms that are contrary to public policy (that may be void, voidable or severable from a contract), the types of contract terms that may be included in a contract are only limited by the creativity of the drafter. There are several types of provisions that are usually included in contracts, including:

- Administrative provisions;
- Financial provisions;
- Risk allocation provisions;
- Scope of work (including deliverables);
- Contract term, termination and dispute resolution provisions; and
- Work product and intellectual property ownership and rights provisions.

Contact Alliance legal counsel for help in preparing all drafts of solicitation documents, contract drafts and proposed contract amendments.

See attached *Information required by Alliance Legal Counsel* APPENDIX 17.

### Where can I go for more information?

*APPENDIX 17 - Information required by Alliance Legal Counsel*

## **6.4 Planning for Contract Preparation**

Just like other contract management processes, the SSG should plan for drafting of the contract. A common practice is to include a draft of the applicable Alliance contract template in the solicitation document. This allows a respondent to make an offer with knowledge of the proposed contractual terms and conditions.

*During the sourcing process always allow adequate time to draft, review and negotiate the final contract. In addition, be sure to include sufficient time for HUB compliance.*

## **6.5 Form of the Contract**

Evidence of an agreement or a contract may be documented in different formats, including a “four-corner” contract, a purchase order, or an exchange of correspondence. The term “four-corner” contract means a single document that includes all of the terms and conditions within the four-corners of a single document.

Each form of contract has advantages and disadvantages. Determining which form to use should be based on an assessment of the risks involving contract construction or interpretation.

### **6.5.1 “Four-corner” Contracts**

A “four-corner” contract offers the greatest opportunity to avoid conflicting provisions, because all of the provisions are contained in one document. Contract management is sometimes easier when all of the provisions regarding the duties, obligations and responsibilities of each party are logically organized and easily found. On the other hand, “four-corner” contracts require more time to plan and prepare. Notwithstanding the additional time required, in a major or complex transaction, a “four-corner” contract is the best format to clearly document an agreement.

### **6.5.2 Purchase Orders**

Note: the following material on purchase orders is for information only, since the Alliance does not obtain goods and services through the use of purchase orders.

Purchase orders are also contracts. For example, Contractor delivers an offer, in a form requested by the institution, and the institution indicates acceptance of the offer by issuing a purchase order. The documents that comprise the offer and acceptance are the evidence of the contractual agreement. In addition, a contract may be formed if an institution issues a purchase order and Contractor accepts that offer through performance.

A purchase order uses a layered approach (i.e., the purchase order usually relies on a number of documents that in combination, comprise the contract). The institution may publish a solicitation that includes product specifications, contractor qualifications and other terms and conditions. Contractor’s response may condition the offer on terms and conditions that are different from or in conflict with the solicitation. When using a purchase order, the institution should take care that contractor’s terms and conditions do not become the basis of the agreement.

Despite the potential for conflicting or additional terms, when used properly, a purchase order is often relatively fast, efficient and rarely has problems. When using a purchase order as evidence of a contract, the institution should ensure the inclusion of the institution’s standard terms and conditions rather than blindly accepting terms the contractor proposes. All final terms and conditions that vary from either the offer or the acceptance must be contained in a written document signed by both parties. OGC has posted sample purchase order terms and conditions posted on the OGC Contracting & Procurement Practice Group web site.

## 6.6 Contract Terms

Contracts include a variety of routine terms and conditions often referred to as 'boilerplate' or 'standard' terms and conditions.

During the development of the contract, devote careful attention to the details. Below is a list of certain provisions that are essential and should be included in all contracts as well as some provisions that are recommended for inclusion in some contracts depending on specific facts and circumstances.

Consult with the Alliance's legal counsel regarding additional contract terms that may be required by Applicable Laws and University Rules for particular situations.

### **Essential Provisions:**

Scope of Work

Schedule

Term of Contract

Contractor's Obligations

HUB Requirements

Contract Amount

Payment Terms

Ownership and Use of Work Material

Default and Termination

Indemnification

Relationship of the Parties

Insurance

Assignment and Subcontracting

*Texas Family Code* Child Support  
Certification

Not Boycotting Israel Certification

Contractor Certification regarding Business  
with Certain Countries and Organizations

Loss of Funding

Entire Agreement; Modifications

Force Majeure

Governing Law

Waivers

Confidentiality and Safeguarding of

University Records; Press Releases; Public  
Information

Binding Effect

Records Notices

State Auditor's Office

Limitation of Liability

Survival of Provisions

Breach of Contract Claims

Undocumented Workers

Limitations

Ethics Matters; No Financial Interest

State of Texas Computer Equipment

Recycling Program Certification

Enforcement

Access by Individuals with Disabilities

HIPAA Compliance

Historically Underutilized Business

Subcontracting Plan

Responsibility for Individuals Performing  
Work; Criminal Background Checks

Quality Assurance

EIR Environment Specifications

Security Characteristics and Functionality of

Proposer's Information Resources

Payment Card Industry Standards

External Terms

FERPA Compliance

Group Purchasing Organization (GPO)

## **Recommended Provisions:**

Use of Marks  
Tax Certification  
Payment of Debt or Delinquency to the State  
Captions  
Severability  
Drug Free Workplace Policy  
Order of Precedence of Contract Documents  
Security/Parking Access  
Smoking Policy

## **6.7 State Contracting Standards/Oversight**

Institutions are subject to *Texas Government Code*, Chapter 2261, Subchapter F Ethics, Reporting, and Approval Requirements for Certain Contracts, *except to the extent that Subchapter F conflicts with Texas Education Code, §51.9337 Purchasing Authority Conditional; Required Standards*. Institutions are not subject to other Subchapters of Chapter 2261.

To the extent applicable, *Texas Government Code*, Chapter 2261, Subchapter F, provides Institutions guidance regarding multiple contract matters including conflicts of interest (see [Section 1.7](#) of this Handbook), Internet posting (see [Section 6.7.1](#) of this Handbook), monitoring (see [Section 6.7.3](#) and [Chapter 7](#) of this Handbook), reporting (see [Section 6.7.4](#) of this Handbook), risk analysis (see [Section 7.1.6](#) of this Handbook), and management (see [Chapter 7](#) of this Handbook). The SSG, as appropriate, takes the lead in complying with these requirements in regard to Alliance contracts.

### **6.7.1 Enhanced Transparency**

Except with regard to memoranda of understanding, interagency/interlocal contracts or contracts for which there is not a cost, the SSG arranges, through the UT System Office of Business Affairs, for posting on the Internet (until the contract expires or is completed) (a) a summary of each contract (including purchase orders) the agency enters for the purchase of goods/services from a private vendor (including “sole source” contracts), (b) statutory or other authority for exclusive acquisition purchases, and (c) the RFP related to competitively bid contracts (ref. *Texas Government Code*, Section 2261.253). As appropriate, the SSG will redact information that is confidential under law, information the Attorney General excepts from public disclosure under Chapter 552, *Texas Government Code*, and social security numbers of individuals.

### **6.7.2 Enhanced Management**

The Alliance will (1) publish this contract management handbook and (2) provide this handbook to the UT System Office of Business Affairs for posting on the Internet, as required.

### **6.7.3 Enhanced Monitoring**

Except with regard to memoranda of understanding, interagency/interlocal contracts, or contracts for which there is not a cost, the SSG (1) has established procedures (see APPENDIX 1 and APPENDIX 5) to identify contracts that require enhanced contract or performance monitoring and will submit information on those contracts to the Board of Regents, and (2) reports serious issues or risks with respect to monitored contracts to the Board of Regents (ref. *Texas Government Code*, Section 2261.254).

In addition, the SSG has developed procedures (see APPENDIX 1 and APPENDIX 5) and will comply with a purchasing accountability and risk analysis procedure providing, among other things, for (1) assessment of risk of fraud, abuse or waste in the sourcing and contracting processes, and (2) identification of contracts that require enhanced monitoring (ref. *Texas Government Code*, Section 2261.256).



In connection with contracts for the purchase of goods/services with a value exceeding \$5 million, *Texas Government Code*, Section 2261.255 requires the SSG to verify in writing that the solicitation process complies with state law and UT System policy and submit to the Board of Regents information on any potential issue that may arise in the solicitation, purchasing or contractor selection process.

#### **6.7.4 Enhanced Reporting**

The SSG complies with contract reporting requirements for contracts for the purchase of goods/services with a value exceeding \$1 million (ref. *Texas Government Code*, Section 2261.254).

In addition, *among other statutory and regulatory reporting requirements*, the SSG provides, through the UT System Office of Business Affairs, notice including the nature of the goods or services, the term, amount and vendor name, to the LBB for all contracts (a) with a maximum value over \$10 million, and (b) contracts with a value over \$1 million that are not competitively procured. The SSG must also provide an attestation to the LBB on the form provided by the UT System Office of Business Affairs, consistent with the specific requirements of Section 7.12 of HB 1 (2015). *These requirements apply without regard to source of funds or type of contract or purchase order.*

Note: This Handbook does not attempt to identify all applicable reporting requirements.

#### **Where can I go for more information?**

[Section 7.12 of HB 1 \(2015\)](#)  
[Texas Government Code, Chapter 2261, Subchapter F](#)  
[Texas Government Code, Section 2261.253](#)  
[Texas Government Code, Section 2261.254](#)  
[Texas Government Code, Section 2261.255](#)  
[Texas Government Code, Section 2261.256](#)  
[Section 6.7.1 – Enhanced Transparency](#)  
[Section 6.7.3 – Enhanced Monitoring](#)  
[Section 6.7.4 – Enhanced Reporting](#)  
[Chapter 7 – Contract Administration](#)  
[Section 7.1.6 – Risk Management](#)  
[APPENDIX 1 – Competitive Sourcing Guidelines](#)

## **6.8 Authority to Sign Contracts**

### **6.8.1 Actual Authority, not Apparent Authority**

As state agencies, institutions have only the power and authority that is granted by law or that may be reasonably inferred from law. An institution, just like a corporation or other business entity, acts through its officers and employees. In the case of a private business, an officer or employee with apparent authority may commit the business to legal obligations. Actual authority is not required.

On the contrary, only institution representatives with actual authority, delegated by a written memorandum, may commit Institution to legal obligations, including contracts. It is important for institution officers and employees to know whether they have delegated authority to act on behalf of the institution because Institutions cannot legally perform obligations that are agreed to by representatives who do not have actual authority to do so. For example, if an invoice is submitted to an Institution under a contract that is signed by an employee who lacks actual authority, the institution may not pay the invoice. This situation may embarrass the institution and damage the institution's business reputation. In addition, institutional representatives who enter into obligations on behalf of the Institution, but do not have actual authority to do so, may be personally responsible for those obligations.

The Texas Education Code gives the Board of Regents the authority to govern and operate the UT System. The Texas Education Code also authorizes the Board of Regents to delegate any power or duty to a committee, officer, or employee. In many instances, the Board of Regents has delegated its authority to officers pursuant to the Regents' Rules. Subject matter generally determines which officer receives delegated authority from the Board of Regents to bind an institution. It is not the purpose of this overview to cover all delegations; however, Institutions may refer to the OGC Delegations of Authority web page (<http://www.utsystem.edu/ogc/contracts/delegation.htm>) for charts summarizing current delegations at Institutions.

Pursuant to Rule 10501, Section 2.1, the Board conditions its delegation of authority to sign contracts on the delegate's compliance with applicable laws and special instructions or guidelines issued by the Board, the Chancellor, an Executive Vice Chancellor and/or the Vice Chancellor and General Counsel. As an example, special instructions or guidelines issued by the Vice Chancellor and General Counsel include the OGC Contract Review Procedures posted on the OGC website (*see link below*).

Delegations of authority directly relevant to the SSG are attached as APPENDIX 18.

#### **Where can I go for more information?**

[Texas Education Code §65.31](#)

[Texas Education Code §65.34](#)

[Texas Government Code §2261.254](#)

[Regents' Rule 10501 Delegation to Act on Behalf of the Board](#)

[Regents' Rules and Regulations](#)

[UTS145 Processing of Contracts](#)

[Flow Chart of Steps 1 through 9 for UTS145 \(UT Authentication required\)](#)

[OGC Delegations of Authority web page](#)

[Contract Review Procedures on OGC Contracting & Procurement Practice Group web site](#)

[OGC Contracting & Procurement Practice Group web site](#)

[APPENDIX 18 – SSG Delegation Letters](#)

### **6.8.2 Authority to Sign Contracts**

Two important types of delegations to be aware of are: (1) the authority to sign contracts, and (2) the authority to approve the expenditure of funds from budget accounts. It is important to note that authority to authorize the expenditure of funds does not authorize an employee to sign contracts.

Regents' Rule 10501 serves to outline matters for which Board of Regents ("Board") approval authority is delegated and matters for which the Board has specifically retained approval authority. The Rule is critical to the efficient operation of a governing board responsible for direction and oversight for 14 separate entities with unique institutional missions and needs. Members of the Board understand their fiduciary responsibilities

and seek to delegate approval for routine purchases, regardless of dollar amount, to the most appropriate level conditioned upon compliance with state law.

Accordingly, the Board's Rules do not require that purchase contracts procured by the Alliance and signed by UT System be presented to the Board for approval, and the Office of the Board of Regents has consistently interpreted the relevant delegations of authority embodied in Regents' Rule 10501 as exempting such contracts from submission to the Board. The details are as follows:

- Rule 10501, Section 2.2.7 exempts from Board approval "purchases made under a group purchasing program that follow all applicable statutory and regulatory standards for procurement."
- In 2011, the Alliance was specifically added to the definitions at the end of Rule 10501 to make clear that the Alliance is included within the term "group purchasing program." This amendment was routine and within the editorial authority provided to the General Counsel to the Board.
- While Section 2.2.7 expressly refers to "purchases" under a group purchasing program, the Board Office has long construed this Section as also exempting from Board review or approval, under Section 3.1 of Rule 10501 or otherwise, any group purchasing contract (master agreement) procured by the Alliance and signed by UT System, under which institutional purchases ultimately are made. Delegation of authority to make a purchase includes authorization to execute related documents, be they in the form of a purchase order or contractual agreement.
- Section 1.1 of Rule 10501 makes institutional presidents and executive officers at UT System Administration responsible for identifying contracts of such significance as to require prior approval by the Board, even if the contracts otherwise would be exempt from approval. In relatively rare circumstances, specific Alliance contracts have been identified as requiring Board approval.

As noted above, the exemption referenced in Rule 10501, Section 2.2.7 relates to "purchases made under a group purchasing program that follow all applicable statutory and regulatory standards for procurement." UT System recognizes the importance of ensuring that group purchasing organizations (GPOs) conform to applicable statutory and UT standards in procuring contracts used by UT System institutions. To that end, UT System operates an annual GPO accreditation program to assess on an ongoing basis whether GPOs meet these standards. The Alliance, as UT System's in-house GPO, is subject to the same accreditation assessments as any external GPO.

#### **Where can I go for more information?**

[Regents' Rule 10501 Delegation to Act on Behalf of the Board](#)  
[Regents' Rules and Regulations](#)

## **6.9 Required Check of Vendor Hold Status**

Not earlier than the seventh (7<sup>th</sup>) day before and not later than the date of entering into the contract, the SSG must determine whether a payment law prohibits CPA from issuing a warrant or initiating an electronic funds transfer to the vendor ("vendor hold status"). The determination must be made in accordance with the comptroller's requirements no later than the date UT System signs the contract. (ref. Section 2252.903, *Texas Government Code*)

### **Where can I go for more information?**

*Texas Government Code §2252.903*

*Texas Government Code §2107.008*

*Section 3.7 – Payment Types*

*Section 7.4 – Invoices and Payments*

## **6.10 Execution of Alliance Contracts**

All Alliance contracts are signed by the UT System Executive Vice Chancellor for Business Affairs or a duly authorized delegate, pursuant to Regents' Rule 10501

Only contractor's employees authorized to bind the contractor to contract terms may sign the contract on behalf of the contractor.

Prior to submittal of contracts for signature, the contract manager must adhere with the guidelines in *Contract Processing Guidelines* APPENDIX 22.

**Where can I go for more information?**

[Section 6.8.2 – Authority to Sign Contracts](#)

[APPENDIX 22 – Contract Processing Guidelines](#)

# **CHAPTER 7**

## **CONTRACT ADMINISTRATION**

Contract administration and oversight includes the following seven (7) general processes:

- Planning
- Monitoring Performance
- Change Management
- Payment Approval
- Dispute Resolution
- Termination
- Contract Close-out

The primary tasks of contract administration include:

- Verifying contractor performance for purposes of payment;
- Identifying any material breaches of the contract by assessing the difference between contractor's actual performance and contract requirements;
- Determining if corrective action is necessary and taking action, if required; and
- Developing a completion plan for contractor exit requirements, including acceptance of the goods/services, final payment, and contract close-out.

## 7.1 Planning

As previously mentioned, planning for contract administration should be simultaneous with drafting of the SOW for the solicitation. Procedures for contract administration should be described in the solicitation. At the same time, the SSG should appoint, coordinate and schedule resources for the contract administration team that will assist with performance of contract administration procedures.

To properly plan for contract administration, the SSG must thoroughly understand all of the components of the solicitation and the contract. Examples include:

- Proposed contract outcomes and related performance measures.
- Scheduling for deliverables, if applicable.
- Links between the payment schedule and significant deliverables.
- Total contract cost, including any indirect cost allocation for the goods/services to be provided under the SOW.
- Identification and management of potential contract risks.
- When, where, and how the contract is to be performed, including delivery of goods/services.
- Institution's right to inspect and accept or reject the goods/services, as well as any conditions related to acceptance or rejection.
- Effective date, completion date, contract term extension options, and other dates applicable to contract performance.
- Contractor's contact information for correspondence, payment and notice (including address, email, telephone and fax and other contact information).

**Where can I go for more information?**

### Chapter 2 - Planning

#### 7.1.1 Statement of Work

Before the solicitation is issued, contract administration begins with the development of a clear and concise SOW. The SOW is the roadmap for contract administration. The goal of contract administration is to ensure the contract is satisfactorily performed by contractor and the responsibilities of the contract parties are properly discharged. Effective contract administration helps to minimize (or eliminate) problems, disputes and claims.

#### 7.1.2 Communication

Communication is a critical factor in successful contract administration. It is essential for contract administrators to (1) understand the provisions of the contract, (2) communicate contractual obligations to all parties involved, and (3) closely monitor contract performance over the entire term of the contract. The contract manager's role includes ensuring, to the extent possible, that the contract requirements are satisfied, that the goods/services are delivered in a timely manner, and that the financial interests of the Alliance are protected.

#### 7.1.3 Familiarity with Contracting Principles

**Contract managers must be aware of and understand general contracting principles because those principles impact the SSG's responsibilities in administering the contract.**

#### 7.1.4 Central Contract Repository

The SSG maintains a copy of all contracts on file in a central repository, which may be an electronic repository. A central repository will facilitate reporting, audits and responses to requests for public information, as well as allow contract managers access to useful information in past and present contracts.

## 7.1.5 Master Contract Administration File

Ideally, the SSG should keep one complete master contract administration file. That file will provide a basis for responding to questions and resolving contract issues, if any. Throughout the life of the contract, the contract administration file might include the following, as appropriate:

- A copy of the current contract and all amendments (including amendments made by letter);
- A copy of all specifications, drawings, manuals, terms posted on the Internet or other documents incorporated into the contract by reference;
- A list of all prior contracts with the same contractor (if those contracts offer valuable historical data);
- If the goods/services were competitively procured, documentation evidencing the Alliance's need for the goods/services, the solicitation, contractor's proposal, the proposal scoring sheet summarizing the scores for all proposals, the best value justification for the successful proposal, and the notice of award;
- If the goods/services were not competitively procured, documentation evidencing the Alliance's need for the goods/services, the exclusive acquisition justification, the best value justification for the sourcing event;
- A list of contractor work product submittal requirements and deliverables (note: this should be maintained by affected institutions, not the SSG);
- An inventory of Alliance furnished property or services;
- An inventory of all Alliance information furnished to contractor;
- A copy of the post-award conference summary, if conducted;
- A copy of the compliance review schedule, if applicable;
- A copy of all correspondence related to the contract;
- The originals of all contractor work product data and report submittals (note: this should be maintained by affected institutions, not the SSG);
- A copy of all routine reports required by the contract, including sales reports, pricing schedules, approval requests, and inspection reports;
- A copy of all notices to proceed, to stop work, to correct deficiencies and other notices (note: this should be maintained by affected institutions, not the SSG);
- A copy of all Alliance approvals, including approvals of contractor's materials, quality control program and work schedules;
- Any minutes taken of meetings with contractor, including sign-in sheet, agenda and handouts, as appropriate;
- A copy of all contractor invoices and supporting documentation, including information regarding prompt payment discounts, contract deductions and fee adjustments (note: this should be maintained by affected institutions, not the SSG);
- Copies of any contract audits;
- Copies of original HSP and revisions, if any; and
- Copies of HUB Progress Assessment Reports (Note: these should be maintained by affected institutions, not the SSG).

## 7.1.6 Risk Management

To help manage contract risk for significant contracts, the SSG should complete a preliminary risk assessment (see APPENDIX 1) to (1) document the SSG's initial perception of the level of risk, (2) identify specific risks, (3) determine the level, type and amount of management oversight and resources needed to plan and implement the contract from beginning to end, and (4) identify and assign personnel to assist with the contract management process.

As the risk associated with a particular contract increases, the level and degree of executive management sponsorship, participation and oversight should be increased by a corresponding level.

**7.1.6.1 Assessment of Contract Risk** - Risks are inherent in all the stages of the contract. Limited resources (time and money) necessitate the use of contractual risk assessment tools because there is not sufficient time to oversee all aspects of every contract. An effective risk assessment model will help focus contract monitoring resources on contractors with the highest risk of noncompliance.

The contract risk assessment is a dynamic process that should be updated regularly to reflect the actual results of the contract monitoring program. For example, if a contractor has fallen significantly behind schedule in delivering goods/services, the risk assessment should be



updated to indicate that elevated risk. The elevated risk should be incorporated into the contract monitoring program. Likewise, if a contractor is well ahead of schedule in delivering goods/services, the risk assessment and the contract monitoring program should be updated to indicate that lower level of risk.

**7.1.6.2 Risk Factors, Weights and Rating** - Risk factors are indicators that assess the risk to the Alliance if the contract or project objectives are not achieved. General risk factors may include:

- Contractor's past performance (and past performance of similar contractors);
- Contractor's turnover in key personnel;
- Dollar value of the contract;
- Information obtained from contract monitoring, such as the variance between contractor's expected and actual performance;
- Significant problems with contractor's invoices;
- Results of previous contractor monitoring site visits;
- Results of site visits completed by other divisions within the same institution or by other state agencies, that contract with the same contractor;
- Length of time since the last site visit; and
- Contractor's experience performing the specific work.

Once the risk factors are identified, weights might be assigned to each factor. Weights indicate how significant each factor is in identifying contractors who should be monitored. However, weights can also be designed to ensure statutory or policy requirements. For example, if a policy requires a site visit every three years, the assigned weight would be indicative of the period since the last site visit.

Next, the SSG might rate each contractor on the risk factors. Consider using a three-point scale, where three (3) is high risk, two (2) is medium risk and one (1) is low risk. Institutions might define their own past performance risk factors and weights.

Risk analysis may be used to identify contractors with the highest risk level that should be monitored more closely. Risk analysis may also be used to identify specific areas of risk within a contract that should be monitored.

## **7.1.7 Contract Management Responsibilities**

The typical duties of the SSG team member assigned responsibility may include:

- Participating in developing the solicitation and drafting the sample contract. Contract administration processes must be considered during development of the solicitation and the sample contract.
- Consulting with Alliance legal counsel to address any legal issues related to the sample contract.
- Reviewing solicitation responses to determine if contractor's compensation structure is appropriate for the SOW.
- Lead post award meeting and contract kick-off events
- Serving as contractor's official point of contact with the Alliance for the contract.
- Receiving and responding to communications between contractor and the Alliance.
- Consulting with the HUB office regarding HSP changes and HUB reporting.
- Managing, approving, and documenting all amendments to the contract.
- Managing any SSG property (including computers, telephones, equipment, furniture, and identification badges) used by contractor when performing its duties and obligations under the contract.
- Identifying and resolving issues and disputes with contractor in a timely manner.
- Implementing a quality assurance process.
- Maintaining appropriate contract records (see [Section 2.6](#) of this Handbook).
- Documenting significant contract events.
- Monitoring contractor's performance to ensure conformance to contract requirements.
- Exercising appropriate contract remedies when contractor's performance is deficient.
- Performing contract close-out process, including ensuring the contract file contains all necessary contract documentation, formal acceptance documentation, and documented lessons learned.

## 7.1.8 Developing the Contract Management Team

The number of participants in the contract management process will vary in number from one person to several people depending on the dollar value, term, level of risk and complexity of the contract. At the beginning of solicitation development, the SSG sourcing lead should coordinate with the contract management team lead and other individuals who will be responsible for management of the contract. The SSG should assign roles and responsibilities to each member of the contract management team, including:

- Determining the sequence of activities, dependencies, required or desired outcomes, and acceptable performance levels.
- Developing a timetable (with start and end dates) for each performance component, including milestones with accompanying timeframes, and monitoring and reporting requirements.
- Monitoring and documenting contractor activity on a specified frequency to identify any problem areas.
- Meeting with contractor on a regular basis to review progress, discuss problems and consider necessary changes.
- Providing access to state facilities, equipment, data, staff, materials and information.
- Contacting other staff as necessary to obtain equipment and data.
- Establishing scope of authority, clear lines of communication and reporting protocol for individuals who will interact directly with contractor.
- Establishing control of correspondence, data and reports.
- Identifying potential problems and solutions.
- Defining terms or conditions of default.
- Establishing a procedure, identifying a responsible person and establishing for handling noncompliance.
- Establishing a procedure and timeframe and identifying a responsible person for making necessary contract decisions, amendments, modifications, and changes.

NOTE: Most contract managers do *not* have authority to:

- Instruct contractor to start work before the contract is fully executed (signed by both parties);
- Change the terms or scope of the contract without a formal written amendment;
- Direct contractor to perform work that is not specifically described in the SOW and funded by the contract;
- Extend the term of the contract without a formal written amendment (unless unilateral extensions are expressly allowed by the contract); or
- Allow contractor to incur costs in excess of the cap or limit set by the contract.

Generally, contract managers who take those actions are acting outside the course and scope of their employment.

## 7.1.9 Post Award Conference

**7.1.9.1 Informal or Formal Conference** – The SSG may hold an informal or a formal post-award conference with contractor personnel responsible for administering the contract. Although contractor personnel involved in the sourcing process should already be aware of the contract requirements, the post-award conference ensures that contractor personnel who were not involved in the sourcing event, but will be responsible for contract administration, understand the contract requirements. The conference should be held as soon after contract execution as practical. The conference will help identify contract requirements and avoid potential misunderstandings early in the life of the contract. The post-award conference should NOT be used to change contract requirements.

Not every contract will require a formal post-award conference; however, for every contract there should be some form of discussion after award between the SSG and contractor personnel responsible for performing the contract, to review the applicable performance requirements and administration procedures.

For less complex, low risk, low-value contracts, a telephone call to contractor may be sufficient. During the telephone conversation, the SSG should review major contract requirements with contractor (including the value of contract, major performance milestones [deliverables, reports, and meetings] and time and place of delivery).

Factors used to determine the need for a formal post-award conference include:

- Type of contract;
- Level of risk associated with the contract;
- Contract value and complexity;
- Term of contract, period of performance and/or delivery requirements;
- Alliance's sourcing history for the goods/services;
- Experience and expertise of contractor;
- Urgency of delivery schedule;
- Alliance's prior experience with contractor;
- Any special or unusual contract requirements;
- Any special or unusual payment requirements; and
- HUB Subcontracting requirements (if applicable)

**7.1.9.2 Agenda** – The post-award conference agenda may include the following, as appropriate:

- **Introduction.** Introduce all conference attendees and identify SSG, Alliance personnel, and contractor points of contact.
- **Purpose.** Clearly communicate the purpose of the meeting: to identify contract requirements. Specify that contract requirements will not be revised or re-negotiated at the conference.
- **Scope.** Review the goods/services to be delivered under the contract.
- **Terms.** Summarize contract terms and conditions, including unique and important provisions. Summarizing terms and conditions will provide attendees a better understanding of contract requirements and help reduce misunderstandings.
- **Requirements.** Discuss contractor's technical requirements and reporting obligations under the contract. Emphasize the importance of timely compliance with reporting requirements.
- **Administration.** Discuss applicable contract administration procedures, including contract monitoring and progress measurement.
- **Rights.** Discuss other rights and obligations of the Alliance and contractor. Summarize Alliance's contractor performance evaluation procedures, including evaluation of performance during the term and at the conclusion of the contract. Mention that performance evaluations may be considered in the award of future contracts.
- **Potential Problems.** Address potential contract problems and possible solutions.
- **Payment.** Discuss invoicing requirements and payment procedures, including any payments based on milestones achieved by contractor, and HUB Subcontracting Progress Assessment Report requirements (if applicable).
- **Authority.** Identify the roles and responsibilities of contract managers, contract administrators, project managers, key personnel, and other staff. Explain limits of authority for SSG and Alliance personnel. Obtain the limits of authority for contractor personnel.

The SSG should summarize the conference in writing and retain the agenda and summary in the contract file. The summary should include topics covered at the conference, attendees, and

action items with responsible individuals and due dates. Copies of the conference summary should be distributed to all conference attendees.

The SSG's "*How-to*" *Guidelines for Post Award Conference* relating to post-award conferences are attached as APPENDIX 19.

## **7.2 Performance Monitoring**

Performance monitoring is a key function of proper contract administration that helps the SSG (1) confirm that contractor is performing all of its duties and obligations in accordance with the terms of the contract, and (2) identify and address any developing problems or issues. Contract monitoring may be viewed as:

- A preventive function;
- An opportunity to determine contractor's need for technical assistance; and
- A valuable source for information concerning the effectiveness and quality of goods/services being provided.

Performance monitoring tools should be specified in the solicitation and included in the contract. Reporting and testing are examples of contract monitoring tools. The SSG may not be able to enforce reporting or testing requirements that are not adequately documented in the contract.

A sample contract monitoring worksheet is included as part of APPENDIX 5.

### **7.2.1 Monitoring Program**

Not all contracts will require extensive monitoring. The level of monitoring will depend on many factors including the dollar value of the contract, the complexity of the goods/services, the level of contract risk, and the Alliance's experience with contractor.

### **7.2.2 Determining What to Monitor**

When determining what aspects of a contract or of contractor's performance to monitor, consider the following questions:

- How will the SSG know that contractor is complying with contract requirements?
- How will the SSG know the contract is performing satisfactorily?
- How will the SSG know whether affected institutions are satisfied with the contractor's performance, in the following sample areas:
  - Whether the institution is receiving the goods/services as required by the contract, including:
    - Confirming the Institution does not receive less goods/services than required by the contract; and
    - Confirming the institution does not receive the wrong goods/services.
  - Whether the institution is accurately charged for the goods/services, including:
    - Confirming allowable contractor expenses are not used for non-allowable costs (i.e. gifts, etc.); and
    - Confirming contractor accurately reports its progress on providing the goods/services.
  - Whether contractor makes satisfactory corrections to goods/services identified as not meeting contract requirements.
  - Whether contractor protects the institution's assets.
  - Whether the contract includes administrative fees, rebates, or incentives.

If the contract includes a provision for administrative fees (supplier pays UT System a percentage rebate based on total net sales), the contract manager should refer APPENDIX 21- *Guidelines for the Management Administrative Fee Process*

Also consider the impact the contract payment methodology will have on the monitoring program. For example, if payment is based on a firm fixed-price (a specific amount of money for a unit of the goods/services), it is not necessary to verify contractor's expenses since contractor's expenses are not

relevant to this type of contract.

If the contract is a cost reimbursement contract institution pays contractor's cost *plus* a percentage of overhead and profit), the Alliance should consider including in the contract provisions allowing affected Institutions to monitor the following:

- Were the invoiced goods/services actually purchased by contractor?
- Were the invoiced good/services used by contractor to fulfil the contract?
- Were the goods/services necessary and reasonable to fulfil the contract?
- Did the goods/services meet contract quality and quantity specifications?
- Was the institution charged for the goods/services more than one time (for example, in both overhead and profit)?
- Were the goods/services included in contractor's institution-approved budget?

The institution's purchasing under an Alliance-sourced contract should review the contract to see how the costs are reimbursed. Many contracts require that all costs be included in the original budget provided by contractor and approved by the institution in writing. In some cases, the contract may specify that certain costs (such as the purchase of a vehicle or use of a subcontractor) require approval by the Institution *prior* to purchase.

**NOTE:** If the institution receives grant money to pay for goods/services, the institution must consider the nature of the relationship with contractor. Is the relationship a vendor relationship or a sub-recipient relationship? See OMB Circular A-133, Section 210, posted at <https://www.federalregister.gov/documents/2015/07/14/2015-17236/audits-of-states-local-governments-and-non-profit-organizations-omb-circular-a-133-compliance> for guidance on this relationship determination. If the relationship is that of a sub-recipient, then federal guidelines and cost principles must be followed. The Uniform Grant Management Standards published by CPA at <https://comptroller.texas.gov/purchasing/grant-management/> provides additional guidance.

### Where can I go for more information?

*APPENDIX 21 – Guidelines for the Management of Administrative Fese Process*  
*OMB Circular A-133, Section 210 at Federal Register web site*  
*Uniform Grant Management Standards at Texas Comptroller web site*

## 7.2.3 Monitoring Tools

The SSG should establish expectations so that affected Institutions and contractor personnel understand (1) the contract requirements that will be monitored, and (2) the evaluation criteria for each contract requirement.

Monitoring tools include:

- 7.2.3.1 Site Visit** – Contracts that are complex or have a high degree of risk may require visits to contractor's facilities. Site visits may be used to verify that contractor's performance complies with the contract schedule and other contract requirements (for example, dedication of sufficient resources and appropriately qualified personnel to performance of the work). Site visits help emphasize to contractor the importance the Alliance places on the contract. Site visits also provide enhanced communication between the SSG and contractor.

Site visits may be comprehensive (full scope) or limited to particular issues (limited scope). Full scope site visits are typically scheduled visits to contractor's place of business. They are based on risk assessment and cover a broad range of contract compliance and performance issues. Limited scope site visits typically focus on a specific problem. Examples of some typical reasons for considering a limited scope site visit include the following:

- Contractor is responsible for administering funds from two sources and one funding source

- has noted serious problems with the way contractor used the funds.
- Other contractors have failed to comply with a particular contract requirement and there is an indication this contractor might also have failed to comply.
- Inconsistencies in invoices are identified and clarification from supporting documents is necessary.
- Contractor has proposed a corrective action plan for a contract compliance problem, but the SSG or affected institutions are not certain the proposed solution will resolve the problem.

To perform a site visit, the SSG or affected institutions should:

- Develop a comprehensive and objective site monitoring checklist that:
  - Focuses on desired contract outcomes, but also includes contract compliance requirements. Site monitoring criteria should reference the applicable contract requirement.
  - Assesses contractor performance consistently. For example, minor or inconsequential noncompliance should be identified. List contractor noncompliance and errors that will be considered minor or inconsequential. Also, identify contract compliance areas where monitors may exercise judgment.
  - Specifies the number of items or documents that will be reviewed to evaluate each element of the monitoring checklist. Do not disclose specifics of sample sizes or the monitoring checklist to contractor. For example, the affected institutions may indicate they will review invoices and supporting documents, but should not disclose the Institutions will review invoices and supporting documents for December 2019.
  - Allows the site monitor to focus on the highest risk areas of the monitoring checklist.
- Establish standards, procedures and documentation requirements. For example:
  - Describe the standards, procedures and documentation required for the site monitor to bypass an area of the monitoring checklist. For instance, the checklist may specify that if the site monitor determines that no errors in contract reporting have been noted for the past two years, then, with concurrence from the contract manager, the site monitor may omit the contract reporting portion of the monitoring checklist for the current site visit. The site monitor must document the justification for omitting the contract reporting portion of the checklist on the site monitoring checklist by including the following note “No problems identified prior two years - not monitored this year.”
  - Allow space on the checklist (or on a separate document) to record results of the site visit. For instance, if the monitoring checklist requires review of invoices for five months, then the documentation should include the identification of the months monitored and the results of the review for each month.
- Sampling and Population:
  - Ensure the population is complete by including all files relevant to the contract. Contractor should never be the one to select the samples for review.
  - If contractor submits the names of the clients as part of the normal expenditure draw, then the sample can be selected from the client list. Ensure that the clients on the list are paid for by the institution.
  - If contractor cannot locate the sample item selected, it may or may not indicate a problem. Before agreeing to substitute an alternate file, consider the circumstances of the “lost” sample item and determine if the explanation is reasonable or if the site monitor suspects that contractor did not want the site monitor to see the file.

- Tailor the site monitoring checklist for each contractor and each contract. While there will be standard items the institution will review for all contractors, each contractor and contract should be reviewed for specific site monitoring requirements unique to that contract or contractor. In addition, consider the following:
  - Review specific contract requirements to determine if these merit site monitoring.
  - Look for items that fall just below an amount requiring additional approval.
  - Consider problems contractor has had in the past or what is likely to cause problems for this contractor. Are parts of the contract new to contractor? For example, contractor may be providing the same services but to a different population during this contract.
  - What types of items do not need to be monitored and why? For example, if contractor uses an information database the institution tested under previous contracts, then the risk associated with that database may be low and may not need to be reviewed this year.
  - Has another institution or another department of the same institution conducted a site visit? If so, the institutions or departments could coordinate and conduct only one site visit instead of two.
- Site Visit Reports. The site visit report is a written record of the site visit work and should be retained in the appropriate contract file. A copy of the report or a summary may be sent to contractor.

Even if contractor corrects a problem detected during the site visit while the site monitor is at contractor's facilities, the site monitor is obligated to include the problem in the site visit report. The notation in the site visit report will remind the site monitor to follow up on the problem on future visits to confirm the problem has been corrected.

Include what has been learned during this site visit in the risk assessment and contract requirements in the next sourcing event, if appropriate. If the site monitor or contractor recommends changes for the next sourcing event, include the recommendations in the site monitoring reports.

**7.2.3.3 Desk Review** – A desk review includes a review of reports submitted by contractor. A desk review should include:

- Comparison of contractor's actual performance against contract requirements to confirm contractor is performing in accordance with the contract requirements.
- Comparison of contractor's actual expenditures to the institution-approved budget to confirm contractor is complying with the approved budget.
- Comparison of the current reporting period to prior reporting periods to identify any unexplained trends and determine whether contractor is performing work significantly different during this reporting period than during the prior reporting period.
- Comparison of contractor's reports to reports from other contractors performing similar work.
- Comparison of relationships between key components of the reports such as:
  - Cost per unit of goods/services against percentage of fees charged to the contract;
  - Change in variable costs for each unit of goods/services; and Reported salaries against the contract staffing plan.
- Comparison of the report to known elements of contractor's operating environment to

determine, for example, if a weather emergency in contractor's geographic area increased the cost of supplies or caused a temporary reduction in units of goods/services provided.

**7.2.3.3 Expenditure Document Review** – An expenditure document review includes analysis of contractor invoices (including fees for goods/services and expenses) to determine (1) if the fee rates and expenditure items are permitted under the terms of the contract, and (2) if the supporting documentation (including cost reports, third party receipts for expenses, and detailed client information) adequately support the invoice. *If contractor consistently provides improper invoices or supporting documentation is insufficient to support the invoices, consider implementing additional monitoring such as site visits.*

## 7.2.4 Use of Contract Monitoring Findings

The SSG should design the monitoring program to include appropriate follow up on contract monitoring findings. Monitoring reviews, audits, and investigations should be routinely used to:

- Ensure contractor takes corrective action;
- Identify common problem areas for training opportunities; and
- Improve future sourcing events.

Follow up helps bring contractor back into compliance with contract requirements. Follow up is essential since problems will not correct themselves through identification and reporting alone.

Contract monitoring findings should also be used to improve the contract requirements for future sourcing events. Unnecessary constraints or inadequate specifications should be noted for incorporation into future solicitations.

## 7.2.5 Monitoring by Third Parties

In some instances, the obligation of monitoring the progress of a contract is assigned to another contractor. This is also known as independent oversight. For highly technical work, third-party subject matter experts may perform monitoring services independently or in conjunction with SSG staff.

**Where can I go for more information?**

*APPENDIX 5 –SSG SRM Guidelines*



## 7.3 Contract Reporting Obligations

Contract reporting obligations include (1) contractor reports to the SSG contract administrator, (2) SSG contract administrator reports to executive management, as appropriate, and (3) SSG reports to other state agencies, as appropriate.

There are generally three report types: Status Reports, Activity Reports, and Vendor Performance Reports. All serve useful functions.

### 7.3.1 Status Reports

Status reports describe the progress of the work. The content of the status report should be consistent with and track the organizational structure of the SOW (i.e. phases, segments, deliverables and products). A status report should describe status of completed work and pending work. The current status should be compared to the contract schedule. Only work that has been verified as completed and accepted should be categorized as complete. If there are any unresolved issues, those issues should be included in the status report and a resolution should be requested. If the SOW has been amended in accordance with the terms of the contract, status reports should track the original contract schedule *unless* the amendment included a revised contract schedule.

If the contract does not require contractor to provide periodic status reports, the SSG or affected institutions should routinely confirm that sufficient progress on the work is being made by contractor. Confirmation of work status may be accomplished by requesting a status update from contractor or scheduling a site visit to review progress.

### 7.3.2 Activity Reports

Activity reports describe all activity on the project. Project activity is not the same as a work status. A project may have a great deal of activity without making substantive progress. Note that activity reporting may also be a core feature of managing certain contracts. For example, contractor payments for outsourcing contracts may be based on the number of completed transactions. In that situation, activity reporting would be critical to contract administration of institutional payments under the contract.

### 7.3.3 Vendor Performance Reports

Best practice suggests that upon termination or expiration of a contract, the SSG may, as appropriate, file a Vendor Performance Report as permitted by CPA in accordance with 34 TAC §20.115(b), §20.509 and §20.585. A Vendor Performance Report may be completed and submitted to the SPSS web portal. Reporting contractor performance may facilitate resolution of contract dispute issues between Alliance and contractor. In addition, the Vendor Performance Report database provides a resource for all state agencies when reviewing proposals submitted in connection with subsequent solicitations.

#### Where can I go for more information?

[\*Texas Education Code, §51.9335 \(higher education, generally \[including UTMB\]\)\*](#)

[\*Texas Education Code §51.9337\*](#)

[\*Texas Education Code, §73.115 \(MD Anderson\)\*](#)

[\*Texas Education Code, §74.008 \(UTMB\)\*](#)

[\*Texas Government Code §§2155.070, 2155.077, 2155.089, 2262.001\(5\), 2262.0015, 2262.002\(a\) and 2262.055\*](#)

[\*34 Texas Administrative Code §§20.115, 20.285\(g\)\(5\), 20.509, and 20.581 - 20.587\*](#)

[\*CPA Vendor Performance Tracking System web page at Texas Comptroller web site\*](#)

## 7.4 Invoices and Payments

### 7.4.1 Invoices

Invoices submitted by contractor must comply with the contract rate schedule. Invoices should be reviewed by affected institutions to ensure that contractor's invoices correspond with contractor's progress on the work. Contractor's progress should be measurable because cost incurred or invoices submitted, in and of themselves, are insufficient indicators of contractor's progress.

Prior to payment, invoices must be approved by institutional staff familiar with the work and the current status of the work. If the institution believes that the invoice exceeds contractor's progress, the institution should request and receive contractor's explanation prior to approval of the invoice for payment. *Payment should be withheld pending the Institution's approval of contractor's progress.*

All invoices should be reviewed to ensure:

- Contractor is billing the Institution only for goods/services actually received by the institution;
- Goods/services have been inspected and accepted by the institution;
- The invoice is correct and complies with the pricing terms and other contract requirements; and
- Total payments by the institution to contractor do not exceed the contract cap or fee limit.
- Institution has received HSP Progress Assessment Reports, if required.

The institution should give contractor written notice of invoice deficiencies not later than 21 days after receipt by the institution as required by the Texas Prompt Payment Act, Section 2251.042(a), Government Code.

### 7.4.2 Payments

Payments must be made in accordance with Applicable Laws, including the Texas Prompt Payment Act, Chapter 2251, Texas Government Code, the vendor hold requirements of [Section 6.9](#) of this Handbook, and University Rules. The Texas Prompt Payment Act requires that correct invoices be paid within 30 days after the date the correct invoice was received or services were performed and goods received, whichever is later. Under some circumstances, the institution may be obligated to pay contractor interest on late payments.

#### Where can I go for more information?

[Texas Government Code §2251.042\(a\)](#)  
[Texas Government Code, Chapter 2251](#)  
[Section 6.9 – Required Check of Vendor Hold Status](#)

### 7.4.3 Contractors under Alliance Contracts providing Services to Third Parties

Contracts under which contractor provides goods/services to a third party (not the Alliance) are unique in that acceptance of goods/services by the third party is not an indicator that an invoice should be paid. Problems with third party goods/services contracts generally surface after invoices are paid. Institutions handling third party goods/services contracts should incorporate contract mechanisms that ensure the institution is able to exercise remedies against contractors for poor performance and withhold future payments until performance deficiencies are corrected.

### 7.4.4 Withholding Payment

Institution employees must protect the interests of the institution. Under appropriate circumstances, it may be necessary for the institution to withhold payments from contractors. Such circumstances include:

- Material breach of the contract by contractor;
- Invoicing errors;
- Invoices that lack sufficient supporting documentation, including an HSP Progress Assessment Report (if required);
- Offset for prior overpayments to contractor under the same contract; and
- Contractor performance does not comply with contract requirements.

## 7.5 Change Management Process

During the term of the contract it may be necessary to amend the contract. Possible modifications include changes to notice addresses, pricing or delivery schedule.

The SSG operates an effective change management process. Failure to manage and control contract changes can result in *unintentional* modification of the SOW, extension of the schedule, increase in contract cost, circumvention of management controls or decrease of contractor accountability.

An effective change management process includes:

- Procedures to avoid an informal undocumented change process;
- Documentation of all proposed changes and approval/disapproval;
- Evaluation of the impact of each change to contracting objectives, deliverables, schedule, cost, overhead, work-in-progress, completed work, standards, and acceptance criteria;
- Planning for requests and approvals of draws against any contingency allowance;
- Single point of contact for recommendation and authorization of all changes;
- Formal, written approval of all changes prior to contract amendment. See attached *SSG Procedure for Renewals, Amendments, & Contract Close-out* APPENDIX 20.
- Monitoring of the HSP; and
- Notification of contract amendment.

**NOTE:** The SSG should not authorize contractor to alter performance under the contract before the formal change management process is complete, including full analysis of the change, written approval of the change, and documentation of the change through a written contract amendment, as appropriate.

### 7.5.1 Impact of Substantial Changes to Solicited Scope of Work

The contract resulting from a solicitation issued by the SSG must be consistent with the specifications and requirements of that solicitation. Contracts that are not consistent with the related solicitation may violate competitive sourcing principles, Applicable Laws and University Rules.

If a contract change is needed, the change should also be consistent with the specifications and requirements set out in the original solicitation. A significant difference between the revised SOW and the solicited SOW would be a material or substantial change to the scope of the solicitation and may not be allowed because the revised scope was not originally subjected to fair competition. To permit such a change would go against the ideas of competition and a fair playing field for all vendors. Transparency in government sourcing is a key government responsibility. As a result, Applicable Laws require that the SSG conduct a competitive sourcing process before making substantial contract changes. The specific method of competition may vary based on the type of goods/services needed.

By way of example, if a contract to buy 10 desks is amended to include 300 file cabinets, the change is outside the scope of the original contract solicitation because vendors did not previously have the opportunity to compete for the sale of 300 file cabinets. Additional vendors may have competed had they known that file cabinets were being solicited. The large volume of file cabinets (as compared to desks) may also have had an impact upon which vendors submitted offers and competed for the opportunity. Vendors not interested in the smaller solicitation may have been interested in the larger solicitation.

In determining whether a proposed amendment constitutes a significant change in scope of the original solicitation, the primary issue is generally whether the proposed change is a material or substantial change.

Material or substantial changes are not measured by the number of changes made to the original specifications. Rather, material or substantial changes are measured by whether the proposed changes would so substantially alter the original solicitation specifications that, if the SSG does not re-advertise the revised specifications, a sourcing opportunity would be denied to a vendor who may have been able to respond, or who may have been interested in responding, to the revised specifications. If the proposed changes are material or substantial, then the proposed changes will be treated as a new sourcing event and a new solicitation is needed to ensure compliance with Applicable Laws related to competitive sourcing.

Materially changing solicitation specifications after receipt of responses denies an opportunity to all vendors that might have been interested in the changed specifications to participate in the solicitation. As a result, all contract amendments are required to be within the scope of the solicitation underlying the original contract.

It is important to remember that application of the above principles will depend upon your particular facts and circumstances.

Before proceeding with a contract amendment, consult the Alliance's legal counsel for more information regarding the extent to which a contract may be changed.

### **Where can I go for more information?**

*APPENDIX 20 – SSG Guidelines for Renewals, Amendments, & Contract Close-out*

## **7.5.2 Administrative Changes**

Administrative changes to a contract are changes that are within the scope of the contract and do not affect or alter the rights of the parties. Examples of administrative changes include:

- Changes in billing instructions or contact information;
- Corrections of typographical errors not affecting the substance of the contract;
- Changes permitted by the specific contract language; and
- Changes in SSG or contractor representatives assigned to the contract.

## **7.5.3 Substantive Changes**

Substantive changes are contractual changes that affect the rights of both parties. Examples of substantive changes may include:

- Change in the price of goods/services under the contract;
- Change in the delivery schedule;
- Change in the quantity of goods/services;
- Change in specifications for goods/services;
- Change in the HSP
- Change of key personnel assigned to work on the contract; and
- Change of any terms and conditions.

## **7.5.4 Constructive Changes**

Constructive changes to the contract may occur if an institution directs contractor to perform in a manner that differs from the terms of the contract. For example, if contractor perceives that work that exceeds the scope of the contract was ordered by the institution, contractor may claim that the contract was "constructively" changed. Contractor may be entitled to additional compensation as a result of constructive changes. Constructive changes may occur when institutional personnel:

- Provide suggestions to a contractor;
- Accelerate the delivery schedule;
- Direct that the work under the contract be performed in a manner that differs from the contract requirements;
- Change the sequencing of the work;
- Delay accepting or rejecting deliverables;
- Delay reviewing invoices and approving payment; and
- Interfere with or hinder contractor's performance.

## 7.6 Dispute Resolution Process

Appropriate dispute resolution is an essential contract management skill. Early identification of issues, effective communication with contractor, and providing contractor with written notice of issues raised by the SSG (including a formal request to cure or a less formal written process) is crucial.

The goal of the dispute resolution process is to resolve contract issues through direct negotiation of SSG and contractor representatives, before the issues need third party resolution. To avoid escalation of contract issues and to ensure the SSG does not alienate contractor representatives, it is imperative that SSG personnel respond promptly to all contractor inquiries. Initial steps to be taken are:

1. **Identify the Issue.** Many times what appears to be an issue can be resolved before the issue becomes a problem by providing contractor with information or clarification.
2. **Research Facts.** When investigating contract issues, the SSG should obtain as much factual information as possible from as many relevant sources as possible, including the institution and contractor.
3. **Evaluation.** The SSG should review all of the factual information and the contract requirements. After discussing with all decision makers, the SSG should determine an appropriate course of action.

## 7.7 Termination

Contract termination should be the last resort and should be rare. Contract termination reflects a failure by all parties to the contract.

When the contract terms permit termination, the parties are no longer obligated to continue performance of their duties and obligations under the contract. Depending on the specific contract terms, parties may terminate without cause (Termination for Convenience), with cause (Termination for Default) or for force majeure.

### 7.7.1 **Termination for Convenience**

If the contract permits the Alliance to terminate for convenience (also known as no-fault termination), the Alliance may terminate the contract at any time in its sole discretion, if termination is in the best interest of the Alliance.

- 7.7.1.1 Notice** - When terminating, the Alliance must comply with the contract terms, which will most likely require the Alliance to provide contractor written notice specifying the date of termination. The termination notice should be provided to contractor in accordance with the contract terms. A termination notice may include wording similar to the following:

*Pursuant to Section \_\_\_\_\_ [Insert Section number for Alliance's right to terminate without cause], which permits Alliance to terminate without cause, this contract is hereby terminated effective [date]. Contractor must immediately stop all work, terminate subcontracts, and place no further orders.*

*In accordance with this Notice of Termination, Contractor must:*

1. *Retain adequate records of Contractor's compliance with this notice, including the extent of completion of the work on the date of termination.*
2. *Immediately notify all subcontractors and suppliers, if any, of this notice of termination.*
3. *Notify the Alliance Contract Administrator [name], of any and all matters that may be adversely affected by this termination; and*
4. *Take any other action required by the Alliance to expedite this termination.*

**7.7.1.2 Final Payment** - Contractor will generally be paid for fees and allowable costs incurred up to the termination date. The institution will not be responsible for payments to contractor related to work performed or costs incurred after the termination date.

When the institution receives the final invoice from contractor for work performed prior to the termination date, the institution should thoroughly review the invoice to ensure that all charges are appropriate and comply with the terms of the contract as altered by notice of termination.

## **7.7.2 Termination for Cause**

The Alliance may be able to terminate a contract for cause if contractor failed to perform its duties and obligations under the contract and did not cure the failure within any cure period specified by the contract. A failure to perform may also be referred to as a breach or a default. If program staff considers terminating the contract for cause, the SSG will contact the Alliance's legal counsel for guidance and assistance.

The Alliance is not required to terminate a contract even though the circumstances permit termination. The Alliance may determine that it is in the Alliance's best interest to pursue an alternate resolution. Examples of alternatives may include extending contractor's delivery or completion date, allowing contractor to continue working, or working with contractor's surety (company that issued contractor's performance bond) to complete the outstanding work.

Termination for cause should be used only to protect the interests of the Alliance and should be used only as a last resort.

Factors to consider prior to terminating for cause include:

- Has the Alliance done everything within reason to assist contractor in curing the contractual failure?
- The specifications, terms and conditions of the contract, Applicable Laws and University Rules.
- The nature of the contractual failure and the explanation provided by contractor for the failure.
- The urgency of the Alliance's need for the goods/services.
- The advantages and disadvantages of allowing contractor to continue performance.
- The availability of the goods/services from other sources.
- The time required to obtain the goods/services from another source (including the solicitation process) as compared to the additional time the current contractor needs to complete the work.
- The availability of funds to re-purchase the goods/services.

**7.7.2.1 Potential for Damages** – If a contract is terminated for failure to perform, contractor may be liable for damages. However, the contract may limit the damages the Alliance may recover. The Alliance may attempt to include re-sourcing costs and other expenses in the calculation of damages it seeks to recover from contractor. However, obtaining an award of damages may require protracted legal action. If the Alliance is awarded damages, contractor may not be financially capable of paying and the Alliance may never recover the damages.

**7.7.2.2 Cure Notice** – When terminating for cause, the Alliance must comply with applicable contract terms. In most situations, the contract will require the Alliance to provide contractor written notice (1) specifying contractor's default that authorizes the Alliance to terminate the contract, and (2) indicating that if contractor does not cure the default within the cure period specified by the contract, the Alliance intends to terminate the contract. This notice is sometimes referred to as a cure notice.

The format for a cure notice may be as follows:

*Contractor is notified that the Alliance believes contractor breached the contract as follows: [specify failures of contractor to perform its duties and obligations under the contract].*

*Unless contractor cures [this/these] breach(es) within \_\_\_\_\_ days after the date of this letter, the Alliance may exercise its rights under the contract and applicable laws, including termination of the contract for cause in accordance*

with Section \_\_\_\_.

Another format for a cure notice is:

*Because contractor failed to perform its duties and obligations under the contract within the time required by the contract terms, the Alliance is considering terminating the contract under Section(s) \_\_\_\_.*

*Pending a final decision, the Alliance is asking contractor to submit written information, if any, regarding whether contractor's failure to perform was the result of force majeure or other excusable causes. Please submit this information to the Alliance within \_\_\_\_ days after the date of this notice. If contractor fails to submit this information within \_\_\_\_ days, Alliance may exercise its remedies under the contract and applicable laws, including termination of the contract.*

*Any assistance provided to contractor by the Alliance in connection with the contract or any acceptance by the Alliance of goods/services that do not comply with contract requirements will be solely for the purpose of mitigating damages. It is not the intention of the Alliance to condone any delinquency or to waive any rights the Alliance may have under the contract.*

**7.7.2.3 Notice of Termination** - If contractor fails to cure the default or provide a satisfactory explanation as requested, the contract may be terminated. The Notice of Termination should contain the following:

- Contract number, if any;
- Contract date;
- Effective date of termination;
- Reference to the contract Section under which the contract is being terminated;
- Statement of the facts justifying the termination; and
- Statement indicating that the Alliance may pursue all remedies available under Applicable Laws.

### **7.7.3 Force Majeure or Other Excusable Causes for Failure to Perform**

The Alliance may not be able to terminate a contract for cause when contractor's failure to perform is the result of force majeure or other excusable causes. In order to qualify as an excusable cause, the cause must be beyond the control of and without the fault or negligence of contractor. Excusable causes for failure to perform duties and obligations under a contract generally include:

- Acts of God or of the public enemy;
- Acts of the Alliance;
- Fires;
- Floods;
- Epidemics;
- Strikes;
- Freight embargoes; and
- *Unusually severe weather\*.*

*\*Severe weather, although beyond contractor's control, may not generally constitute an excusable delay if it is not considered "unusually severe weather." For example, a snow storm in Amarillo in February would not be considered unusual, while it would be considered unusual in Austin. On the other hand, a snow storm in Amarillo in June would indeed be unusual.*

If contractor's failure to perform is due to the default of a subcontractor, in order to qualify as an excusable cause, the default must arise out of causes beyond the control and without the fault or negligence of both contractor and the subcontractor. Even if this requirement is met, the cause will not be excusable if the goods/services to be provided by the subcontractor could have been obtained from other sources in time

to meet the contract delivery schedule.



## 7.8 Contract Close-Out

A contract is completed when all goods/services have been received and accepted; all reports have been delivered and accepted; all administrative actions have been accomplished; all institution-furnished equipment and material have been returned; and final payment has been made to contractor.

The contract close-out process is usually a simple but detailed administrative procedure. Purposes of the close-out process include (1) verification that all parties to the contract have fulfilled their contractual duties and obligations and there are no remaining unperformed duties or obligations; and (2) assessment of the success of the contract and lessons learned for use in future contracting.

A contract is ready for close out when:

- All deliverables (including reports) have been delivered to and accepted by the affected institutions. Actual performance should be compared against contractual performance measures, goals and objectives to determine whether all required work has been completed;
- Final payment has been made;
- All monitoring issues have been resolved;
- All property inventory and ownership issues are resolved, including disposition of any equipment or licenses purchased under the contract;
- The affected institutions have accepted all of the work;
- The affected institutions have advised contractor of, and contractor is in compliance with, records retention requirements (see [Section 2.6](#) of this Handbook);
- The SSG's plan for contract file maintenance is in place; and
- Deficiencies noted during the contract close-out process are documented and communicated to all appropriate parties.

A sample contract close-out checklist is included in APPENDIX 20.

### **Where can I go for more information?**

*Section 2.6 – Records Retention*

*APPENDIX 20 - SSG Guidelines for Renewals, Amendments, and Contract Close-Out*

### Version Control Page

10/25/2019	Updated Alliance CMH
10/30/2019	Updated Alliance CMH
11/04/2019	Updated Alliance CMH
11/27/2019	Updated Alliance CMH
01/31/2020	Updated Alliance CMH
07/23/2020	Updated Alliance CMH
08/20/2020	Updated Alliance CMH
08/25/2020	Updated Alliance CMH – Rename to: UTSSCA Contract Management Handbook

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# **APPENDICES**

# **APPENDIX 1**

## **Competitive Sourcing Guidelines**

### **Guidelines: Competitive Sourcing (Request for Proposal)**

**Purpose:** To provide effective guidelines for the initiation, processing, and selection of a supplier through competitive sourcing using a Request for Proposal (RFP). These Guidelines are designed to identify the responsibilities for execution of major activities and key steps in the RFP process, and serves as a complement to the Contract Management Handbook. A RFP Checklist is included as Attachment 5 to this appendix as a job aid to assist the sourcing lead in ensuring that all required elements of the RFP process are addressed.

### **Audience:**

Applicable to all Strategic Services Group (SSG) personnel

### **Guidelines:**

#### **1. Determination of Need:**

Prior to engaging in the development of an RFP, it is important to determine the need for and the potential benefits of the sourcing event under consideration. The assigned sourcing lead will prepare an assessment using the Attachment 1-RFP Intake & Assessment Form, copy attached. Once completed, the sourcing lead will submit the RFP Intake & Assessment Form to the Assoc. Director, Sourcing & Contracts for a determination of whether or not to proceed with the proposed sourcing event.

#### **2. RFP Development:**

2.1 RFP Team: At a minimum, the RFP Team will consist of the sourcing lead, subject matter experts (SMEs), Alliance Legal Counsel, and the UTS HUB Coordinator. The sourcing lead will be responsible for the overall coordination of the sourcing event and to ensure that all requirements are executed properly. The RFP team responsibilities include any one or a combination of activities as determined by the sourcing lead. These may include, but not limited to, development of RFP documents, development of the bidders list, determining the evaluation/award criteria & weights, participation in oral presentations, and the review & evaluation of proposal responses and preparation of the award recommendation

2.1a Subject Matter Expert (SMEs): The sourcing lead will request the Operating Committee to recommend personnel from their institutions who are knowledgeable in the matter of the good/services being sourced to serve on the RFP Team. It should be made clear to the SMEs team members from the onset that their duties will require significant time and effort.

## 2.2 Risk Assessment:

Prior to drafting the RFP documents, the sourcing lead will complete Attachment 2- RFP Risk Assessment form (Column C) and submit the completed form to the Assoc. Director Sourcing & Contracts for review and approval . The purpose of the risk assessment is to identify potential areas of risk associated with a variety of factors including the scope of work, length of contract, potential contact value, and the type and nature of the good/services under consideration. By identifying the potential areas of risk prior to preparing the RFP documents, the sourcing lead and members of the RFP Team will be provided an opportunity to determine how best to manage and or mitigate the risk and to ensure inclusion of appropriate provisions in the RFP terms, requirements and or questionnaire.

**Note:** *Depending on scope and level of risk associated with the sourcing event, the Assoc. Director, Sourcing & Contracts should prepare and submit to the Executive Sponsor (s) an approval memo. Attachment 4-Sample Executive Approval Memo*

## 2.3 Document Development:

The sourcing lead is responsible for the preparation and ensuring that the RFP documents are developed in compliance with UTS & Alliance standards, and contain appropriate provisions to address areas of risk identified during the RFP risk assessment. The sourcing lead will work with the SMEs in the development of the business elements of the RFP documents. The business elements of the RFP should include the objective, background & historical information, minimum requirements, scope of work, pricing schedule, and supplier survey. The RFP team will be given a final draft of the RFP for an opportunity to review and comment before advertisement to prospective bidders. The RFP standard template, legal requirements, sample agreement and related forms and documents will be furnished by and is the responsibility of Alliance Legal Counsel. All HUB related requirements and documents will be furnished by and is the responsibility of the UTS HUB Coordinator.

## 3. Communications, Confidentiality and Disclosure Forms:

- 3.1 The sourcing lead should advise the RFP Team and any other personnel (ad hoc RFP Team members) who are permitted access to the RFP responses, presentation or like materials that they refrain from communications with prospective bidders or companies who have responded to the RFP unless otherwise directed by the sourcing lead. The RFP Team and the ad hoc members should direct all questions or inquiries they receive from prospective bidders or companies who have responded to the RFP to the sourcing lead. Further, the sourcing lead should advise the RFP Team and ad hoc members that all information relating to proposals received are confidential and are not to be disclosed and or discussed with anyone other than another member of the RFP Team.

- 3.2 All members of the RFP Team (including ad hoc team members) will be required to sign a confidentiality and disclosure form prior to receiving or being given access to this information (ref. Appendix 12 -Non Disclosure/Conflict of Interest Statement and Disclosure Statement for Purchasing Personnel)

**Note:** Only SSG personnel are required to complete and sign the Disclosure Statement For Purchasing Personnel

- 3.3 The sourcing lead will be responsible for answering all pertinent questions pertaining to procurement issues and procedures. The SME team will be provided a copy of any written responses.

#### 4. Bidders List:

The sourcing lead, in collaboration with UTS HUB Coordinator and the SMEs, is responsible for the development of a bidders list. The bidders list should be developed to include companies so as to maximize competition and increase HUB participation.

#### 5. Evaluation Instructions, Criteria & Weights and Evaluators:

5.1 The sourcing lead is responsible for the development of the RFP evaluation process, instructions to the evaluators, criteria and weights (scoring matrix) to be used in the evaluation of the proposal (ref. Appendix 10-Evaluation Guidelines). The sourcing lead will develop the scoring matrix in collaboration with the SMEs. It is preferred that the scoring matrix be developed prior to the issuance of the RFP. If time does not permit the scoring matrix to be completed prior to RFP issuance then, the scoring matrix must be completed and approved by Assoc. Director Sourcing & Contracts prior to the RFP submittal due date.

5.2 The sourcing lead is responsible for identifying and inviting those individual who will serve as evaluators. Generally, the evaluators be the sourcing lead and members of the RFP Team. However, dependent on the scope of work, other individuals may be invited to participate as evaluators.

#### 6. Notice to Potential Bidders:

Prior to the release of an RFP, the sourcing lead should:

6.1 Send an email notice to prospective bidders advising them of a pending RFP. The notice should also contain information on how interested companies can register for event and access electronic sourcing system. (ref. Appendix 7 -Sample Solicitation Announcement). The sourcing lead should maintain a copy of all emails and email delivery receipt confirmations as part of the RFP file records.

6.2 Post notice of the RFP on the State of Texas' Electronic State Business Daily (ESBD). (ref. Appendix 6-ESBD Guidelines).

6.3 The sourcing lead should maintain a copy of all emails, email delivery receipt confirmations and a copy of the ESBD posting as part of the RFP file records.

## 7. Pre-proposal Conference:

Based on the scope and technical requirements of an RFP a Pre-Proposal Conference may be required. If a Pre-Proposal Conference is held, modifications to the solicitation may result. A Pre-Proposal Conference provides an opportunity to:

- Review the requirements
- Facilitate a clear understanding
- Promote competition

Whenever conducting a preproposal conference, the conference presentation and the sign-in sheets will be made available to all attendees and prospective proposers via an Addendum issued to the RFP.

Note: Ref. Appendix 9 - Pre-Proposal Guidelines

## 8. RFP Issuance:

8.1 The RFP documents require the review and approval of Alliance Legal Counsel and the Assoc. Director of Contract & Sourcing prior to issuance and posting the RFP on the electronic sourcing system. *See Attachment3-Instruction on using the eSourcing System.*

8.2 Once approved, the sourcing lead is responsible for entering the RFP documents into the electronic sourcing system through which prospective bidders may then access the RFP.

## 9. Questions, RFP Clarifications & Modifications:

9.1 Responses to bidder submitted RFP questions, RFP clarifications, and modifications to the RFP will be included in a written Addendum to the RFP and posted on the electronic sourcing system. (ref. Appendix 8- Sample RFP Addendum)

## 10. Proposal Submittal, Review and Distribution:

10.1 Only proposals received by the time and in the manner prescribed by the RFP documents will be accepted. Late proposal or proposals not submitted as per the RFP instructions may not be considered.

10.2 All proposals must first be reviewed by the UTS HUB Coordinator and the sourcing lead to determine their responsiveness and compliance with all required submittal elements as set forth per the RFP documents before a proposal is distributed to the evaluators. (ref. Appendix 11-Sample Administrative Review Checklist)

## 11. Proposal Evaluations:

11.1 Prior to scoring each proposal, the sourcing lead will conduct an evaluation review session with the evaluators. The session will provide instructions on the scoring process, criteria, weights, and scoring scale. It will provide an opportunity for the evaluators to ask questions to ensure a full understanding of the process and the responsibilities of the evaluators.

11.2 Completed score sheets will be submitted to the sourcing lead who is responsible for tabulating the scores and identifying the company and or companies who should be moved on for further consideration.

11.3 After scoring the initial proposal response, additional clarification or understanding of the proposer and their offering may be required. The sourcing lead in collaboration with the evaluators and the Assoc. Director of Sourcing & Contracts may determine and recommend that further due diligence (e.g., oral presentation, site visit and or a Best and Final Offer) is required prior to selecting a supplier. ref. Appendix 13 -Sample Reference Check Form and Appendix 14- Oral Presentation Guidelines

11.4 Upon completion of the due diligence phase, the sourcing lead distributes proposal clarification responses and additional materials/information obtained during this phase to the evaluators and provides the evaluators an opportunity to rescore the proposals based on most recent information, proposal clarifications, and offerings.

11.5 The sourcing lead reviews and tabulates all evaluation scores submitted by the evaluators and provides an award recommendation to Assoc. Director Sourcing & Contracts for approval. (ref. Appendix 16- Best Value Award Justification)

12. Pre-Award Kick-Off Call and Term Sheet: After receipt of approval of the award recommendation, the sourcing lead will schedule a "Pre-Award Kick-off Call" with the selected proposer. The primary purpose of the kick-off call, which will include Alliance legal counsel, is to confirm that the SSG and proposer concur in all key business terms of the proposed agreement, before any contract award is made or formal contract drafting and negotiations begin. To aid in this discussion, a non-binding term sheet (using the template in Appendix 23) typically will be developed by the SSG, with input from Alliance legal counsel, and provided to the proposer in advance of the call. If there is agreement between the SSG and the proposer on the key business terms, the sourcing lead will provide written notification to the selected proposer advising of the Alliance's intent to award. Should there not be agreement on the key business terms, the sourcing lead will consult with the Assoc. Director Sourcing & Contracts to determine the next appropriate course of action.

### 13. Exceptions:

There will be no exceptions unless by formal addendum to these guidelines or other formal written exception by the Director.



## REFERENCES

The State of Texas “Disclosure Form for Purchasing Personnel” at:  
<http://www.sao.state.tx.us/resources/forms/NepotismDisclosureForm.pdf>

Appendix 6-ESBD Guidelines

Appendix 7-Sample Solicitation Announcement

Appendix 8-Sample RFP Addendum

Appendix 9- Pre-Proposal Guidelines

Appendix 10-SSG Evaluation Guidelines

Appendix 11-Sample Administrative Review Checklist

Appendix 12 –NonDisclosure/Conflict of Interest Statement and Disclosure Statement for Purchasing Personnel

Appendix 13 -Sample Reference Check Form

Appendix 14- Oral Presentation Guidelines

Appendix 15- Sample Best & Final Offer (BAFO

Appendix 16- Best Value Award Justification

Appendix 23- Term Sheet

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

## **Attachments:**

Attachment 1-RFP Intake & Assessment Form

Attachment 2-RFP Risk Assessment Form

Attachment 3-Instruction on using the eSourcing System.

Attachment 4- Executive Approval Memo

Attachment 5- Information for Alliance Legal Counsel

Attachment 6 – RFP Checklist

Attachment 7 – SLA Metrics Timeline 2020

**Attachment 1**  
**RFP Intake & Assessment Form**

1. Proposed by: ☐ Sourcing & Contracts ☐ Clinical Collaboration ☐ Other  
\_\_\_\_\_ (insert name)

2. Type: ☐ RFP ☐ Premier Enhancement ☐ Clinical Local

3. Description of Good/Services:

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4. Projected Annual Spend: \$ \_\_\_\_\_ Projected Contract Spend: \$ \_\_\_\_\_

5. Contract Term: \_\_\_\_\_ years

6. Potential Annual Savings: \$ \_\_\_\_\_ or \_\_\_\_\_% Projected Total Savings: \$ \_\_\_\_\_

7. Other Benefits/Value: (please explain)

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8. Projected Admin Fees: \$ \_\_\_\_\_ per annum

9. Number of Institutions interested in participating: \_\_\_\_\_

10. New requirement ☐ or Existing requirement ☐ (check appropriate space)

11. If new requirement, is goods/services available through UTS accredited GPO:

☐ Yes ☐ No If yes, \_\_\_\_\_ (insert name)

12. If existing requirement, current method of acquisition by members/affiliates: (check all that apply)

<input type="checkbox"/> GPO	Contract Number: _____
<input type="checkbox"/> Local Contract	Contract Number: _____
<input type="checkbox"/> Alliance Contract	Contract Number: _____
<input type="checkbox"/> Spot Market (as needed)	
<input type="checkbox"/> Other	

13. Competitive Market: ☐ Yes ☐ No

If no, explain:

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14. Are Subject Matter Experts (SMEs) available: ☐ Yes ☐ No

Recommendation:

In consideration of the above material facts, it is recommended that the SSG proceed in the following manner:

\_\_\_\_\_ Move forward with a competitive sourcing event

\_\_\_\_\_ Proceed with establishing a pricing agreement

\_\_\_\_\_ Do not proceed

Rationale: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Submitted by: \_\_\_\_\_

Signature/Title

\_\_\_\_\_

Date

Reviewed by: \_\_\_\_\_

Contract Manager

\_\_\_\_\_

Date

Approved by: \_\_\_\_\_

Associate Director Sourcing & Contracts

\_\_\_\_\_

Date

APPENDIX 1, Attachment 2  
Instructions

**Purpose**

The Risk Assessment worksheet is intended to assist Strategic Services Group (SSG) personnel in assessing and managing the various operational risk factors present during the sourcing and contract management process.

**RFP Development**

During the Intake Assessment, the Sourcing Lead should review all of the “Risk Factors” and “Points of Consideration” listed in columns A and B of the worksheet and complete column C (to be submitted with Intake Assessment).

During the RFP development process, the Sourcing Lead should review all of the “Risk Factors” and “Points of Consideration” listed in columns A and B of the worksheet.

For each Risk Factor, the Sourcing Lead should answer the question “*Does the RFP appropriately address the Risk Factor?*” by populating column D with the appropriate drop-down response (i.e., “Yes,” “No,” or “N/A”).

The RFP should not be published until the response for each Risk Factor in column D is either “Yes” or “N/A.”

**Contract Drafting**

During the contract drafting process, the Sourcing Lead should review all of the “Risk Factors” and “Points of Consideration” listed in columns A and B of the worksheet.

For each Risk Factor, the Sourcing Lead should answer the question “*Does the contract appropriately address the Risk Factor?*” by populating column D with the appropriate drop-down response (i.e., “Yes,” “No,” or “N/A”).

A contract should not be finalized until the response for each Risk Factor in column E is either “Yes” or “N/A.”

For each Risk Factor, the Sourcing Lead should also identify “*who has Primary Monitoring Responsibility for any Risk Factors present in the contract*” by populating column F with the appropriate drop-down response (i.e., “SSG,” “Institution,” or “Both”). The Sourcing Lead should ensure the contract and its monitoring plan include provisions to help the responsible party facilitate its monitoring activities, as appropriate.

**Contract-Monitoring Plan Development**

During development of the contract-monitoring plan, the Sourcing Lead should review all of the “Risk Factors” and “Points of Consideration” listed in columns A and B of the worksheet, as well as the corresponding “Scoring Range & Weights” listed in column G.

For each Risk Factor, the Sourcing Lead should rank the significance of the Risk Factor to the current project by populating column G with the appropriate drop-down response (i.e., “Low,” “Medium,” or “High”).

Once the Sourcing Lead has ranked the significance of each Risk Factor, an overall numerical risk score will automatically be calculated and displayed in cell I20. This numerical score corresponds with the three levels of monitoring (“Limited,” “Active,” “Enhanced”) identified in the legend at the bottom of the Risk Matrix.

**After completing the Risk Assessment worksheet, the Sourcing Lead should prepare a monitoring plan recommendation as described in the “Monitoring Guidelines” tab.**

APPENDIX 1, Attachment 2  
Risk Matrix

Risk Factor	Points of Consideration	Initial review Risk Factor? Yes/No	Does the RFP appropriately address the Risk Factor? Yes/No	Does the contract appropriately address the Risk Factor? Yes/No	Primary Monitoring Responsibility SSG, Institution, or Both	Scoring Range & Weights	Select Ranking Risk Ranking	Score
Projected Spend	< \$1M \$1M to \$5M > \$5M per annum					< \$1M      Low    1-point \$1M - \$5M    Med. 3-points > \$5M      High 5- points		
Term	< 3 years 3 to 5 years > 5 years					< 3 yrs.      Low    1-point 3 - 5 yrs.    Med. 3-points > 5 yrs.      High 5- points		
Onsite/Offsite	Onsite work (Yes/No) Type of work (Contingent labor/Outsourced contractor)					___ Offsite    Low    1-point ___ Limited    Med. 3-points ___ Outsource High 5-points		
PHI/PII/FERPA	Control, access, or exposure to sensitive data					___ No          Low    0-point ___ Restricted Med. 3-points ___ Significant High 5-points		
Business Continuity-Operations	Criticality of goods/service to on-going operations					___ No          Low    0-point ___ Restricted Med. 3-points ___ Significant High 5-points		
Work Product-Custom	Does the contract contemplate "works for hire" SOWs					___ No          Low    0-point ___ Restricted Med. 3-points ___ Significant High 5-points		
Work Product-IP	Does the contract contemplate "works for hire" or "technology transfer" arrangements that may result in commercial products					___ No          Low    0-point ___ Restricted Med. 3-points ___ Significant High 5-points		
Payment Terms	Upon acceptance/receipt Prepayment Progress/Milestone payments					___ Std. 3-way Low    0-point ___ Restricted Med. 3-points ___ Significant High 5-points		
Data Ownership/Data Management	Cloud-based storage End of contract return/destruction of data					___ No          Low    0-point ___ Restricted Med. 3-points ___ Significant High 5-points		
Past Performance	Vendor Performance Tracking System (VPTS) UT experience/Customer reference Verification/Customer satisfaction					___ Routine    Low    0-point ___ Active      Med. 3-points ___ Significant High 5-points		
EIR	Standard EIR accessibility warranty Remediation plan (simple/complex)					___ No          Low    0-point ___ Limited    Med. 3-points ___ Significant High 5-points		
Deliverables-SOW	Method, forms, and formats to establish clear, well-defined SOWs that are used by institutions contracting for work under the contract				N/A	N/A	-	
Pricing Model	Fixed T&M Discount from list (variable) Cost-plus					___ Routine    Low    0-point ___ Restricted Med. 3-points ___ Significant High 5-points		
RFP Award Date/Contract Start Date	Clearly define critical dates and schedules					___ Routine    Low    0-point ___ Restricted Med. 3-points ___ Significant High 5-points		
Rebates and Incentives	Define minimum standards for admin fees, rebates and incentives Establish options to enhance value offerings					___ Routine    Low    1-point ___ Restricted Med. 3-points ___ Significant High 5-points		
eCommerce Enabled Supplier	eCommerce online system operations and management					___ No          Low    0-point ___ Limited    Med. 3-points ___ Significant High 5-points		
HUB Program	HUB requirements and related documents					___ Routine    Low    0-point ___ Restricted Med. 3-points ___ Significant High 5-points		
Monitoring Controls for Fraud/Waste/Abuse	Risk considered and appropriate controls included in RFP and contract documents					___ Routine    Low    0-point ___ Limited    Med. 3-points ___ Significant High 5-points		
Volume Targets/Purchase Guarantees	Quarterly or annual purchase commitments Pricing contingent upon maintaining a specified purchase volume				N/A	N/A	-	
Patient Care Product or Service	Risk of backorder or product recall Increased liability expose due to nature of product				N/A	N/A	-	

0

Scoring Range

4-30    Low Risk/ Limited Monitoring

31-55    Moderate Risk/Active Monitoring

APPENDIX 1, Attachment 2  
Contract Monitoring Plan

Contract No.: \_\_\_\_\_

Supplier: \_\_\_\_\_

Est. Spend: \_\_\_\_\_

Contract Type:      ☐ PSA  
                             ☐ Pricing  
                             ☐ Other

Risk Assessment Score: \_\_\_\_\_

HUB Plan:            ☐ Yes            ☐ No

Description: \_\_\_\_\_

Based on the Risk Assessment Score and the scope of work to be performed by the Supplier, the following is recommended:

1. Monitoring Level (Check one)

- ☐ Level 1-Low Monitoring
- ☐ Level 2-Active Monitoring
- ☐ Level 3-Enhanced Monitoring

2. Frequency: \_\_\_\_\_

3. Planned Activities (*check all, as applicable*)

- ☐ Price Verification
- ☐ Customer Feedback
- ☐ Reporting (e.g., Financial, HUB)
- ☐ Usage
- ☐ Admin Fee Payment
- ☐ Invoicing
- ☐ Site Visit
- ☐ Project Tracking
- ☐ Account Management
- ☐ Business Goals
- ☐ Other: \_\_\_\_\_
- ☐ Other: \_\_\_\_\_

4. Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Submitted by: \_\_\_\_\_ date: \_\_\_\_\_

Approved by: \_\_\_\_\_ date: \_\_\_\_\_

**APPENDIX 1, Attachment 2**  
**Monitoring Guidelines:**

The following is designed as a general guide to assist in determining the appropriate level of monitoring required for a given contract based on its risk assessment score. The guidelines identify three (3) levels of monitoring, and define the frequency and the key activities that should be included as part of a monitoring plan. As each contract is different, a variance in the type and degree of monitoring may be required.

A monitoring plan recommendation and the completed risk assessment worksheet should be developed by the Sourcing Lead and routed to the Contract Manager & Associate Director for review and approval at time of contract execution. (Sample Monitoring Plan, attached)

**Level 1**-Limited Monitoring (Score 4-30): Minimum of an annual meeting and bi-annual review/internal monitoring (e.g., customer satisfaction, report submittals, payment of administrative fees, and pricing)

**Level 2**-Active Monitoring (Score 31-55): Minimum of Bi-annual meeting and quarterly review/internal monitoring (e.g., customer satisfaction, report submittals, payment of administrative fees, and pricing)

**Level 3**- Enhanced Monitoring (Score >55): Minimum of Quarterly meeting (business review) with monthly review/internal monitoring (e.g., customer satisfaction, report submittals, HUB Plan, payment of administrative fees, and pricing). Enhance monitoring may also include periodic or regularly scheduled operational meetings to review key operational aspects of business relationship including , new/growth opportunities, new products and services, hot areas/problem resolution, usages, status of project(s), etc.

# How to Create an Event

SciQuest Sourcing Director



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# Log In and Navigation

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This section focuses navigating the site, including descriptions of the menu options and options that are available for searching and accessing specific areas of the application. Important Note: Your options may vary based on your specific permissions.

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Home > PeopleSoft

## PeopleSoft

### Business Application Central

A centralized and more intuitive tool called [Business Applications Central](#) has been created to connect you to:

• Quick Tips • Forms • Contact information • eLearning opportunities

### Log in to Applications/Systems

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myHR ▶

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[Get Access: myHR Security Form](#)

**Enterprise Budget and Planning** ▶

[Get Access: Email 4-INFO](#)  
[System Status](#)

**Executive Financial Dashboard** ▶

[Resources: Request Access Now](#) | [Access Tie Sheet](#) | [Navigation - Tie Sheet](#) | [Creating a View - Tie Sheet](#) | [Creating a Subscription - Tie Sheet](#)

**PeopleSoft**  
Financials, Supply Chain, Grants ▶

[Get Access: Financials, Supply Chain, Grants Security Form](#)  
[Request Sourcing Director/Total Contract Manager](#)  
[eShipGlobal](#)  
[Web Tracker \(Vueura\)](#)

**.Net**  
Supplemental Tools and Reports ▶

[More Information](#)  
[Get Access](#)

**PeopleSoft**  
OBIEE ▶

[Get Access: Email 4-INFO](#)  
[System Status](#)

**Chartstring Attribute Tool**  
(CAT) ▶

[CAT User Manual](#)  
[CAT Tool Support/Assistance](#)

**ITProjects Planning Application (ITPRJBUD)** ▶

### Business Applications Central

[Access the Business Applications Central website](#)

### Contact Us

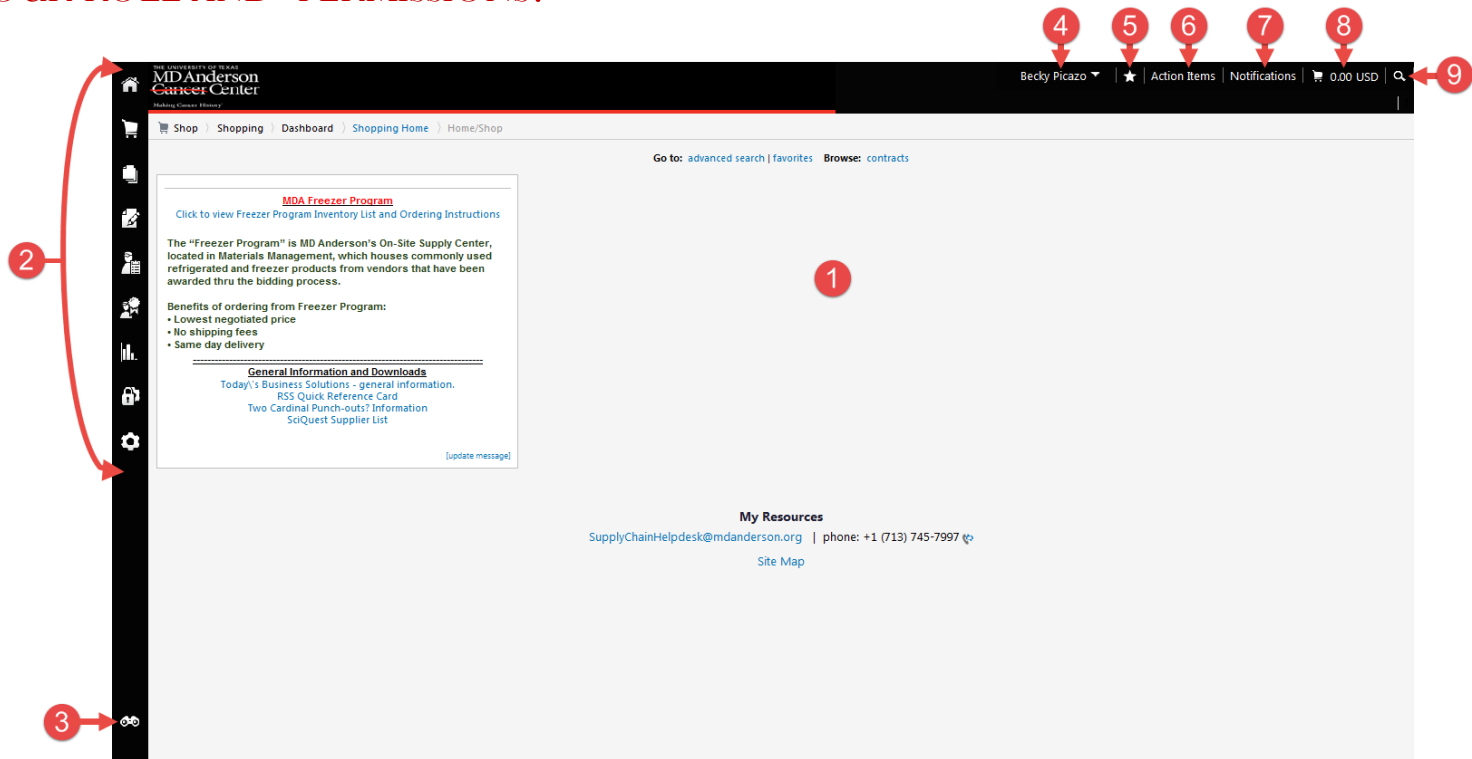
If you need assistance, please feel free to contact us using the corresponding email listed below.

- ▶ myHR
- ▶ Accounts Payable
- ▶ Asset Management
- ▶ Financial Planning & Analysis
- ▶ General Accounting
- ▶ Grants and Contracts
- ▶ Reporting
- ▶ Research Finance
- ▶ Supply Chain
- ▶ Travel
- ▶ ePAF / Retros
- ▶ General Questions

# User Interface

- Designed to provide a clean, intuitive user experience. The site is easy to navigate and provides several features to help you locate and manage your tasks.

**IMPORTANT NOTE:** THE MENU ITEMS AND FEATURES DISPLAYED ARE DEPENDENT ON YOUR ROLE AND PERMISSIONS.



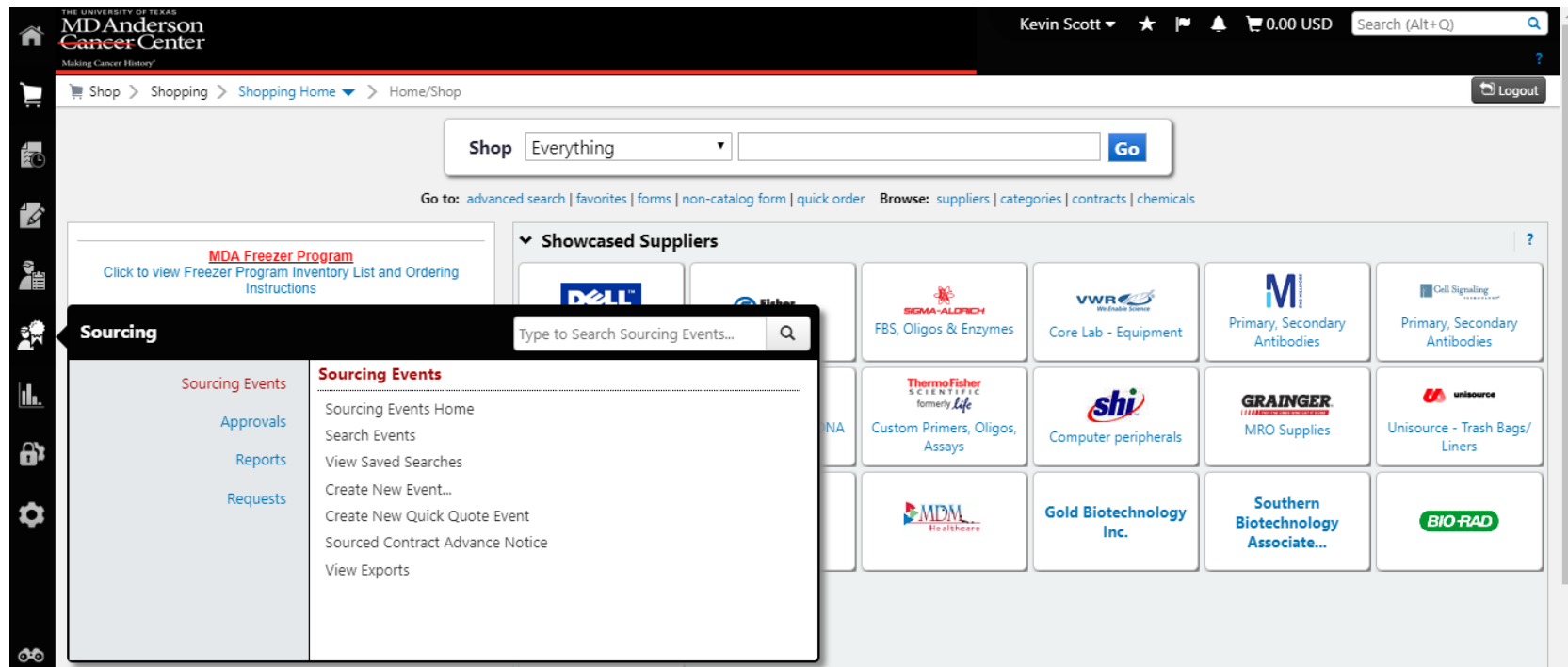
# User Interface

- 1. Homepage** – The site will default to the Homepage upon log in. Clicking on the homepage icon will return you to the homepage from anywhere in the application.
- 2. Main Menu Options** - The menu options displayed depend on the permissions granted to the individual user. Each menu option contains sub-menu options. Mousing over a menu option displays available sub-menu options. To select a sub-menu item, simply click on the item and you will be taken to the appropriate area of the site.
- 3. Menu Search** - This feature allows you to search for specific screens and functions in the application.
- 4. User Menu** - Access to your personal user information and functionality. Your name is displayed with a drop-down icon to the right. Selecting the drop-down displays menu options.
- 5. Bookmarks** - The Bookmark feature allows you to save commonly used pages for quick access. You create and access bookmarks from this menu.
- 6. Action Items** - Action Items are tasks that require some action on your part. The Action Items list displays all action items assigned to you and may include price files to review, pending user registrations that require your approval, etc. The number of action items is indicated to the right of the menu. Action items are grouped together by task. Clicking on the task group takes you to the appropriate area of the application to complete the action items.
- 7. Notifications** - Notifications are designed to alert you when an activity has taken place or something requires your attention. Notifications can be sent by email but several of them can be accessed from Notifications menu in the application. The number of notifications is indicated to the right of the menu. Notifications are sorted by notification type and newer notifications are highlighted.
- 8. Cart Preview** – This feature will not be used with eSourcing.
- 9. Quick Search** - The Quick Search feature allows a variety of searches, such as supplier profile, document, user profile, etc., to be performed from anywhere in the application. Available searches depend on the user's permissions.



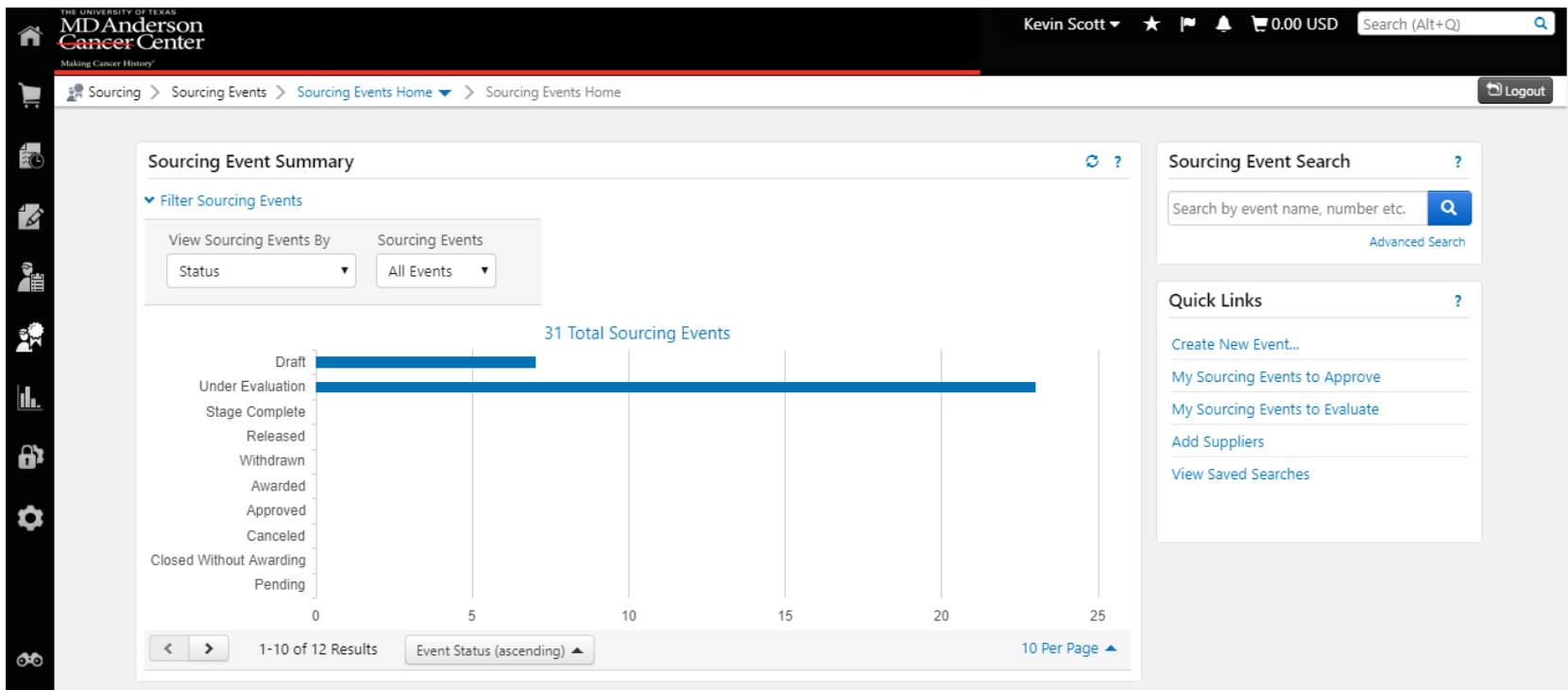
# Sourcing Menu

- The Sourcing menu contains tasks related to creating and managing sourcing events.



# Sourcing Events Home

- The Sourcing Events Home (Dashboard) allows users to have quick access to events to which they can edit or view. There are also quick links to upcoming or recent events, a link to create new events and searches, and other common tasks according to the user's permissions.



# Dashboard – Search Events

- To search for an event enter your search criteria (Event Title, Event No., etc.) and click the Search button.
- Locate your event and click Event Title or Manage Event button.

The screenshot shows the 'Search Events' interface. At the top left, a search box contains the text 'TEST' with a red circle '1' next to it. Below the search box is a 'Search' button. To the right of the search box, the text 'Showing 1 - 17 of 17 Results' is displayed. Below this, there are three event entries, each with a 'Draft' status and a 'Manage Event' button. The first event is 'ut test 2' with details: UTSCA-00012-RFP, Request for Proposal, Created 9/16/2014 10:55 AM CST, Submitted Bids 0, Intending to Bid 0, No bids 0. The second event is 'Test 3' with details: AIS-00018-RFP, Request for Proposal, Created 10/22/2014 10:05 AM CST, Submitted Bids 0, Intending to Bid 0, No bids 0. The third event is 'Test - View Cable Template' with details: CAB-00016-RFP, Request for Proposal, Created 10/16/2014 7:00 AM CST, Submitted Bids 0, Intending to Bid 0. A red circle '2' is next to the 'Manage Event' button for the first event. A red arrow points to the 'Results Per Page' dropdown menu, which is set to 20. Another red arrow points to the 'Sort by' dropdown menu, which is set to 'Event Status: First to Last'. The text 'You can adjust the number of results per page' is written above the first arrow, and 'Click the drop-down to sort' is written above the second arrow.

**Search Events** ?

TEST

Search

Showing 1 - 17 of 17 Results

All Dates

Results Per Page: 20

Sort by: Event Status: First to Last

Click the drop-down to sort

**Status** **Event Details**

**Draft** **ut test 2** **Manage Event**

UTSCA-00012-RFP Created 9/16/2014 10:55 AM CST Submitted Bids 0

Request for Proposal Release - Intending to Bid 0

☒ Open - No bids 0

Close -

Sealed Bid Open -

**Draft** **Test 3** **Manage Event**

AIS-00018-RFP Created 10/22/2014 10:05 AM CST Submitted Bids 0

Request for Proposal Release - Intending to Bid 0

☒ Open - No bids 0

Close -

Sealed Bid Open -

**Draft** **Test - View Cable Template** **Manage Event**

CAB-00016-RFP Created 10/16/2014 7:00 AM CST Submitted Bids 0

Request for Proposal Release - Intending to Bid 0

# Dashboard – Key Event Dates

- Select the option to show Next Seven Days to include events occurring within the next 7 days OR Previous Seven Days to include events occurring within the past 7 days.
- Select Include Drafts and Pending Events to include events that have not yet made it through the approval process.
- Click on the Event Number to open the event on your screen.

**Upcoming Key Event Dates** ?

Show

1

Next Seven Days

☒ Include Draft and Pending Events

1 Results Found

Status ▲	Next Key Event Date ▲	Event Number ▲	Type ▲	Title ▲	My Role
<a href="#">Open</a>	Under Evaluation: 11/7/2014 11:00 PM CST	2 <a href="#">CAB-00025-RFP</a>	RFP	Copy of Test #3 - 11-0559 Administrative Facilities and Campus Operations	

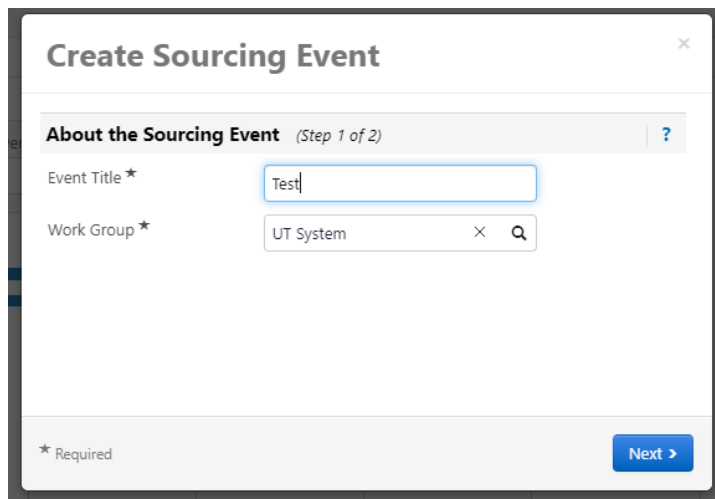
# Create Sourcing Event

---

Events are the heart of Sourcing Director. The Sourcing Lead will perform nearly all functions within the Events area of the application to support the events he/she creates and manages. The Sourcing Lead will create, view, update, copy, and delete existing events in this area. The Sourcing Lead can also add attachments to events and invite suppliers to participate in events.

# Create Event - Add Event Wizard

- Enter Event Title, Select "UT System" Work Group, Select Event Type, Select "UT System Template", and click "Create Sourcing Event".



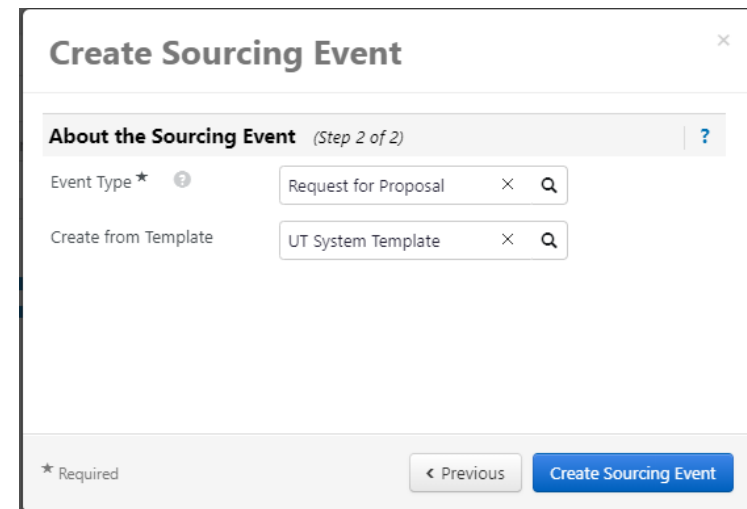
**Create Sourcing Event** [Close]

**About the Sourcing Event** (Step 1 of 2) [Help]

Event Title ★

Work Group ★  [X] [Search]

★ Required Next >



**Create Sourcing Event** [Close]

**About the Sourcing Event** (Step 2 of 2) [Help]

Event Type ★ ⓘ  [X] [Search]

Create from Template  [X] [Search]

★ Required < Previous Create Sourcing Event

# Settings and Content

---

This section displays the details of the event. Sections for the event type display. A green checkmark indicates required elements of the section are completed. A number indicates the number of items/documents in the section.

# Create Event - Event Overview

The pages and options that show for an event depend on the associated project and Event Type. Options will also depend on the components that are allowed as part of each event, such as being available on a Public Site, or allowing for auto scoring options.

The following image shows an event in Draft status on the Event Setup page. Note: Some options, such as Respond by Proxy, Sealed Bid and Public Site, will only show if your organization and project are configured to allow them on events.



Sourcing > Sourcing Events > Search Events > Setup

Event Actions History

**Test**  
UTSCA-00849-RFP

Type: **Request for Proposal**

Event Status: **Draft**

Settings and Content

**Setup**

Users

Description

Prerequisites

Buyer Attachments

Questions

1 SECTION 1 - IN...

2 SECTION 2 - N...

3 SECTION 3 - SU...

4 SECTION 4 - GE...

5 SECTION 5 - SP...

6 SECTION 6 - PL...

7 APPENDIX ONE...

8 APPENDIX TW...

9 APPENDIX THIR...

10 APPENDIX FO...

11 APPENDIX FIV...

12 APPENDIX SIX ...

13 PROPOSER'S S...

14 ADDITIONAL ...

Additional Item Fil...

Items

Suppliers

Review and Submit

Evaluations

Panel Questionnaire

Tools

**Setup**

Event Title: Test

Event Type: Request for Proposal

Work Group: UT System

Event Number: UTSCA-00849-RFP

Stage Title

**Commodity Codes**

Reporting Commodity Code: - [Edit](#)

Additional Commodity Codes: - [Edit](#)

Forced Supplier Invitation by Commodity Code: ☐ Yes ☒ No

**Payment**

Currency: US Dollar

Estimated Value: USD

Payment Terms: ▼

**Bid and Evaluation**

Sealed Bid: Yes

Respond by Proxy: No

Use Panel Questionnaire: Yes

Auto Score: No

Cost Analysis: No

Alternate Items: ☐ Yes ☒ No

Allow Split Item Quantity in Evaluations: ☐ Yes ☒ No

Enforce Minimum Price: ☐ Yes ☒ No

Enforce Maximum Price: ☐ Yes ☒ No

**Display and Communication**

Visible to Public: Yes

Public Event Short Description: 200 characters remaining

Restrict Buyer Notifications: No

**Dates**

Time Zone: CDT/CST - Central Standard ▼

Release Date: mm/dd/yyyy hh:mm a

Open Date: mm/dd/yyyy hh:mm a

Close Date: mm/dd/yyyy hh:mm a

Sealed Bid Open: ☒ Same as Close Date

★ Required

[Save Progress](#) [Next](#)

# Create Event - Setup

- Ensure that the Setup information is correct

## Setup

---

Event Title ★

Test


Event Type ?

Request for Proposal

Work Group

UT System

Event Number ★

UTSCA-00849-RFP 

Stage Title

# Create Event - Setup

- Enter search criteria in search field
- Click the Search button

## Commodity Codes

Office Supplies

2 Enter Search Criteria

3 Click the Search button

0	Spot Buy Products	<input type="checkbox"/>
10000000	Live Plant and Animal Material and Accessories and Supplies	<input type="checkbox"/>
10100000	Live animals	<input type="checkbox"/>
10101500	Lab Research Animals	<input type="checkbox"/>
10101600	Birds and fowl	<input type="checkbox"/>
10101700	Live fish	<input type="checkbox"/>
10101800	Shellfish and aquatic invertebrates	<input type="checkbox"/>
10101900	Insects	<input type="checkbox"/>

# Create Event - Setup

- Select checkbox
- Click Done button

**Commodity Codes** ×

Office Supplies

Commodity Code	Description	
44120000	Office supplies	<input checked="" type="checkbox"/>

Done Close

**4** Select checkbox

**5** Click Done button

# Create Event - Setup

- Enter the estimated value for the event. The value drives post-event approval process of HUB plans and is a required field.

**Payment**  Will default to USD

Currency  US Dollar

Estimated Value  USD **1** Enter the Dollar Amount of the Event

Payment Terms   This field will not be used - Leave Blank

# Create Event – Setup

- Select whether Panel Questionnaire will be used


## Bid and Evaluation

Respond by Proxy  Disallow

Sealed Bid  Yes

Use Panel Questionnaire \* ☐ Yes ☒ No

Auto Score  No

Cost Analysis  No



These field values will default

1

Select whether Panel Questionnaire will be used

# Create Event - Setup

- Enter a brief description for the event. This is the short description that gets posted to the public event page (where suppliers can see the open events).
- Enter details for any scheduled pre-bid meetings

## Display and Communication

Visible to Public \*



Yes



This field value will default

Please enter a short description for this public event

100 characters remaining

1

Enter a brief description for the event and include details for any scheduled pre-bid meetings

# Create Event - Setup

- Select the dates and times for the event. Enter Time Zone, Release Date, Open Date, Close Date, Sealed Bid Open Date, and Q&A Submission Close Date

## Dates

Time Zone *	<div>CDT/CST - Central Standard Time</div>	1	Select CDT/CST Central Standard Time
Release Date	<div><div></div><div>mm/dd/yyyy hh:mm a</div></div>	2	Enter the date the event will be released to suppliers
Open Date *	<div><div></div><div>mm/dd/yyyy hh:mm a</div></div>	3	Enter the date the event will open for supplier responses
Close Date *	<div><div></div><div>mm/dd/yyyy hh:mm a</div></div>	4	Enter the date the event will close to supplier responses
Sealed Bid Open Date	<div><input type="checkbox"/> Same as Close Date</div> <div><div></div><div>mm/dd/yyyy hh:mm a</div></div>	5	Enter Bid Opening date or choose Same as Close Date
	<div><input type="checkbox"/> Show Sealed Bid Open Date to Supplier</div>	6	Select whether Bid Opening date will be shown to suppliers
Q&A Submission Close Date *	<div><input type="checkbox"/> Same as Close Date</div> <div><div></div><div>mm/dd/yyyy hh:mm a</div></div>	7	Enter Q&A Submission Close Date or choose Same as Close Date



# Create Event - Users

- To add users to the event, select the "Add Users" button for the appropriate access group, and choose from users with appropriate permissions for the role.

## Users

Event Creator \*

Picazo, Becky

An Event Creator can create new events for a project and assign users to the event. A user must have either Create/Own Events permission or Manage Project Events permission to be assigned as an Event Creator.

Event Owners \*

Event Owners have full control over this event:

➔ Picazo, Becky

1 Add Users

An Event Owner has full control over the event. An Event Owner can be inherited as an Event Manager on a project or can be explicitly set for the event.

Event Managers on this Project have full control over this event:

Alvarado, Maurice

Alvarado, Maurice

Berg, John

Davila, Raul

Gloria, Jennifer

Manage, AIS

Nguyen, Ace

Picazo, Becky

Smith, Abigail

User1, Sourcing

Contacts \*

Contact information for these users is shown to suppliers:

➔ Picazo, Becky

Add Users

Individuals who are listed as contacts for this event.

Stakeholders

Stakeholders can view the event and responses:

➔ Picazo, Becky

Add Users

Other persons or groups with an interest in this event, i.e. end user department or division.

Stakeholders on this Project can view the event and responses

\* Required

2

Click Next button

# Create Event - Description


- The Sourcing Lead will enter any descriptive text the supplier should see about the event. The Description is required, and should give good basic information about the needed service or products. The Sourcing Lead may use the formatting tools to format text, including images and hyperlinks.











## Description

Event Actions ▾ History ?

Copy from Library

Please enter a description for this event, or copy from library. \*

Format ▾ (inherited font) ▾ (inherited size) ▾ **B** *I* U ~~abc~~ A ▾  ▾

This RFP is to be used as a training tool for new users of the eSourcing tool within SciQuest. It is intended solely for this purpose and shall not legally bind MD Anderson in any way.

1

\* Required

< Previous

2

Click **Next** button

Save Progress

Next >

# Create Event – Prerequisites

- The Sourcing Lead may choose to add Prerequisite information to the event if it is important that a supplier reviews information prior to proceeding with their response. For example, it may be required that the supplier reviews your Non-Disclosure Agreement or payment terms.
- The Sourcing Lead will enter text about the prerequisite, and determine whether the content of the prerequisite will be displayed on the page or attached in a file. The Sourcing Lead will select if it is optional for the supplier to view the prerequisite, if it's required that the supplier certify they have reviewed it prior to viewing the entire event, or prior to submitting a bid. The Sourcing Lead may also require the Certification Text.

# Create Event – Prerequisites

- Adding Prerequisite Information

**Prerequisites** Event Actions ▾ History ?

Please add your prerequisites below.

**1** Click **Add Prerequisites** Button

**2** Select **Add New Prerequisite**

**3** Add instructions to supplier

**4** Select how content will be added (text or file upload)

**5** Select whether review is optional, required to view bid, or required to submit bid

**6** Add Certification text

**7** Click **Save Changes** Button

**Add Prerequisite**

Instructions to supplier \*

Please review our Non-Disclosure Statement.

957 characters remaining  
Prompt shown to suppliers

Prerequisite Content \*

How do you want to enter your content?

Attach a file from my computer

Non-Disclosure Statement Upload

Type \*

Required to Enter Bid

Certification Text \*

I certify that I have read and agree to the terms above.

444 characters remaining

\* Required

Save Progress Next >

Save Changes Close

# Create Event – Prerequisites

- Configured Prerequisites Page

## Prerequisites

Event Actions ▾ | History | ?

\* Required to Enter Bid

#	Instructions to supplier	Prerequisite Content	
1	Please review our Non-Disclosure Statement. *	<a href="#">Non-Disclosure Statement</a>	Edit ▾

Add Prerequisite ▾

< Previous

1

Click **Next** Button

Save Progress

Next >

# Create Event - Buyer Attachments

- You may upload attachments for the event on the Buyer Attachments page. An attachment may be a building design or layout, detailed specifications related to the event products or service, an addendum for the event, etc. When the Sourcing Lead elects to add an attachment, he/she will name the attachment and upload the file. The file will then show in the Supplier Portal and the supplier may download the attachment.

# Create Event - Attachments

- Adding an Attachment

## Add Attachment ×

Attachment Type ★ ☒ File ☐ Link

Display Name ★

File ★

Select file

Maximum upload file size: 50.0 MB

Comments   
1000 characters remaining

★ Required Save Changes Close

# Create Event - Attachments

- Configured Attachments Page

## Attachments

Event Actions ▾ | History | ?

#	Attachment	
1	 Training Attachment	<div>Edit ▾</div>

Add Attachment ▾

< Previous

1

Click **Next** button

Save Progress

Next >



# Create Event - Questions

- In this section the Sourcing Lead will enter questions to which the supplier should respond. When complete, a summary of the groups and pages can be shown by selecting Questions in the event navigation bar, or navigate to specific pages.

**Test**  
UTSCA-00849-RFP

Type: **Request for Proposal**  
Event Status: **Draft**

Settings and Content ▾  
Setup ✓  
Users ✓  
Description ✓  
Prerequisites 0  
Buyer Attachments 0  
**Questions 17**  
1 SECTION 1 - INTRODU...  
2 SECTION 2 - NOTICE T...  
3 SECTION 3 - SUBMISSI...  
4 SECTION 4 - GENERAL ...  
5 SECTION 5 - SPECIFICA...  
6 SECTION 6 - PRICING S...  
7 APPENDIX ONE - PROP...  
8 APPENDIX TWO - UT S...  
9 APPENDIX THREE - SA...  
10 APPENDIX FOUR - AC...  
11 APPENDIX FIVE - ELEC...  
12 APPENDIX SIX - SECU...  
13 PROPOSER'S SURVEY ...

Questions Event Actions ▾ History ?

[Add or Import ▾](#) [Export Questions](#)

**14 Pages of Questions**

#	Page Title	Question Groups	Total # of Questions	
1	1 SECTION 1 - INTRODUCTION	• Group 1.1	1	<a href="#">Actions ▾</a>
2	2 SECTION 2 - NOTICE TO PROPOSER	• Group 2.1	2	<a href="#">Actions ▾</a>
3	3 SECTION 3 - SUBMISSION OF PROPOSAL	• Group 3.1	1	<a href="#">Actions ▾</a>
4	4 SECTION 4 - GENERAL TERMS AND CONDITIONS	• Group 4.1	1	<a href="#">Actions ▾</a>
5	5 SECTION 5 - SPECIFICATIONS, ADDITIONAL QUESTIONS AND SCOPE OF WORK	• Group 5.1	3	<a href="#">Actions ▾</a>
6	6 SECTION 6 - PRICING SCHEDULE AND AFFIRMATION	• Group 6.1	1	<a href="#">Actions ▾</a>
7	7 APPENDIX ONE - PROPOSAL REQUIREMENTS	• Group 7.1	1	<a href="#">Actions ▾</a>
8	8 APPENDIX TWO - UT SYSTEM POLICY ON UTILIZATION OF HISTORICALLY UNDERUTILIZED BUSINESSES	• Group 8.1	1	<a href="#">Actions ▾</a>
9	9 APPENDIX THREE - SAMPLE PREFERRED SUPPLIER AGREEMENT	• Group 9.1	1	<a href="#">Actions ▾</a>
10	10 APPENDIX FOUR - ACCESS BY INDIVIDUALS WITH DISABILITIES	• Group 10.1	1	<a href="#">Actions ▾</a>
11	11 APPENDIX FIVE - ELECTRONIC AND INFORMATION RESOURCES ENVIRONMENT SPECIFICATIONS	• Group 11.1	1	<a href="#">Actions ▾</a>
12	12 APPENDIX SIX - SECURITY CHARACTERISTICS AND FUNCTIONALITY OF PROPOSER'S INFORMATION RESOURCES	• Group 12.1	1	<a href="#">Actions ▾</a>
13	13 PROPOSER'S SURVEY SECTION NOTICE	• Group 13.1	1	<a href="#">Actions ▾</a>
14	14 ADDITIONAL ATTACHMENTS	• Group 14.1	1	<a href="#">Actions ▾</a>

[< Previous](#) [Save Progress](#) [Next >](#)

# Create Event - Questions

The actions available on the Questions page include:

- Add or Import - Add a question page, add a page from a library, import questions or get the import question template.
- Export Questions - Export the questions into a file.
- Page and Group information - Each page is listed as a hyperlink, with the groups on each page and total number of questions.
- Actions to Edit or Delete the group, or go to the Page detail.

# Create Event - Questions

When adding or editing a question, the Sourcing Lead will enter:

- Question Text - up to 1000 characters. This is the format to solicit a supplier response.
- Response Type - Select the type of response for the question. If asking for a date, select Date. If the Sourcing Lead wants to provide a range of options, select either one option or many options, and in what format.
- Supplier Response is Required - Enable this option if the supplier is required to provide an answer to this question in order to submit a bid response for the event.
- Attach File - Provides the option to upload a file with supporting information for the question.

# Create Event - Questions

Sourcing > Sourcing Events > Search Events > 1 SECTION 1 - INTRODUCTION

**Test**  
UTSCA-00849-RFP

Type: **Request for Proposal**  
Event Status: **Draft**

Settings and Content ▾

- Setup ✓
- Users ✓
- Description ✓
- Prerequisites 0
- Buyer Attachments 0
- Questions 17

**1 SECTION 1 - INTRODUCTION**

2 SECTION 2 - NOTICE T...

3 SECTION 3 - SUBMITTI...

4 SECTION 4 - GENERAL ...

5 SECTION 5 - SPECIFICA...

6 SECTION 6 - PRICING S...

7 APPENDIX ONE - PROP...

8 APPENDIX TWO - UT S...

9 APPENDIX THREE - SA...

10 APPENDIX FOUR - AC...

11 APPENDIX FIVE - ELEC...

12 APPENDIX SIX - SECU...

13 PROPOSER'S SURVEY ...

**1 SECTION 1 - INTRODUCTION**

Please enter your questions into groups below. [Add or Import](#) [Export Questions](#)

★ Response is Required

Group 1.1

#	Question Text
1.1.1	1) Click on the References link, download and read the INTRODUCTION PDF document. 2) Read the

[Add Question](#)

**Add Question**

Question Text ★  
Have you reviewed the attached information?  
957 characters remaining

Response Type ★  
Yes/No ▾  
☒ Supplier Response Is Required  
☐ Set Disqualifying Response

Attach File  
No File Attached [Upload](#)

Display Order ★  
Last ▾

★ Required

[Save Changes](#) [Close](#)

[< Previous](#) [Save Progress](#) [Next >](#)

# Create Event - Questions

- Additional Item Fields Question Page

The screenshot displays the 'Create Event - Questions' page. The main header shows the breadcrumb: Sourcing > Sourcing Events > Search Events > Additional Item Fields. The left sidebar contains a 'Test' section for 'UTSCA-00849-RFP' with a 'Type: Request for Proposal' and 'Event Status: Draft'. Below this is a 'Settings and Content' menu with options like Setup, Users, Description, Prerequisites, Buyer Attachments, and Questions (17). The main content area is titled 'Additional Item Fields' and includes a 'Please create additional fields for items below.' instruction and a 'Create Additional Field' button. A modal window titled 'Create Additional Field' is open, showing fields for Name (Misc. Items, 89 characters remaining), Integration Id (100 characters remaining), and Description (1000 characters remaining). It also includes radio buttons for 'Applicable To' (Product Line Item, Service Line Item, Both) and 'Supplier Can Respond' (Yes, No), a checkbox for 'Visible to supplier', and a 'Field Type' dropdown. The modal has 'Save Changes' and 'Close' buttons. At the bottom of the page, there are 'Previous', 'Save Progress', and 'Next' buttons.

**Test**  
UTSCA-00849-RFP

Type: **Request for Proposal**  
Event Status: **Draft**

Settings and Content

- Setup
- Users
- Description
- Prerequisites
- Buyer Attachments
- Questions (17)

1 SECTION 1 - INTRODU...  
2 SECTION 2 - NOTICE T...  
3 SECTION 3 - SUBMISSI...  
4 SECTION 4 - GENERAL ...  
5 SECTION 5 - SPECIFICA...  
6 SECTION 6 - PRICING S...  
7 APPENDIX ONE - PROP...  
8 APPENDIX TWO - UT S...  
9 APPENDIX THREE - SA...  
10 APPENDIX FOUR - AC...  
11 APPENDIX FIVE - ELEC...  
12 APPENDIX SIX - SECU...  
13 PROPOSER'S SURVEY ...

**Additional Item Fields**

Please create additional fields for items below.

Create Additional Field

**Create Additional Field**

Name \* Misc. Items  
89 characters remaining

Integration Id  
100 characters remaining

Description  
1000 characters remaining

Applicable To \*  
☐ Product Line Item ☒ Service Line Item ☐ Both

Supplier Can Respond  
☐ Yes ☒ No  
☐ Visible to supplier

Field Type \*

\* Required

Save Changes Close

< Previous Save Progress Next >

# Create Event - Items

- This section will not be used.

# Create Event - Suppliers

- On the "Suppliers" page, the Sourcing Lead will search for suppliers to add to the event. In order to invite the supplier, the supplier's profile must contain a corporate or sales contact.
- On the "Add Suppliers to Event" tab, the Sourcing Lead can search for suppliers by name or ID, contact, postal code or commodity code. The Sourcing Lead can also choose to search for suppliers only in the UT System network, out of network, or all suppliers in the SciQuest database. If a supplier contact (Corporate or Sales) is not present, the Sourcing Lead can navigate to the supplier's profile to add the contact information for the supplier. If a supplier has a valid contact, select the "Add to Event" button to invite suppliers to the event.

# Create Event - Suppliers

- To Add a Supplier

Manually Invite Suppliers ▼

**Search Registered Suppliers**

Supplier

Relationship

Supplier Contact

U.S. Postal Code  Within

Commodity Code


1 On the Add Suppliers to Event tab, you can search for suppliers by multiple search criteria such as name or ID, contact, or commodity code, suppliers only in your network, out of network, or all suppliers in the SciQuest database.

2 Click **Search** button

Clear

**Results Page**

**1 Results Found**

Supplier Name	Doing Business As	Sales and Corporate Contacts	Action
 Campbell Equipment	Campbell Equipment	Adam Campbell adamcampbellsq+16@gmail.com	<input type="button" value="Add to event"/> ▼

3 Select suppliers by clicking **Add to Event** button



# Create Event - Suppliers

- View added suppliers on the Event Suppliers tab. To remove a supplier from the list, click the Remove button.

**Suppliers**Event Actions ▾History?

Event Suppliers (5)

[Add Suppliers to Event](#)

**5 Event Suppliers**

Supplier Name	Doing Business As	Sales and Corporate Contacts	Action
<a href="#">Abi1</a>		Test Software <a href="#">scmtraining528+Abi1@gmail.com</a>	<button>Remove</button>
<a href="#">Abi11</a>		test test <a href="#">scmtraining528+Abi11@gmail.com</a>	<button>Remove</button>
<a href="#">Abi3</a>		George Smith <a href="#">scmtraining528+Abi3@gmail.com</a>	<button>Remove</button>
<a href="#">BPICAZO INC</a>		Rebecca Picazo <a href="#">scmtraining528+BPICAZOINC@gmail.com</a>	<button>Remove</button>
<a href="#">CNB Industries</a>		Ace Nguyen <a href="#">confucius17+cnbindustriessq@gmail.com</a>	<button>Remove</button>

1

Click **Next** button

< PreviousSave ProgressNext >

# Create Event - Suppliers

- When creating or editing a draft event, the Manually Invite Suppliers button shows on the Add Suppliers to Event tab of the Suppliers page if the project setting is Optional or Allow.

**Computer Equipment for NC Training Facility**  
77-EQUIP-34

Type: **Request for Proposals**  
Event Status: **Draft**

Settings and Content

- Setup ☒
- Users ☒
- Description ☒
- Prerequisites ☒
- Attachments ☒
- Questions ☒
- Items ☒
- Suppliers** ☒

Review and Submit

**Suppliers** Event Suppliers (5) Add Suppliers to Event

**Search Registered Suppliers**

Supplier

Relationship

Supplier Contact

U.S. Postal Code  Within

Commodity Code

**Manually Invite Suppliers**

- Import
- Get Import Template
- Add Supplier to Event**

**Add Supplier to Event**

Supplier Name \*

Sales or Corporate Contact Name

Email \*

\* Required

Enter Supplier Name, Contact Name, and Email then click Save button

# Event Review and Submit

---

Once you submit the event for approval, it enters Event Workflow and must be approved before it is released to suppliers.

# Create Event – Review and Submit

- Navigate to the Review and Submit page to confirm all required data is present and Submit for Approval. If any required items are not completed, such as a date or description, the Sourcing Lead cannot submit the event for approval. Hyperlinks are available on the actions needed for easy navigation to the appropriate page.

**Review and Submit**Event Actions ▾ History ?

✓ All sections are complete. You may submit your event for approval.

Section	Progress
<a href="#">Setup</a>	✓ Required Fields Complete
<a href="#">Users</a>	✓ Required Fields Complete
<a href="#">Description</a>	✓ Required Fields Complete
<a href="#">Prerequisites</a>	1 No Required Data
<a href="#">Attachments</a>	1 No Required Data
<a href="#">Questions</a>	39 No Required Data
<a href="#">Items</a>	7 No Required Data
<a href="#">Suppliers</a>	5 Required Data Provided

[View Approval Steps](#)

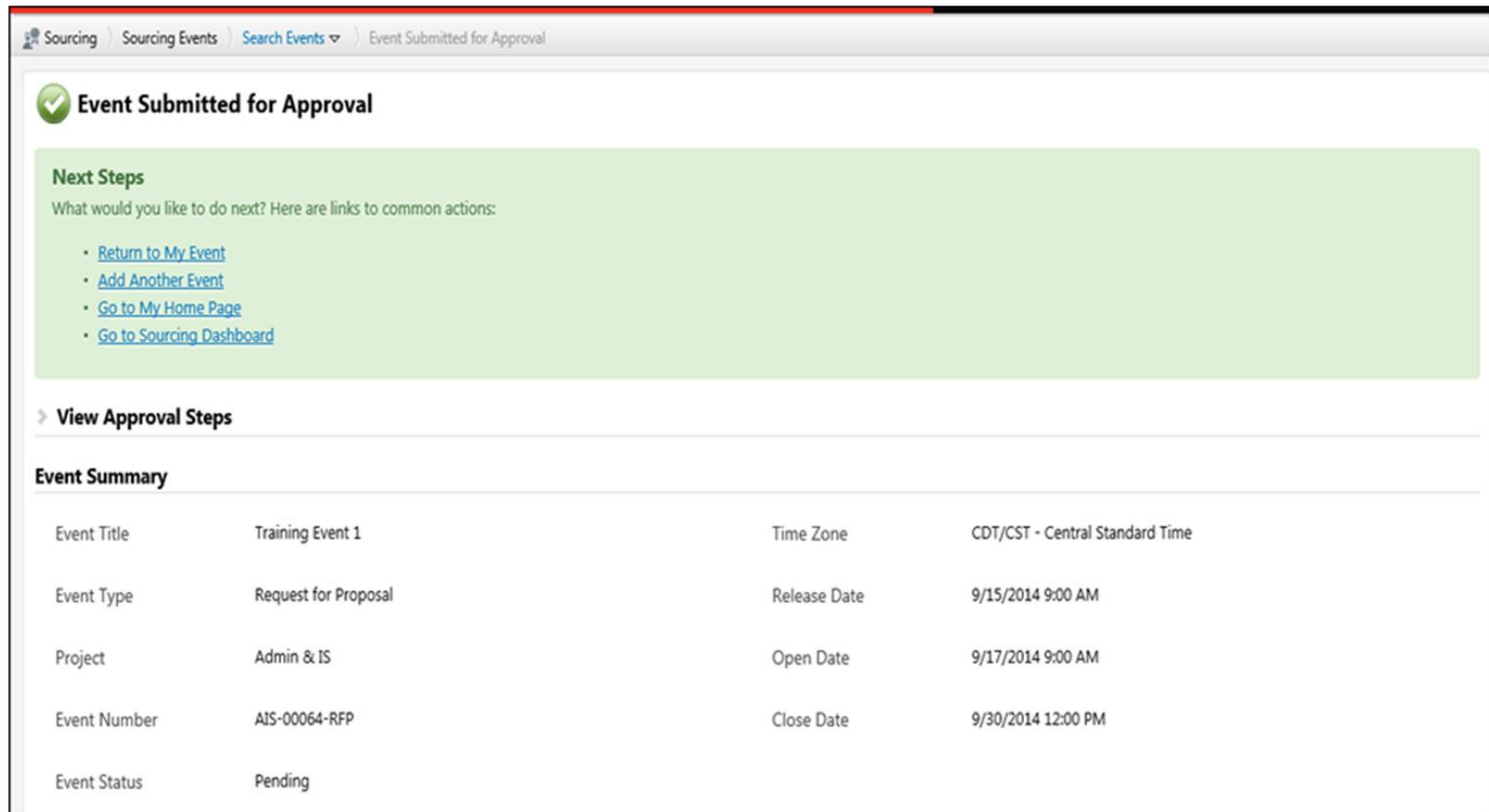
1

Click **Submit for Approval** button

[← Previous](#)[Submit for Approval](#)

# Create Event – Review & Submit

- Event Submission Confirmation



The screenshot shows a web application interface with a breadcrumb trail: Sourcing > Sourcing Events > Search Events > Event Submitted for Approval. The main heading is 'Event Submitted for Approval' with a green checkmark icon. Below this is a green box titled 'Next Steps' with the text 'What would you like to do next? Here are links to common actions:' and four links: 'Return to My Event', 'Add Another Event', 'Go to My Home Page', and 'Go to Sourcing Dashboard'. Below the green box is a section titled 'View Approval Steps' with a right-pointing arrow. Underneath is an 'Event Summary' section containing a table with event details.

Event Title	Training Event 1	Time Zone	CDT/CST - Central Standard Time
Event Type	Request for Proposal	Release Date	9/15/2014 9:00 AM
Project	Admin & IS	Open Date	9/17/2014 9:00 AM
Event Number	AIS-00064-RFP	Close Date	9/30/2014 12:00 PM
Event Status	Pending		

# Amendments and/or Additional Attachments

- To add an attachment as an addendum under Section 14 for meeting minutes or any other changes to the RFP that need to be communicated to the bidders:
  - List the name of the document that is being uploaded in the Question Text dialogue box.
  - Select "Dropdown List (Pick One)" and click in the box "Supplier Response is Required".
  - For the Response Option, key in the word "Acknowledge" and click "Add Response" to require the supplier to read the document.
  - Attach the file accordingly and click "Upload".
  - Save changes to exit the screen.

# Amendments and/or Additional Attachments

The screenshot displays a software interface for managing a sourcing event. The main header shows the breadcrumb path: Sourcing > Sourcing Events > Search Events > 14 ADDITIONAL ATTACHMENTS. Below this, there's a 'Test' section for 'UTSCA-00849-RFP' with a 'Request for Proposal Draft' status. A sidebar on the left lists various sections like 'Setup', 'Users', 'Description', 'Prerequisites', 'Buyer Attachments', and 'Questions'. The main content area is titled '14 ADDITIONAL ATTACHMENTS' and contains a table with one row: '14.1.1 Additional attachments and information related to the requirements of the RFP and the survey questions above.' An 'Add Question' button is visible. An 'Edit Question' modal is open, showing fields for 'Question Text' (with a character count of 891 remaining), 'Response Type' (set to 'Dropdown List (Pick One)'), and 'Response Options' (with a 'Response' field and 'Add Response' button). The modal also includes an 'Attach File' section and 'Save Changes' and 'Close' buttons at the bottom.

Sourcing > Sourcing Events > Search Events > 14 ADDITIONAL ATTACHMENTS

< Back to Results 1 of 8 Results < >

**Test**  
UTSCA-00849-RFP

Type: **Request for Proposal**  
Event Status: **Draft**

Settings and Content ▾

- Setup ✓
- Users ✓
- Description ✓
- Prerequisites 0
- Buyer Attachments 0
- Questions 17

**14 ADDITIONAL ATTACHMENTS** Event Actions ▾ History ?

Please enter your questions into groups below.

Group 14.1

#	Question Text
14.1.1	Additional attachments and information related to the requirements of the RFP and the survey questions above.

Add Question ▾

**Edit Question** ✕

Question Text \*  
Additional attachments and information related to the requirements of the RFP and the survey questions above.  
891 characters remaining

Response Type \*  
Dropdown List (Pick One) ▾

☐ Supplier Response Is Required  
☐ Set Disqualifying Response

Response Options \*  
**Response \***  
Enter response here + Add Response  
Acknowledge Remove

Attach File  
No File Attached Upload

> Show Display Position Options

\* Required Save Changes Close

< Previous Save Progress Next >

Powered by

**Attachment 4**  
**Sample Executive Approval Memo**

**DATE:**

**TO:** [Name of Executive]

**FROM:** [Assoc. Director, Sourcing & Contracts]

**SUBJECT:** Request for Executive Approval

The following are typical elements to be addressed when preparing the Executive Memo.

- *Include background about the need, purpose and nature of proposed RFP, a description of the services to be performed, estimated value, specific items of concerns, associated risks, plans to mitigate risks.*
- *Indicate which institutions are participating as SMEs and any specific concerns they have raised.*
- *Indicate any previous experience the Alliance has had with sourcing goods/services like those contemplated under the RFP. What were the results.*
- *Include how you plan to monitor the contract and the supplier's performance, if approved.*

[Name of Executive]

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_



**Attachment 5**  
**Information for Alliance Legal Counsel**

**Include**

– RFP No. (UTS/\_\_\_\_)

– Draft “Objective of the RFP” – for example:

*UT System, acting through the Alliance, is soliciting proposals in response to this RFP from qualified suppliers, for the supply of equipment maintenance management services more specifically described in Section 5.4 (“Scope of Work”) of this RFP (collectively, the “Services”). The successful Proposer(s) to whom business may be awarded is referred to in this RFP as the “Preferred Supplier.”*

*Specifically this RFP process should:*

- *Provide a comprehensive and guaranteed pricing structure for the Services;*
- *Leverage the aggregate purchasing volumes of Institutional Participants;*
- *Achieve cost savings for Institutional Participants;*
- *Create a process for utilizing Preferred Supplier to meet the needs of the Institutional Participants for corrective and preventative maintenance services;*
- *Improve overall customer satisfaction; and*
- *Enhance relationships between Preferred Supplier and Institutional Participants.*

*UT System seeks to identify the proposer(s) that will provide the most practical and cost effective business model to serve the needs of Institutional Participants as their preferred supplier for the Services. UT System hope to conclude an agreement that will provide Institutional Participants with access to the Services at discounted prices and that will permit all parties to reduce procurement and transaction costs and improve business processes.*

*Proposer should propose charges for the Services that will be guaranteed to be discounted as compared to the then-current market rates for comparable services available from the Original Equipment Manufacturer (“OEM”) or other reputable service providers. UT System will work through the Alliance to team with the Preferred Supplier to develop business processes that will foster a strong working relationship and produce a win-win for all parties.*

*The Preferred Supplier will be enrolled in the Alliance’s Supplier Relationship Management Program (“SRM”) to monitor Preferred Supplier’s performance and pricing. UT System expects Preferred Supplier to work closely with the Alliance and each Institutional Participant and produce benefits for all parties involved in the relationship.*

*Proposer should realize that what is written in their final proposal submitted to UT System may become part of the successful Proposer’s final contract.*

*UT System may ask Proposer(s) to provide a formal presentation, prior to contract award, with additional information to SME’s or the Strategic Services Group. This presentation will allow the Alliance to clarify any technical, quality, or price based questions that may arise as part of Proposer’s response.*

*Proposer should provide solutions involving historically underutilized business suppliers, where possible (ref. Section 2.5 of this RFP).*

– Draft “Background and Scope of Opportunity” – for example:

*Most preventative and corrective maintenance across UT System today is performed as part of an OEM service contract. UT System has limited visibility into the value of OEM service contracts in place today.*

*Very rough estimates indicate that total expenditures by UT System institutions might be in the range of \$8 \$10 million annually. In-house repairs are also done on some equipment.*

*UT System has an existing agreement with a preferred supplier of equipment maintenance management services that are the subject of this RFP. This agreement is scheduled to expire in January 2015, and for purposes of an orderly transition to any new supplier, the current supplier will be allowed to enter into new equipment maintenance management services agreements (typically one year in duration) with UT System institutions at any time before July 31, 2015. The spend under this existing agreement is about \$2.2 - \$2.5 million annually. This does not include OEM contracts or in-house repairs referenced above. The Alliance believe there is a lot of additional opportunity to provide equipment maintenance management services beyond this \$2.2 - \$2.5 million annual figure.*

*The winning Proposer under this RFP will have the opportunity to capture maintenance business that (1) presently resides with OEMs (covering the period after expiration of the OEM warranty, or after expiration of any existing OEM maintenance contracts), (2) is handled today by the existing preferred supplier of equipment maintenance management services, or (3) is being handled in-house today. A key factor in convincing institutions to make Preferred Supplier responsible for equipment maintenance services is likely to be assurance that the service quality (service levels, response times, etc.) from Preferred Supplier will be at least as good as that available from the OEMs.*

*THE ABOVE FIGURES ARE ESTIMATES ONLY. VOLUMES PURCHASED ON THE BASIS OF ANY AGREEMENT RESULTING FROM THIS RFP MAY INVOLVE MORE OR LESS THAN THE ESTIMATES PROVIDED. UT SYSTEM DOES NOT REPRESENT, WARRANT OR GUARANTY THAT PARTICIPANTS WILL PURCHASE ANY PARTICULAR DOLLAR VALUE OR ANY PARTICULAR QUANTITY, AND UT SYSTEM SPECIFICALLY DISCLAIMS ANY SUCH REPRESENTATIONS, WARRANTIES AND GUARANTIES.*

- **Identity of the UT System Contact Person (Alliance team member who will be the point person for all submissions, questions, etc. under the RFP).**
- **Draft SOW, describing the key business terms.** Please include f.o.b. terms for product shipments.
- **Info. about any access that the preferred supplier would have to student data, PHI, credit card payment info. or other sensitive data, so I can include in the sample PSA, as necessary, any specialized contract provisions relating to FERPA, HIPAA, etc.**
- **Amount of admin. fee to be paid by the preferred supplier.**
- **“Minimum requirements” that the proposer must meet in order to qualify for consideration.** (Typically the only minimum reqt. is that the proposer must pay the specified admin. fee, but in rare circumstances, we might wish to list other, fundamentally important criteria.)
- **Term of the anticipated contract (duration of initial term; duration and number of any extensions).**
- **SRM details.** A draft of the SRM document would be very helpful. We don’t have a standard form, since what we will want to measure, and whether we will want to incentivize compliance with some sort of liquidated damages, will vary from one procurement to the next.
- **All Dates for Key Events Schedule, as follows:**

Issuance of RFP	_____, 2014
Pre-Proposal Conference (ref. <b>Section 2.6</b> of this RFP)	_____, 2014 10:00 AM, Central Standard Time
Deadline for Indicating Interest in Attending Pre-Proposal Conference (ref. <b>Section 2.6</b> of this RFP)	_____, 2014
Deadline for Questions/Concerns (ref. <b>Section 2.2</b> of this RFP)	5:00 PM, Central Standard Time on _____, 2014
Submittal Deadline (ref. <b>Section 2.1</b> of this RFP)	3:00 PM, Central Standard Time on _____, 2014
Selection of Finalists	_____ 2014
Finalists Interviews and Negotiations	_____ 2014
Anticipated Contract Award(s)	_____ 2014

### **Don't Include**

- **Draft of IPA, though I'd welcome any redlined changes you may wish to make to the following standard description of Institutional Participant's responsibilities:**
  - *Identify Preferred Supplier as the "preferred supplier" of \_\_\_\_\_ services.*
  - *Organize and share benefits of the PSA at one or more "kick-off" events.*
  - *Facilitate and promote at least one (1) Preferred Supplier products show per year, involving the services available for purchase under the PSA.*
  - *Assist in the organization of technical presentations by Preferred Supplier.*
  - *Permit Preferred Supplier, at its sole cost, to create and distribute sales and technical materials involving services available for purchase under the PSA and that may include updates on: pricing, new services information, technical developments, and special promotions. All such communications will be subject to prior approval by Institutional Participant.*
  - *Periodically provide information to Preferred Supplier on current and projected projects by Institutional Participant that might provide opportunities for supply of Preferred Supplier's services under the PSA.*
  - *On an ongoing basis, make Institutional Participant's end-users aware of the business relationship with Preferred Supplier and value-generation opportunities.*
  - *Conduct quarterly business reviews to review reports and commitments.*
  - *Facilitate resolution of customer/supplier conflicts.*
- **Boilerplate wording of any kind, such as:**
  - Description of UT System and the Alliance
  - Criteria for Selection of Proposer
  - Standard Pre-Proposal Conference wording
  - Proposer's Survey – unless you'd like my business input on specific Qs

**Attachment 6  
RFP Checklist**

Process Activity	Yes	Not Applicable	Comments
RFP Intake Form (Definition of Need Complete & Approved)			
SMEs Identified			
Risk Assessment Complete & Approved			
Kick-off Meeting with SMEs			
Bidder's List complete			
Draft RFP Documents Prepared and Reviewed by SMEs			
Draft RFP Documents sent to Alliance Legal Counsel			
Solicitation Notice Sent			
Posting to ESD Complete			
Evaluation Process & Scoring Matrix Complete			
RFP conforms to all applicable laws and University rules			
RFP Documents Reviewed and Approved by Supervisor			
RFP Documents posted to eSourcing			
Pre Proposal Conference			
Q&A Addendum Issued (as necessary)			
HUB Plan Reviewed by HUB Coordinator (include COI and Nepotism document)			
RFP Assessment Checklist Complete			
COI and Nepotism Documents signed by SMEs			
Proposal Evaluation Kick-off Meeting held with SMEs			
Proposals distributed to SME			
Evaluation Scoresheets submitted by SMEs, totaled and summarized			
Short List Proposers identified and recommendations submitted to supervisor and SMEs for Approval			
Oral Presentations scheduled – “short-listed” proposers notified			
Reference & VPTS Checks/Site visits completed BAFO Process Completed including final scoring by evaluation team			
Best Value Award Recommendation prepared and submitted to supervisor for approval			

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_



**SUPPLY CHAIN ALLIANCE**  
THE UNIVERSITY of TEXAS SYSTEM  
*Creating Value Through Collaboration*

## General Instructions

Tabs highlighted in yellow are interactive tabs that require input from the Contract Manager to complete the Timeline & Performance Chart.

Tab Description	Instructions
<b>Complexity Matrix</b> A guide to align the level of complexity of sourcing projects to a baseline length of time for the project.	1. Enter Project Name in merged Cell 4B-D 2. Review Spend (X Axis) and provide rating for each criteria. Note: Experience with Commodity is an Inverted Measurment. 3. Review Complexity (Y Axis) an provide rating for each criteria. Note: Customer Engagement is an inverted measurement. 4. Review with Associate Director prior to completing the Workflow
<b>Workflow</b> Designed to lay out the project based on business days for completion and provide the steps of a sourcing event.  Columns C and D establish a baseline and target dates. The baseline and target dates are not chaged after established.  Columns F and G are the actual days and dates of completion. These columns can be updated throughout the even to track how the event progresses.	1. Complete the Workflow that aligns with the Complexity Matrix 2. Enter Project Name in 2H 3. Enter Project Number in 3H 4. Enter the date the opportunity was identified (typically assigned to Contract Manager for Investigation & Research) 5. Throughout the project as improvements or delays are identified the number of business days to complete each task should be updated.  Note: Column F is formatted to show where schedule aligns with baseline (no highlight), improves from baseline (highlighted green) or extends from baseline (highlighted red). 6. There is a Day(s) calculator in column J&K to help convert.
<b>Timeline</b> The Timeline is a graphic ouput of the workflow.	Output tab
<b>Tracking</b> An area designated to document all changes to the workflow. The Tracking tab can also be utilized to debrief at event completion.	At the beginning of the project use the Intake Assessment form to complete: 1. Total Project Value (Merged 2C-E) 2. Est. Annual Savings (Merged 3C-E) 3. Estimated Total Savings (Merged 4C-E) 4. Current Supplier(s) (Merged 2H-M) 5. Contract Expiration Date (Merged 4H-M)  Every revision should be tracked in the table. Revision Date Column A, Description/Justification for change to timeline, and who requested the change (Column M)
<b>Performance</b> Visually graphs the project to identify areas where the timeline / workflow slipped or where it was improved.	Reporting - Output Tab only
<b>Timeline Control Panel</b> Identifies the key components of the workflow.	Links information on Timeline Tab (This could be edited to remove items from the timeline or add depending on the project)
<b>Holidays Control Panel</b> Established to account for holidays in the workflow formulas	Insures that workflow & timeline is linked to Business days and do not fall on a Holiday.
<b>Sheet Protection</b> The Complexity and Workflow sheets are protected	The user has the ability to tab through each of the editable cells. All other cells in these sheets are not editable.

UTSSCA CMH - APPENDIX 1, Attachment 7  
Complexity Matrix

Strategic Sourcing Spend Complexity Guide For RFP's

Project Name:	Project Name
Opportunity Rating	
5=High 4=Somewhat High 3=Average 2=Somewhat Low 1=Low	

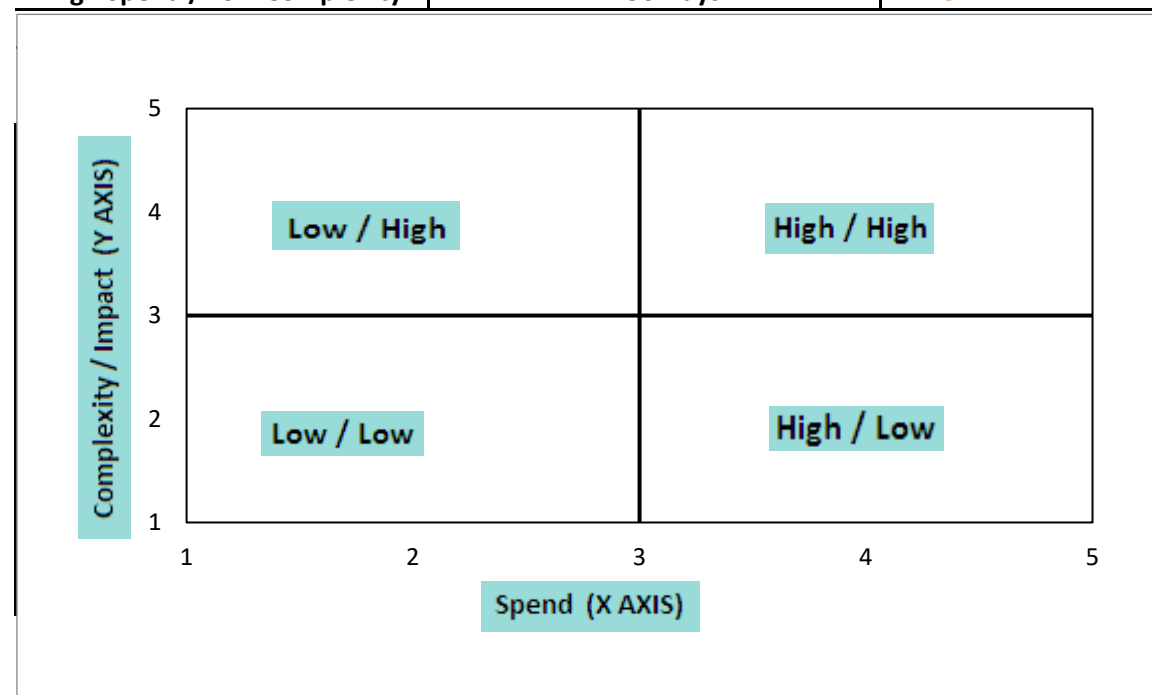
Attributes	Weight	Rating	Score
<b>Spend (X AXIS)</b>			
Total Spend	90%		0.000
Experience with Commodity*	10%		0.000
Other			
<b>Total</b>	<b>100%</b>		<b>0.000</b>
<b>Complexity / Impact (Y AXIS)</b>			
Product/Service Complexity	25%		0.000
Customer Engagement*	25%		0.000
Number of Institutions	15%		0.000
Criticality to Business Operations	15%		0.000
Change Resistance	15%		0.000
Number of suppliers	5%		0.000
Other			0.000
<b>Total</b>	<b>100%</b>		<b>0.000</b>

\* = Inverted Measurement

Low Spend / High Complexity	#N/A
High Spend / High Complexity	#N/A
Low Spend / Low Complexity	#N/A
High Spend / Low Complexity	#N/A

Region	Estimated Calendar Days
Low Spend / High Complexity	< 210 Days
High Spend / High Complexity	< 270 Days
Low Spend / Low Complexity	< 90 Days
High Spend / Low Complexity	< 150 Days

Months	Weeks	Business days
7	30	150
9	39	193
3	13	64
5	21	107



**Total Spend\***

What is High vs. low spend?

low = \$250K - \$500K? 1

somewhat low = \$500K-\$2M? 2

Average = >\$2M-5M? 3

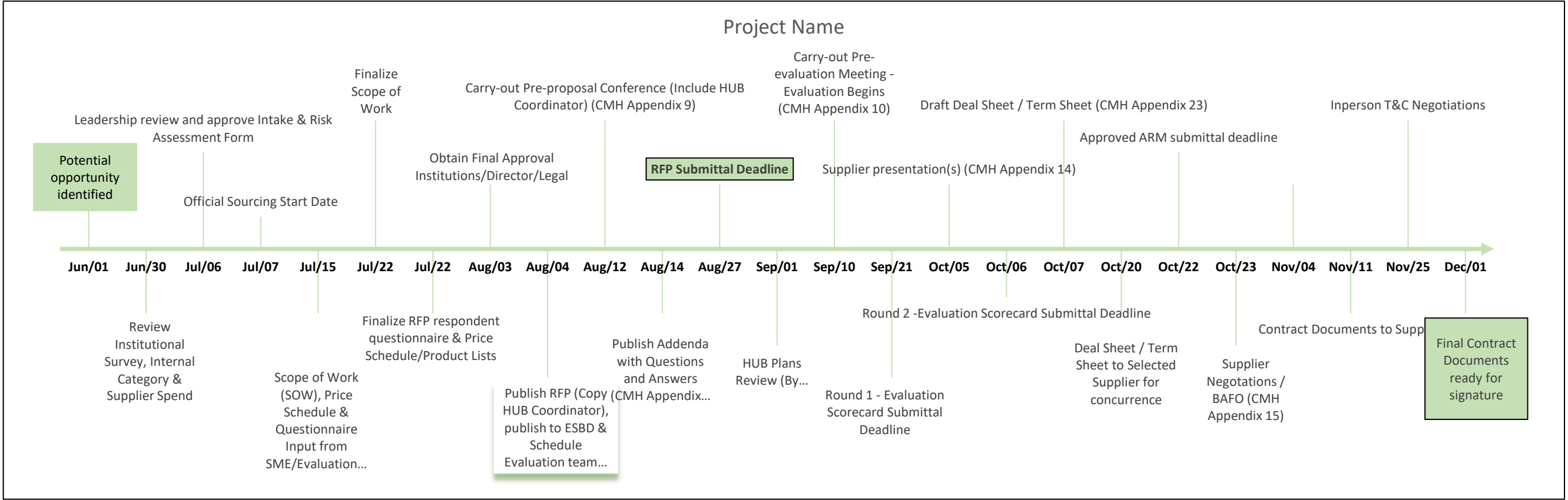
Somewhat High = >\$5M - \$25M? 4

High = >\$25M? 5

Sourcing Event - Service Level Agreement Timelines (CMH Appendix 1, Attachment 7) Interactive Form - July 2020					Interactive Bid Workflow Timeline		
					Project Name:	Project Name	
Formal Bid Workflow					RFP #:	Project Number	
Description of Task	Documentation Deliverable Comments	Baseline # of Completion Business Days	Target dates	Baseline # Busienss Days - Bids >\$250K	Actual Business Day(s) of completion	Projected Date(s) of Completion	Actual # Busienss Days - Bids >\$250K
<div><div>Inquiry</div><div>Investigation</div><div>Research/CSA</div></div>							
Step 1: Identify Opportunity							
Potential opportunity identified		6/1/2020			6/1/2020		
Data Analytics - Request		5	6/8/2020		5	6/8/2020	
Review and Analyze Data							
Determine Total Cost of Ownership Elements		5	6/15/2020		5	6/15/2020	
Conduct Institution Survey / Identify Subject Matter Expert / Evaluation Team		5	6/22/2020		5	6/22/2020	
Check GPO's/UT Institutional Current Contracts		1	6/23/2020		1	6/23/2020	
Step 2: Initial Committee Kickoff Meeting/Project Prep				26			26
Review Institutional Survey, Internal Category & Supplier Spend		5	6/30/2020		5	6/30/2020	
Conduct Doodle Poll for SME Kick Off Meeting		1	7/1/2020		1	7/1/2020	
Draft Meeting Agenda and finalize Service Level Agreement Timeline (SLA)							
Draft Objectives, Background & Scope of Work & additional items (CMH Appendix 1 - Attachment 5)	CMH Appendix 1 - Att	1	7/2/2020		1	7/2/2020	
Finalize RFP Intake & Assessment Form (CMH Appendix 1 - Attachment 2)	CMH Appendix 1 - Att						
Leadership review and approve Intake & Risk Assessment Form		1	7/6/2020		1	7/6/2020	
Schedule RFP Kick-off Meeting (From Doodle Poll results)		1	7/7/2020		1	7/7/2020	
Official Sourcing Start Date	Finalize potential evalu	0	7/7/2020		0	7/7/2020	
Step 3: Post Kickoff Meeting				9			9
Review and confirm Selection Criteria	Selection Criteria						
Assign Weights for Selection Criteria Questions	Weights	5	7/14/2020		5	7/14/2020	
Scope of Work (SOW), Price Schedule & Questionnaire Input from SME/Evaluation Team Due	Draft SOW						
Review SOW Draft and incorporate SME/Evaluation Team Input	Draft SOW	1	7/15/2020		1	7/15/2020	
Review RFP Respondent Questionnaire Draft from SME & develop price schedule		2	7/17/2020		2	7/17/2020	
Develop Bidders List	Bidders List	1	7/20/2020		1	7/20/2020	
<div>RFP</div>							
Step 1: Finalize RFP documents							
Finalize Scope of Work							
Finalize RFP respondent questionnaire & Price Schedule/Product Lists	SOW	2	7/22/2020		2	7/22/2020	
Send finalized document to Paul for incorporation to publishable RFP documents (CMH Appendix 1-Attachment 5)	CMH Appendix 1 - Att	5	7/29/2020		5	7/29/2020	
Finalize Draft RFP ready to publish	RFP			10			10
Step 2: Leadership, HUB & committee approval							
HUB Review of RFP Documents (Include bidders list) (CMH Appendix 4)	CMH Appendix 4 - SSG	2	7/31/2020		2	7/31/2020	
HUB Add Suppliers to Bidders List (Check CMBL Report)	RFP						
Obtain Final Approval Institutions/Director/Legal	RFP	1	8/3/2020		1	8/3/2020	
Final Review by Project Lead & Committee (provide notice of bid posting)	RFP						
Step 3: Publishing RFP & Carrying out Pre-proposal Conference							
Publish RFP (Copy HUB Coordinator), publish to ESBD & Schedule Evaluation team meeting(s) (CMH Appendix 6)	Cynthia Booker, ESBD	1	8/4/2020		1	8/4/2020	
Send Supplier(s) Notification of published RFP (CMH Appendix 7)	CMH Appendix 7						
Generate proposal Due Date Calendar Reminder (Copy Associate Director & Manager)	Email to suppliers	1	8/5/2020		1	8/5/2020	
Carry-out Pre-proposal Conference (Include HUB Coordinator) (CMH Appendix 9)	CMH Appendix 9						
Publish Pre-proposal presentation		5	8/12/2020		5	8/12/2020	
Send Supplier(s) Notification of published pre-proposal presentation	.pdf of presentation						
Publish Addenda with Questions and Answers (CMH Appendix 8)	CMH Appendix 8	2	8/14/2020		2	8/14/2020	
RFP Submittal Deadline		9	8/27/2020		9	8/27/2020	
Step 4: Review submitted proposals for responsiveness							
Complete respondent Registry		1	8/28/2020		1	8/28/2020	
HUB Plans Review (By HUB Coordinator)	RFP Responses	2	9/1/2020		2	9/1/2020	
Prepare RFP respondent questionnaire scorecard							
Review Responses for Minimum Requirements/Attributes (CMH Appendix 11)	CMH Appendix 11	2	9/3/2020		2	9/3/2020	
Analyze Data and Review for Evaluation Team		3	9/9/2020		3	9/9/2020	
<div>RFP Evaluation</div>							
Carry-out Pre-evaluation Meeting - Evaluation Begins (CMH Appendix 10)	CMH Appendix 10	1	9/10/2020		1	9/10/2020	
Collect Conflict of Interest Statements/Non-Disclosure Statements from evaluation team (CMH Appendix 12)	CMH Appendix 12	2	9/14/2020		2	9/14/2020	
Round 1 - Evaluation Scorecard Submittal Deadline		5	9/21/2020		5	9/21/2020	
Data Analytics - Pricing Analytics & Saving Projections		3	9/24/2020		3	9/24/2020	
Sourcing review of Initial Evaluation Team Grading							
Develop pricing scorecard		1	9/25/2020		1	9/25/2020	
Carry-out Round 1 - Post-evaluation Meeting/Conference/Discussion							
Evaluation Committee/SSG to determine final candidates		1	9/28/2020		1	9/28/2020	
Schedule presentations							
Supplier presentation(s) (CMH Appendix 14)	CMH Appendix 14	5	10/5/2020		5	10/5/2020	
Round 2 -Evaluation Scorecard Submittal Deadline		1	10/6/2020		1	10/6/2020	
Draft Deal Sheet / Term Sheet (CMH Appendix 23)	CMH Appendix 23	1	10/7/2020		1	10/7/2020	
Supplier Negotiations / BAFO (CMH Appendix 15)	CMH Appendix 15	2	10/9/2020		2	10/9/2020	
Deal Sheet / Term Sheet to Selected Supplier for concurrence		7	10/20/2020		7	10/20/2020	
Supplier BAFO Due							
Data Analytics - (BAFO Analysis, Price Analysis, Final Cost Savings)		1	10/21/2020		1	10/21/2020	
Finalize Bid Tab							
Meet with Committee/SMEs to present Final Scores/Summary/Select Supplier(s)		1	10/22/2020		1	10/22/2020	
Draft Award Recommendation Memo (ARM) for signature (CMH Appendix 16)	CMH Appendix 16	1	10/23/2020		1	10/23/2020	
Approved ARM submittal deadline		1	10/26/2020		1	10/26/2020	
Distribute Regret Letter(s)							
Distribute Award Letter(s)		1	10/27/2020		1	10/27/2020	
<div>Contract Negotiation</div>							
Develop final SOW & applicable riders		1	10/28/2020		1	10/28/2020	
Draft to Legal for Contract Development (CMH Appendix 17)	CMH Appendix 17	5	11/4/2020		5	11/4/2020	
Contract Documents to Supplier		5	11/11/2020		5	11/11/2020	
Redlines due from Supplier		5	11/18/2020		5	11/18/2020	
Inperson T&C Negotiations		5	11/25/2020		5	11/25/2020	
Final Contract Documents ready for signature		2	12/1/2020		2	12/1/2020	
TOTAL DAYS (Inquiry, Investigation,Research, RFx, RFx Evaluation, Contract Negotation)		128		128	128		128



UTSSCA CMH - APPENDIX 1, Attachment 7  
Timeline



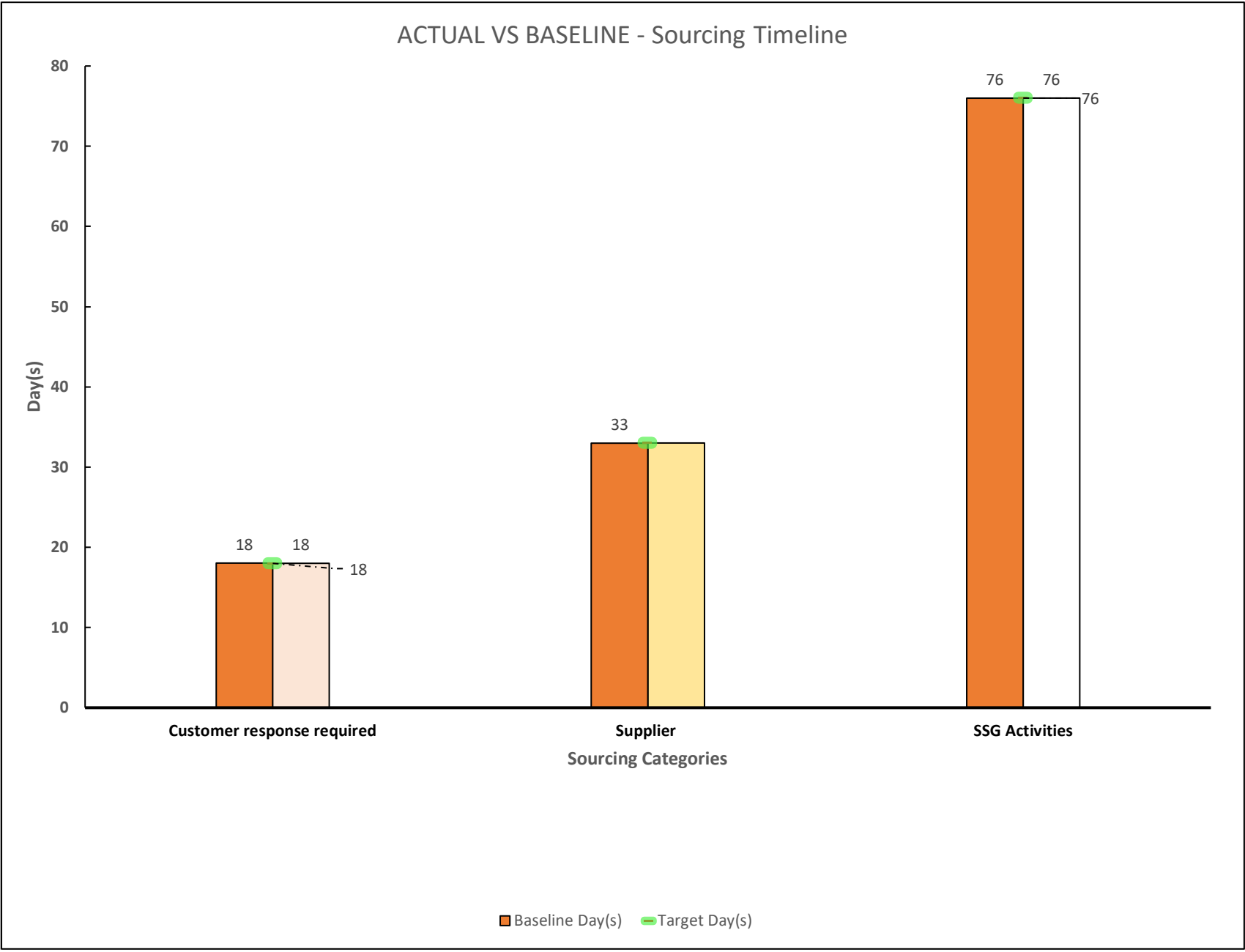


UTSSCA CMH - APPENDIX 1, Attachment 7  
Tracking

[illegible]

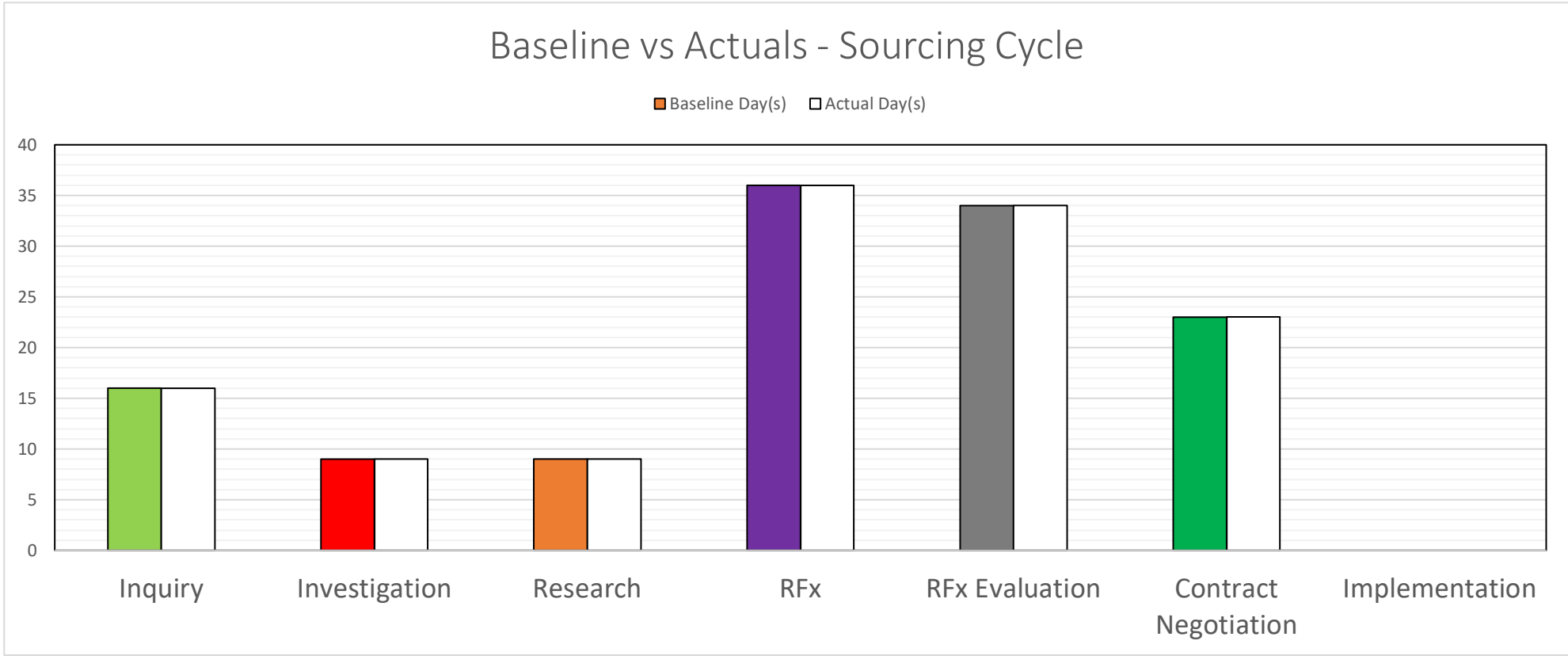
ACTUAL VS BASELINE - Sourcing Timeline								
Ownership Breakdown	Percentage	Baseline Day(s)	Actual Day(s)	Target Day(s)	Δ	Baseline %	Actual %	Δ %
Customer response required	14.06%	18	18	18	0	100%	100%	0%
Supplier	25.78%	33	33	33	0	100%	100%	0%
SSG Activities	59.38%	76	76	76	0	100%	100%	0%
TOTAL	99.22%	127	127	127.0	0	100%	100%	0%

Weighted Δ % of Ownership phases			
Legend	Baseline % SLA	Actual % SLA	Δ % SLA
Customer response required	14.17%	14.17%	0.00%
Supplier	25.98%	25.98%	0.00%
SSG Activities	59.84%	59.84%	0.00%
TOTAL	100.00%	100.00%	0.00%



ACTUAL VS BASELINE - Sourcing Cycle Timeline								
Phase Breakdown	Baseline Day(s)	Actual Day(s)	Percentage	Target Day(s)	Δ	Baseline %	Actual %	Δ %
Inquiry	16	16	13%	16	0	100%	100%	0%
Investigation	9	9	7%	9	0	100%	100%	0%
Research	9	9	7%	9	0	100%	100%	0%
RFx	36	36	28%	36	0	100%	100%	0%
RFx Evaluation	34	34	27%	34	0	100%	100%	0%
Contract Negotiation	23	23	18%	23	0	100%	100%	0%
Implementation	0	0	0%	0	0	0%	0%	0%
TOTAL	127	127	99%	127	0	100%	100%	0%

Note: Implementation has no parameters on the Workflow; therefore, there is no data for a bar graph.



**APPENDIX 2**  
**EXCLUSIVE ACQUISITION JUSTIFICATION FORM**  
(For Noncompetitive Alliance Contracts over \$15,000)

The competitive bidding process is the foundation of government purchasing. In rare situations though, due to the unique nature of some goods and services, competition may not be possible. It is the responsibility of SSG Sourcing & Contracts to verify that competition is not required and that the acquisition will result in “best value” for the institutions in compliance with Tex. Educ. Code §51.9335(b).

**GENERAL INFORMATION**

Today's Date:		Estimated Dollar Amount:	
---------------	--	--------------------------	--

Select Requesting Entity:

☐ CCVA    ☐ Pharmacy    ☐ Other: \_\_\_\_\_

**CONTACT SUPPLIER INFORMATION**

SUPPLIER INFORMATION	
Supplier Name:	
Contact Name:	
Phone:	
Email Address:	

**TYPE OF JUSTIFICATION**

**Proprietary and Best Value:** (as defined in *Government Code 2155.067, Education Code Section 74.008, Section b*)

☐ Only known supplier that meets your “definition of scope”. (Please complete sections A and B)

**Emergency:** (as defined in *Government Code 2155.086, Section c*)

☐ A purchase for which delay would create a hazard to life, health, safety, welfare or property. (Please complete sections A and C)

**Professional Services:** (as defined in *Government Code 2254.002*, e.i. Architects, Engineers, RNs, CPAs, Physicians, Land Surveyor, etc.)

☐ Designated professional for which competitive bidding is not permitted. (Note: To be used only when professional service providers have not been pre-qualified) (Please complete sections A and D)

## SECTION A - GOODS/SERVICES INFORMATION

<b>PRODUCT MAKE/MODEL OR SERVICE</b>	
<b>DESCRIPTION OF REQUEST</b> <i>Describe the good or service to be procured and how it meets your needs.</i>	

## SECTION B – PROPRIETARY AND BEST VALUE JUSTIFICATION

<b>SPECIAL USE REQUIREMENTS</b> (equipment only)  <i>To be compatible with existing equipment:</i>  <i>For the repair, maintenance or modification of existing equipment:</i>  <i>For use as spare or replacement equipment:</i>	<div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> YES    <input type="checkbox"/> NO         </div> <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> YES    <input type="checkbox"/> NO         </div> <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> YES    <input type="checkbox"/> NO         </div>
<b>REQUIRED FEATURES</b>  <i>List the specific feature(s) or characteristic(s) that are <u>required</u> which are unique to the good or service provided by this supplier. Describe the importance of the unique feature(s) as it applies to the intended use and project goals. Describe how the selected supplier meets these requirements.</i>	
<b>EVALUATION OF OTHER SOURCES</b>  <i>Identify other sources that were evaluated (including the names, manufacturers, model numbers, etc.) and the reason they were found to be unsatisfactory for the intended use or in meeting project goals. (Attach copies of any quotes collected from other suppliers)</i>	
<b>RISK ELEMENTS</b>  <i>Describe any substantial risks that could not be overcome if the product or service was procured from another supplier.</i>	

--	--

**SECTION C – EMERGENCY JUSTIFICATION**

<p><b>RISK ELEMENTS</b></p> <p><i>State the financial or operational damage/risk that will occur if needs are not satisfied immediately (You must provide specifics when explaining any loss or damage).</i></p>	
<p><b>SPECIAL CIRCUMSTANCES</b></p> <p><i>State why the needs were not or could not be anticipated so that goods/services cannot be purchased following standard procedures.</i></p>	
<p><b>SUPPLIER SELECTION</b></p> <p><i>State the reason and process used for selecting the supplier (Attach quotes/proposals received from other sources, if applicable).</i></p>	

**SECTION D – PROFESSIONAL SERVICES JUSTIFICATION**

<p><b>SUPPLIER SELECTION</b></p> <p><i>Criteria used to select the supplier for these services.</i></p>	
<p><b>REASON FOR SELECTION</b></p> <p><i>Identify specific qualifications of selected supplier.</i></p>	

## CONFLICT OF INTEREST STATEMENT

I, \_\_\_\_\_, the undersigned, hereby certify that the following statements are true and correct and that I understand and agree to be bound by the commitments contained herein. I am acting on my own accord and am not acting under duress. I am not currently employed by, nor am I receiving any compensation from, nor have I been the recipient of any present or future economic opportunity, employment, gift, loan, gratuity, special discount, trip, favor, or service in connection with this supplier in return for favorable consideration of this request. By signing below, I certify that the information submitted on this form has been reviewed and this purchase has institutional approval.

Institution: \_\_\_\_\_

Signature: \_\_\_\_\_  
(Department Head/Executive Officer)

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_  
(Department Head/Executive Officer)

Title: \_\_\_\_\_ CPO Approval (Initial): \_\_\_\_\_

(Note: Government Code Chapter 572, Subchapter C, Sec. 572.069 – CERTAIN EMPLOYMENT FOR FORMER STATE OFFICER OR EMPLOYEE RESTRICTED. A former state officer or employee of a state agency who during the period of state service or employment participated on behalf of a state agency in a procurement or contract negotiation involving a person may not accept employment from that person before the second anniversary of the date the officer's or employee's service or employment with the state agency ceased.)

## SSG APPROVAL

### DETERMINATION:

\_\_\_\_ Approved

\_\_\_\_ Not Approved

### JUSTIFICATION FOR PROCUREMENT METHOD:

#### Proprietary (Proprietary, OEM, Unique Specification, Direct Publication)

\_\_\_\_ Proprietary (i.e. Pharmaceuticals, Chemical Reagents)

\_\_\_\_ Original Equipment Manufacturer (OEM) Maintenance/Renewal

\_\_\_\_ Meets Unique Specification

\_\_\_\_ Direct Publication/OEM Software Renewal or Maintenance

#### Best Value (Compatibility, Continuity, Contractor/Grantor Requirement, Best Value)

\_\_\_\_ Compatibility with Existing Equipment

\_\_\_\_ Continuity of Service/Research

\_\_\_\_ Contractor/Grantor Requirement

\_\_\_\_ Best Value

#### Emergency Purchase

\_\_\_\_ Emergency Purchase

#### Professional Services

\_\_\_\_ Professional Services

Rationale for determination/comments (if necessary):

☐ Signature: \_\_\_\_\_  
(Sourcing Lead)

Date: \_\_\_\_\_

☐ Signature: \_\_\_\_\_  
(Director of Alliance)

Date: \_\_\_\_\_

☐ Signature: \_\_\_\_\_  
(Executive Vice Chancellor for Business Affairs - over \$250,000)

Date: \_\_\_\_\_

### **APPENDIX 3**

#### **Records Retention Policy**

**Purpose:**

This policy is intended to assist all SSG Personnel in identifying and managing records according to the State of Texas Records Retention Schedule.

**Audience:**

Applicable to all Strategic Services Group (SSG) personnel

**State of Texas Records Retention Schedule:**

<https://www.utsystem.edu/sites/default/files/documents/Records%20Retention%20Schedule/720-certified-rrs-12-2012.pdf>



## APPENDIX 4 SSG HUB GUIDELINES

### Purpose:

These guidelines are intended to assist the sourcing lead in identifying and including Historically Underutilized Businesses (HUBs) in Alliance sourcing events.

### Audience:

Applicable to all Strategic Services Group (SSG) personnel

### Guidelines:

For each sourcing event, the sourcing lead should identify the appropriate commodity code(s) <https://comptroller.texas.gov/purchasing/nigp/> for the goods/services that are the subject of the sourcing event. Once the proper commodity code(s) have been identified the sourcing lead should search the State of Texas Certified Master Bidders List (CMBL) to identify potential HUB bidders <https://comptroller.texas.gov/purchasing/vendor/cmb/>

Step 1- *Search* CMBL/HUB Vendors

Step 2- *Click* on HUBS only or HUBs on CMBL

Step 3- *Click* on Multiple Vendor Search

Step 4- *Enter* a Commodity Code(s)

Step 5- *Enter* Search

Extract the search results and review for appropriateness as suppliers may be misclassified or the supplier does not provide the specific good/services to be advertised. For example, you may be searching for **LABORATORY EQUIPMENT, ACCESSORIES, AND SUPPLIES: BIOCHEMISTRY, CHEMISTRY, ENVIRONMENTAL SCIENCE, ETC** (commodity code 493) but a supplier on the list e.g., *R&B Aquatic Distribution Inc.* provides only Aquatics supplies for public aquariums and hatcheries.

The sourcing lead should submit the list to the UT System HUB Coordinator for review and request the coordinator to provide any other known sources for the commodity code(s) selected.

The sourcing lead may also contact HUB coordinators at the UT System institutions to identify known sources for the commodity code(s)/product category selected.

Once the HUB bidders list is compiled, a Solicitation Announcement should be sent to the companies on the list (ref. CMH Section 4.2 and Appendix 7-Sample Solicitation Announcement).

## **APPENDIX 5**

### **SSG Supplier Relationship Management (SRM) Guidelines**

**Purpose:**

These guidelines are intended to assist the sourcing lead in facilitating a comprehensive SRM program, including but not limited to: conducting a preliminary risk assessment, establishing the frequency of business reviews, developing appropriate key performance indicators (KPI), determining reporting requirements, monitoring performance to contractual requirements, and following-up on contract monitoring findings.

**Audience:**

Applicable to all Strategic Services Group (SSG) personnel.

**Guidelines:****1. Conducting a Preliminary Risk Assessment:**

During the contract drafting process, the sourcing lead should conduct a risk assessment using the Appendix 1, Attachment 2 RFP Risk Assessment Form.

For each Risk Factor listed on the worksheet, the sourcing lead should answer the question “Does the contract appropriately address the risk factor?” by populating column D with the appropriate drop-down response (i.e., “Yes,” “No,” or “N/A”). A contract should not be finalized until the response for each risk factor in column D is either “Yes” or “N/A.” For each risk factor, the sourcing lead should also identify “who has primary monitoring responsibility for any risk factors present in the contract” by populating column E with the appropriate drop-down response (i.e., “SSG,” “Institution,” or “Both”). The sourcing lead should ensure the contract and its monitoring plan include provisions to help the responsible party facilitate its monitoring activities, as appropriate.

To develop a contract-monitoring plan, the sourcing lead should review all of the “risk factors” and “points of consideration” listed in columns A and B of the worksheet, as well as the corresponding “scoring range & weights” listed in column F. For each risk factor, the sourcing lead should rank the significance of the risk factor to the current project by populating column G with the appropriate drop-down response (i.e., “low,” “medium,” or “high”). Once the sourcing lead has ranked the significance of each risk factor, an overall numerical risk score will automatically be calculated and displayed in cell H20. This numerical score corresponds with the three levels of monitoring (“limited,” “active,” “enhanced”) identified in the legend at the bottom of the Risk Matrix tab. After completing the Risk Assessment Worksheet, the sourcing lead should prepare a monitoring plan recommendation as described in the “Monitoring Guidelines” tab of the worksheet.

Once completed, the monitoring plan recommendation and the completed risk assessment worksheet should be routed to the supervisor for review and approval prior to contract execution.

## APPENDIX 5

### 2. Establishing the Frequency of Business Reviews:

The frequency of periodic business reviews (PBR) should be based on the numerical risk score and corresponding monitoring level assigned during the preliminary risk assessment. The sourcing lead may determine that more frequent reviews are required, and should notate such rationale in the monitoring plan recommendation. The required frequency of business reviews should be documented in the SRM contract rider prior to execution (see attached *Sample SRM Contract Rider*).

### 3. Developing Appropriate Key Performance Indicators (KPI):

When determining what aspects of a contract or of a contractor's performance to monitor, the sourcing lead should consider the following types of questions:

- How will the SSG know that contractor is complying with contract requirements?
- How will the SSG know the contract is performing satisfactorily?
- How will the SSG know whether affected Institutions are satisfied with the contractor's performance, in the following sample areas:
  - Whether the Institution is receiving the goods/services as required by the contract, including:
    - Confirming the Institution does not receive less goods/services than required by the contract; and
    - Confirming the Institution does not receive the wrong goods/services.
  - Whether the Institution is accurately charged for the goods/services, including:
    - Confirming allowable contractor expenses are not used for non-allowable costs (i.e. gifts, etc.); and
    - Confirming contractor accurately reports its progress on providing the goods/services.
  - Whether contractor makes satisfactory corrections to goods/services identified as not meeting contract requirements?
  - Whether contractor protects institution assets?
  - Whether the contract includes administrative fees, rebates, or incentives?

In addition to these questions, the sourcing lead should also consider the risk factors identified during the preliminary risk assessment when establishing the KPIs that will be monitored to gauge contractor performance. The KPIs that will be monitored should be documented in the SRM contract rider prior to execution (see attached *Sample SRM Contract Rider*).

### 4. Determining Reporting Requirements:

The timing and frequency of contractor submitted reports should be clearly defined in the SRM contract rider (see attached *Sample SRM Contract Rider*). When developing report criteria, the sourcing lead should consider what data and format will allow for a meaningful desk review to be conducted of contractor's actual performance against contract requirements.

## APPENDIX 5

### 5. Monitoring Performance to Contractual Requirements:

The sourcing lead should establish expectations so that affected institutions and contractor personnel understand (1) the contract requirements that will be monitored, and (2) the evaluation criteria for each contract requirement.

Monitoring tools include, but are not limited to:

- Site Visits
- Sampling and Population
- Desk Reviews
- Price Audits (RPA)
- Expenditure Document Review

The sourcing lead should refer to Section 7.2.3 of the Contract Management Handbook for a detailed description of the monitoring tools above.

To ensure that the appropriate monitoring activities are conducted as required, in a timely fashion, the sourcing lead should develop a contract monitoring checklist. See the attached *Sample Contract Monitoring Checklist* as an example.

### 6. Following-up on Contract Monitoring Findings:

The sourcing lead should design the monitoring program to include appropriate follow up on contract monitoring findings. Monitoring reviews, audits, and investigations should be routinely used to:

- Ensure contractor takes corrective action;
- Identify common problem areas for training opportunities;
- Identify additional value and savings opportunities; and
- Improve future sourcing events.

## APPENDIX 5

*Sample SRM Contract Rider*

### RIDER ###

## SUPPLIER RELATIONSHIP MANAGEMENT PROGRAM

### Supplier Relationship Management (“SRM”) Program Requirements

The Alliance SSG will conduct Periodic Business Reviews (“PBRs”) of Preferred Supplier’s performance under this Agreement beginning approximately six (6) months after the Effective Date of this Agreement and then every [insert frequency] thereafter, based on the Alliance SSG’s assessment of contract performance risk as [insert low, medium, or high].

### Periodic Business Reviews

At each PBR, the Alliance SSG will evaluate Preferred Supplier’s performance based on the Key Performance Indicators (“KPIs”) listed below.

- a. Account Management
- b. Price Compliance
- c. Ordering and Delivery Performance
- d. Service & Support
- e. Customer Satisfaction

[Add, delete, or revise KPI categories as necessary]

### KPI Reporting

[Add, delete, or revise KPIs as necessary]

Preferred Supplier will report to the Alliance SSG at each PBR on the following KPIs.

#### ACCOUNT MANAGEMENT REPORTS & METRICS

- Year-to-date and period-over-period spend.
- Price rationalization activities and impact on savings and value-add.
- HUB report summary and breakdown for previous months. Monthly report due by 10th of each month. Number of reports due after 10th not to exceed 0%.
- Number/Percentage of items incorrectly shipped. Not to exceed 1%.

#### PRICE COMPLIANCE REPORTS & METRICS

- Number/Percentage of invoice price discrepancies: Not to exceed 2%
- Non-Standard items with invoice price discrepancies: Not to exceed 5%

#### ORDERING AND DELIVERY PERFORMANCE REPORTS & METRICS

- Number of return orders
- Average ship days
- Fill rate percentage - 98% for Standard Configurations and Non-Standard items.
- Report on back-ordered line detail
- First time fix rate – 90% or greater

## **APPENDIX 5**

### **SERVICE AND SUPPORT REPORTS & METRICS**

- Number of days account managers accessible for Institutional Participants.
- Response time to respond to technical support calls placed by Institutional Participants: Not to exceed 15 minutes
- Any new IT or technology enhancements will be offered to Institutional Participants as a priority customers: 100% of information will be disseminated to priority customers
- Order discrepancy resolution rate and response time. Not to exceed 48 hours

### **CUSTOMER SATISFACTION REPORTS & METRICS**

- Semi-Annual survey of end users
- Overall customer service rating of “satisfactory” greater than 90%

Preferred Supplier and the UT System Contract Administrator may modify the above KPIs from time to time in writing.

If the Alliance SSG deems Preferred Supplier’s performance against the above KPIs to be unsatisfactory, the Alliance SSG and Preferred Supplier may discuss an appropriate corrective action plan, before UT System exercises its legal remedies under this Agreement.

Institutional Participants will report Preferred Supplier performance concerns to the Alliance SSG in a timely manner, for discussion at PBRs.

The Alliance SSG reserves the right to modify the frequency of its reviews, as it deems necessary and appropriate. Preferred Supplier will be notified in writing of any such changes

## APPENDIX 5

### *Sample Contract Monitoring Checklist*

Contract Number: \_\_\_\_\_

Supplier Name: \_\_\_\_\_

#### Monthly Monitoring Activities:

\_\_\_\_\_ Institutional Participant Meetings/Outreach

\_\_\_\_\_ Sales by Manufacturer Report

#### Quarterly Monitoring Activities:

\_\_\_\_\_ Contract Spend Report

\_\_\_\_\_ Administrative Fee Payment

\_\_\_\_\_ Periodic Business Review

#### Semi-Annual Monitoring Activities:

\_\_\_\_\_ Customer Satisfaction Survey

#### Annual Monitoring Activities:

\_\_\_\_\_ Price Benchmarking Exercise

\_\_\_\_\_ Executive Business Review

## APPENDIX 6

### SSG Electronic State Business Daily (ESBD) Guidelines

1. Go to [TxSmartbuy.com](https://TxSmartbuy.com) to login to the Portal and click the **Sign In** button. Enter your login credentials to begin. Once you login, you will be on the My Account page. Select the ESBD app on the left.

The screenshot shows the 'My Account' page of the TxSmartbuy portal. The user is logged in as 'Nancy Martinez Account'. The top navigation bar includes 'Bid Postings', 'Contracts', and 'SPD Applications'. The left sidebar has a 'My Account' section with links to 'Overview', 'Update Your Password', 'Update Your Security Questions', 'ESBD' (highlighted), and 'Procurement Oversight & Delegation'. Below this is a 'My Settings' link. The main content area is titled 'ESBD Solicitation or Award Posting' and features a 'Create' button. Below the button are several form fields: 'Select Solicitations' (a dropdown menu showing 'My Solicitations'), 'Status' (a dropdown menu showing 'Select all'), 'Solicitation ID' (a text input field with a placeholder 'Search Solicitation...'), 'Start Due Date' (a text input field with a placeholder 'mm/dd/yyyy'), and 'End Due Date' (a text input field with a placeholder 'mm/dd/yyyy').

2. Here you will see all of your posting history. You can also use the search fields to sort through your history. Click **Create** to begin.

3. Users are required to answer a set of preliminary questions. After answering the questions (see screen shot below), click Continue.

The screenshot shows a 'Preliminary Questions' form. The first question is 'Do you wish to post a new solicitation or an award notification?' with two radio button options: 'Solicitation' (selected) and 'Post/View Awards'. The second question is 'Is this solicitation part of a Major Information Resource Project (MIRP)?' with two radio button options: 'Yes' and 'No' (selected). The third question is 'Does this solicitation have a statutory exemption from the comptroller's purchasing authority?' with two radio button options: 'Yes' (selected) and 'No'. Below this is a text input field for 'Please enter statutory exemption reference (e.g. Govt. Code 2155.140)' with the value '2155' entered. At the bottom right are two buttons: 'Continue' and 'Close'.



## APPENDIX 6

4. Complete the Project Information and Solicitation Information details on the General Information tab as indicated in the screen shots below. Click Next when done.

### Procurement Oversight & Delegation Form Entry

[General Information](#) [Add Nigp Codes](#) [Delegation & Estimated Total Value](#) [Review & Submission](#)

[← Previous](#) [Next →](#)

#### Project Information

\* Purchasing Agency/Texas SmartBuy Member Number:

\* Purchasing Agency/Texas SmartBuy Member Name:

\* Project Lead Name:

\* Project Lead Email Address:

\* Project Lead Phone Number:

CTPM Certification #:

#### Solicitation Information

\* Solicitation Number:

\* Solicitation Name:

\* Solicitation Type

\* Solicitation Description:

\* Solicitation Comments:

\* Is the solicitation sole source/proprietary?

#### Dates

*All solicitations submitted to the Procurement Oversight & Delegation program for review will be completed within 30 calendar days. A solicitation is entered into the program's queue for review once a complete solicitation package is submitted. If the solicitation package is incomplete or in draft form, the Procurement Oversight & Delegation program will request that the solicitation package be completed by the agency before entering it into the queue for review.*

\* Planned Issuance Date of Solicitation:

Requested Response Date from CPA or CAT:

[← Previous](#) [Next →](#)

## APPENDIX 6

### Project Information

\* Purchasing Agency/Texas SmartBuy Member Number:

506

\* Purchasing Agency/Texas SmartBuy Member Name:

UT MD Anderson Cancer Center  
- 506

\* Project Lead Name:

Nancy Martinez

\* Project Lead Email Address:

njmartinez@mdanderson.org

\* Project Lead Phone Number:

7135635656

CTPM Certification #:

Maximum 8 Digits

### Solicitation Information

\* Solicitation Number:

UTSA67

\* Solicitation Name:

Robotic Process Automation (RPA)

\* Solicitation Type

RFP

\* Solicitation Description:

Enter Pre-Proposal Information

\* Solicitation Comments:

Enter information on how to  
register as a supplier

\* Is the solicitation sole source/proprietary?

NO

### Dates

*All solicitations submitted to the Procurement Oversight & Delegation program for review will be completed within 30 calendar days. A solicitation is entered into the program's queue for review once a complete solicitation package is submitted. If the solicitation package is incomplete or in draft form, the Procurement Oversight & Delegation program will request that the solicitation package be completed by the agency before entering it into the queue for review.*

\* Planned Issuance Date of Solicitation:

11/29/2019

Requested Response Date from CPA or CAT:

← Previous

Next →

## APPENDIX 6

5. Add NIGP Code(s) under the tab of the same name. Click Next.

### Procurement Oversight & Delegation Form Entry

General Information   **Add Nigp Codes**   Delegation & Estimated Total Value   Review & Submission

---

← Previous

Next →

Add NIGP Class/Item Code

Class:  +Add [NIGP List](#)

← Previous

Next →

### Procurement Oversight & Delegation Form Entry

General Information   **Add Nigp Codes**   Delegation & Estimated Total Value   Review & Submission

---

← Previous

Next →

Add NIGP Class/Item Code

Class:  +Add [NIGP List](#)

20821-Business Intelligence Software

← Previous

Next →

## APPENDIX 6

5. Add the Estimated Total Value under the Delegation & Estimated Total Value tab as indicated below. Click Next.

### Procurement Oversight & Delegation Form Entry

General Information

Add Nigp Codes

Delegation & Estimated Total Value

Review & Submission

← Previous

Next →

#### Delegation & Estimated Total Value

\* Estimated Total Values of contract:

\$

\* Number of times this product/service has been solicited by the Agency/Texas SmartBuy Member :

\* Do you require a Delegation Letter?

\* Does This solicitation include a technology component?

\* Is this solicitation part of a major information resource project?

← Previous

Next →

## APPENDIX 6

### Delegation & Estimated Total Value

\* Estimated Total Values of contract:

\$ 5,000,000

\* Number of times this product/service has been solicited by the Agency/Texas SmartBuy Member :

0

\* Do you require a Delegation Letter?

NO

\* Does This solicitation include a technology component?

YES

\* Is this solicitation part of a major information resource project?

NO

[← Previous](#)

[Next →](#)

6. Review and click Submit & Upload solicitation documents. Your award notice will now be publically available on the ESBD.

**Status:** Closed

**Solicitation ID:** UTSA67

**Solicitation Title:** Robotic Process Automation (RPA) Software and Services

**Agency/Texas SmartBuy Member Name:** UT MD Anderson Cancer Center - 506

**Posting Requirements:** 21+ Days for Solicitation Notice

**Solicitation Posting Date:** 3/23/2018

**Response Due Date:** 4/27/2018

**Response Due Time:** 3:00 PM

**Solicitation Description:** Pre-Proposal Conference UT System will hold a pre-proposal conference at 10:30 AM, Houston Time, on April 9, 2018. Proposers may attend the conference in one of the following two formats: in person attendance located in the One Mid-Campus Building at 7007 Bertner Ave. (Mid Campus Building), TX 77030 (located in the Texas Medical Center); or webinar broadcast via the Internet utilizing the "Go-to-Meeting" webinar conference service. Proposer should notify the UT System Contact by no later than 3:00 PM, Houston Time, on April 2, 2018, whether it will attend the Pre-Proposal Conference, by emailing the UT System Contact. Proposer must clearly state in which format it will attend. If the Proposer elects to attend the Pre-Proposal Conference in the webinar format, UT System will provide complete details and instructions (including personal computer requirements). If Proposer elects to attend the Pre-Proposal Conference in person, there will be a strict limit of two (2) individuals per Proposer

**Class/Item Code:** 20821-Business Intelligence Software

## **APPENDIX 7**

### **SAMPLE SOLICITATION ANNOUNCEMENT**

Dear Vendor,

The University of Texas System Supply Chain Alliance will be publishing an RFP the week of Monday, May 1, 2017 for the selection of a Preferred Supplier for \_\_\_\_\_ through The University of Texas MD Anderson Cancer Center's Jaggaer (formerly SciQuest) e-Sourcing tool. We are very interested in your company's participation and have invited you to register as a potential supplier.

By selecting the "Register Now" button below, you will be routed to a secure website to complete the registration process. Upon successful completion of your registration, you will have access to your secure portal where you can add additional details about your organization, invite colleagues to become users in your site, and more.

Please find attached a guide to completing the registration.

[\*\*Register Now\*\*](#)

If you have previously registered in SciQuest, please take this opportunity to ensure that your company's profile is updated with the correct contact information.

If you have any technical questions, please contact MD Anderson Supply Chain Management Help Desk at [SupplyChainHelpdesk@mdanderson.org](mailto:SupplyChainHelpdesk@mdanderson.org) or +1 (713) 745-7997 for assistance and identify yourself as registering in The University of Texas at MD Anderson Supplier Network.

# APPENDIX 8

## RFP Addendum



SUPPLY CHAIN ALLIANCE  
THE UNIVERSITY of TEXAS SYSTEM  
*Creating Value Through Collaboration*

RFP Submittal Deadline: **Date** at **Time** (CDT)

Addendum Issue Date: **Date**

### **ADDENDUM 1**

#### **REQUEST FOR PROPOSAL**

UTS/A##  
RFP Name

DIRECT QUESTIONS TO: SSG Sourcing Lead name via the Jaggaer system

ACKNOWLEDGEMENT OF THIS ADDENDUM 1 IS REQUIRED IN ACCORDANCE WITH **SECTION 1.2 OF APPENDIX ONE**, TO THE RFP. THIS RFP ADDENDUM IS A FURTHERANCE OF RFP **UTS/A##** AND IS NOT A CONTRACT OR OFFER TO CONTRACT.

#### **Item One:**

The Pre-proposal Conference Presentation (Date of Meeting) is attached hereto.

#### **Item Two:**

The Pre-proposal Conference Attendee List (Date of Meeting) is attached hereto.

#### **Item Three:**

The Pre-proposal Conference RFO Questions and Answers (Date of Meeting) are included below.

#### ***Supplier Questions & Answers***

1. **Q:** Supplier question #1?

**A:** [SSG answer # 1.](#)

2. **Q:** Supplier question # 2?

**A:** [SSG answer # 2.](#)

3. **Q:** Supplier question # 3?

**A:** [SSG answer # 3.](#)

**All other terms, conditions and requirements set forth in RFP UTS/A## remain unchanged and in effect.**

**END OF ADDENDUM 1**

## **APPENDIX 9**

### **Pre-Proposal Guidelines**

**Purpose:**

These guidelines are intended to assist the sourcing lead in facilitating a successful pre-proposal conference. The objective of the pre-proposal conference is to communicate to potential proposers the collective size and strength of the UT Alliance, the uniqueness of being selected as an Alliance preferred supplier, the importance of the HUB Program, an overview of the product/service need contemplated by the sourcing event, and the roles and responsibilities of all parties during the event.

**Audience:**

Applicable to all Strategic Services Group (SSG) personnel.

**Guidelines:****1. Determination of Need:**

The sourcing lead must first determine if facilitating a pre-proposal conference would be beneficial based on the event scope, and if beneficial, determine if attendance is mandatory considering that a mandatory attendance requirement may unintentionally limit competition. If the sourcing lead makes the determination that a pre-proposal conference would be beneficial, they should work with the executive administrative assistant to reserve a room with adequate seating, and schedule a webinar to accommodate those unable to attend in-person. The time and place of the pre-proposal conference must be stated clearly in the solicitation document, and is typically within ten (10) business days after the solicitation has been published.

**2. Development of the Agenda and Presentation**

2.1 Prior to the actual pre-proposal conference, the sourcing lead should meet with the subject matter experts on the evaluation team to explain their roles if they are participating in the pre-proposal conference. This preliminary meeting is used to coordinate participation and establish ground rules so that the pre-proposal conference is conducted in an organized, meaningful and professional manner.

2.2 The sourcing lead will also coordinate with the UT System HUB Coordinator to ensure that he/she will be able to attend the pre-proposal conference. The sourcing lead should also work the UT System HUB Coordinator to establish a deadline for proposers to submit their HUB Subcontracting Plan (HSP) for a cursory review prior to the proposal due date. This cursory review is not mandatory, but it is a best practice to offer this service to proposers.

2.3 The sourcing lead should develop a presentation (see attached example) which he/she will broadcast during the pre-proposal conference. At a minimum, the topics to present will consist of the following:



## APPENDIX 9

- Opening - After calling the pre-proposal conference to order the sourcing lead introduces the Alliance representatives and explains what their responsibilities are in the proposed solicitation.
  - Introduction - Next, attendees may be requested to introduce themselves, give their name and title, and identify the company they represent. At a minimum, all potential respondents will complete a sign-in sheet (see attached example) that includes their contact information.
  - Alliance Overview - The sourcing lead should provide a brief overview of the Alliance initiative, including its governance structure and past successes. Most importantly, this is the opportunity for the sourcing lead to emphasize the collective size and scope of the Alliance, and the uniqueness of being identified as an Alliance preferred supplier.
  - Solicitation Overview and Review – The sourcing lead should provide an overview of the solicitation process. The sourcing lead will state that the purpose of the pre-proposal conference is to provide an overview of the Alliance and the current solicitation opportunity, but that each proposer should read the entire solicitation document in great detail. The sourcing lead should also review key dates with the attendees, emphasizing the importance of each step in the process.
  - HUB Requirements - The UT System HUB Coordinator should provide an overview of the HUB Program, and details about the HUB Subcontracting Plan (HSP) requirements. It should be emphasized that proposals submitted with a compliant HSP will be deemed non-responsive. The UT System HUB Coordinator should also reiterate the deadline for respondents to submit their HUB Subcontracting Plan prior to the proposal due date for a cursory review.
  - Recap and Closing – The sourcing lead should close by reviewing the key dates, and specifically call out the deadline for submitting written questions, the deadline for the cursory review of the HUB Subcontracting Plan, and the proposal due date. To close the conference, the sourcing lead should reiterate that oral explanations and comments made in the meeting are not binding and that any/all answers or changes to the solicitation document will be issued to all parties by written addendum. The sourcing lead will issue an addendum that will include, at a minimum, the preproposal presentation materials and the attendee list.
- \*\* Other Things to Consider:**
- No decision on complicated or sensitive matters should be made in haste at the pre-proposal conference. It may be necessary to further research a question in order to provide the correct answer.
  - On occasion there may be an attendee who is unnecessarily argumentative or aggressive. The sourcing lead must be polite but firm to avoid confrontations.

## APPENDIX 9

MEETING SIGN-IN SHEET			
Project:	{Description of Project Meeting/Purpose}	Meeting Date:	{Insert Date}
Facilitator:	{Insert Name Here}	Place/Room:	{Insert Room Number}

Name	Title	Company	Phone	E-Mail

## APPENDIX 9



Adobe Acrobat  
Document

***Sample Pre-Proposal Presentation***

## **APPENDIX 10**

### **SSG Evaluation Guide**

**Purpose:**

These guidelines will assist the sourcing Lead in facilitating scoring of proposals with the evaluation team, including: scoring instructions, collection of scorecards, and completion of a final bid tabulation from the evaluation team's individual scorecards.

**Audience:**

Applicable to all Strategic Services Group (SSG) personnel.

**Guidelines:**

1. Process and Methodology

- 1.1 The sourcing lead must gather all the scorecards from the evaluation team based on the scoring criteria that was developed prior to the event opening. As the sourcing lead compiles the scores from each evaluator, an average score is determined by taking the total score for a particular category and dividing that total score by the number of evaluators.
- 1.2 The sourcing lead will then multiply the average score by the weighted value assigned to that category for a weighted score.
- 1.3 The sum of the weighted scores across all of the evaluation categories will provide a total composite score for that respondent.

**PROPOSAL EVALUATION PROCESS  
FOR  
RFP No.: UTS/A##  
SOURCING EVENT NAME**

Each Team Member will evaluate all proposals received, including the Proposer's response to the Supplier Survey and any additional materials/information submitted. Each Team Member is entitled to one score for each Evaluation Category, for each proposal submitted, excluding Cost and HUB Plan. The Strategic Services Group (SSG) of the UT Alliance will evaluate and score Cost and the UT System HUB Office will evaluate and score the HUB Plan. Upon completion of the evaluation, the SSG will tabulate the results and identify the top rated Proposer(s) for consideration.

Listed below are the Evaluation Categories and the assigned weighted values for each Evaluation Category. The Evaluation Team will score the first Evaluation Categories as either Acceptable or Unacceptable, and Evaluation Categories 2-9 will be scored from 0 to 4. Scores are defined per the attached Table 1, Definition of Scores. Each Evaluator will enter their scores and comments (if any) on the attached Evaluation Score Sheet and sign the Evaluation Certification Form below. The signed Evaluation Certification Form and the completed Evaluation Score Sheet are to be returned on or before Date to Sourcing Lead via email: [name@mdanderson.org](mailto:name@mdanderson.org)

*Please note that the SSG will check references and provide feedback to the Evaluation Team.*

<b>Evaluation Categories</b>		<b>Weighted Values</b>
1.	Company Profile	Acceptable/Unacceptable
2.	General Requirements	10%
3.	Accounts Payable Audit Recovery Services	25%
4.	Contract Compliance Review Services	25%
5.	Reporting & Benchmarking	5%
6.	Recovery and Invoicing	5%
7.	Pricing and Rebates	25%
8.	Value Add	5%
9.	Green Purchasing & Sustainability	0%
10.	HUB Plan	Acceptable/Unacceptable

**Evaluation Rules of Procedure**  
**RFP No.: UTS/A##**  
**Sourcing Event Name**

1. All RFP responses and evaluation information are considered confidential and may only be shared with other team members.
2. The evaluation scoring will be prepared by evaluation team members only.
3. If you require clarification of a Proposer's response in order to complete your evaluation or have questions about the documents or scoring/submittal process, contact the below listed individual to coordinate a timely response to your inquiry. The SSG will submit questions to the Proposer in writing with their response distributed to all evaluation team members.

RFP Contact:                      Sourcing Lead Name  
   Sourcing Lead Job Title  
   ###-###-####  
   [name@mdanderson.org](mailto:name@mdanderson.org)

4. All inquiries by Proposers must be directed to the above referenced RFP Contact.

## Evaluation Certification Form

**RFP No.: UTS/A##**

## Sourcing Event Name

I hereby certify that I have completed the attached Evaluation Score Sheet for the above referenced RFP independently and without prejudice, all comments are true and correct, and that no other material fact or consideration offered or given has influenced this evaluation.

Evaluator: \_\_\_\_\_ Date: \_\_\_\_\_  
(Signature)  
\_\_\_\_\_  
(Printed Name)

Once your scoring is complete, please e-mail this signed document along with the completed Evaluation Score Sheet to Sourcing Lead at [name@mdanderson.org](mailto:name@mdanderson.org)

### DEFINITION OF SCORES

Score	Overall Evaluation	Scoring Guidance
0	Unacceptable	No response given or ambiguous, superficial, or incompatible. Serious shortfalls in capabilities or understanding of project requirements.
1	Poor/Marginal	Pertinent information is not complete in detail; lacks clarity/ambiguous. Contains shortfalls in capabilities or understanding of project requirements in some critical areas.
2	Acceptable	Pertinent information is complete, clear, adequate in detail, and meets requirements. The submittal may contain weaknesses in some non-critical areas. No significant advantages or disadvantages. No special insights.
3	Very Good	Pertinent information is complete, clear, well detailed, and meets requirements. The submittal contains no weaknesses, deficiencies or disadvantages. Insightful. Possesses one or more strengths that will benefit UT System.
4	Outstanding	Pertinent information is complete, clear, well detailed, and meets requirements. The submittal contains no weaknesses, deficiencies or disadvantages. Insightful. Possesses exceptional strengths that will significantly benefit UT System.

#### *Example of Standard Scoring Matrix (to be provided by Sourcing Lead with instructions above)*

Evaluation Category		Score	Supplier # 1	Supplier # 2	Supplier # 3	Supplier # 4			
<b>Company Profile</b> <i>(Ref. Survey, Section 1.0)</i>		A/U*							
<b>General Requirements</b> <i>(Ref. Survey, Section 2.0)</i>		0-4							
<b>Accounts Payable Audit Recovery Services</b> <i>(Ref. Survey, Section 3.0)</i>		0-4							
<b>Contract Compliance Review Services</b> <i>(Ref. Survey, Section 4.0)</i>		0-4							
<b>Reporting &amp; Benchmarking</b> <i>(Ref. Survey, Section 5.0)</i>		0-4							
<b>Recovery and Invoicing</b> <i>(Ref. Survey, Section 6.0)</i>		0-4							
<b>Value Add</b> <i>(Ref. Survey, Section 8.0)</i>		0-4							
<b>Green Purchasing &amp; Sustainability</b> <i>(Ref. Survey, Section 9.0)</i>		0-4							
1/2 point is acetapte when scoring (e.g., 3.5, 2.5, etc.)									
Note: * A/U = acceptable/unacceptable									



APPENDIX 11  
ADMINISTRATIVE REVIEW CHECKLIST (SAMPLE)

Respondent Name	Section 2 Exec. of Offer	Section 6 Price Schedule	Appendix II HUB	Appendix Five EIR	Appendix Six Security	Exceptions T&Cs	Proposers Survey	Price File	Admin Fee	Other	Other
Supplier 1	Y	Y	Y	Y	Y	Y	Y	Y	Y		
Supplier 2	N	Y	Y	Y	Y	Y	Y	Y	Y		
Supplier 3	Y	Y	Y	N	Y	Y	Y	Y	N		
Supplier 4	Y	Y	Y	Y	Y	Y	Y	Y	Y		
Supplier 5	Y	Y	Y	Y	Y	Y	Y	Y	Y		
Supplier 6	Y	Y	Y	Y	Y	Y	Y	Y	Y		
Supplier 7	Y	Y	N	Y	Y	Y	Y	Y	N		
Supplier 8	Y	Y	Y	Y	Y	Y	Y	Y	Y		
Supplier 9	Y	Y	Y	Y	Y	Y	Y	Y	Y		

**Instructions:**

1. This form is used to help determine if a proposal is responsive and eligible to be evaluated.
2. When completing the form the sourcing lead must list all suppliers who submitted a proposal and identify each required element (e.g., form information) that must be submitted.
3. If a respondent's proposal is identified as "non-responsive" and subject to disqualification, the sourcing lead is to present the worksheet with his/her recommendations to the Associate Director of Sourcing of Contracts for approval



## APPENDIX 12 NON-DISCLOSURE/CONFLICT OF INTEREST STATEMENT

### PART 1

I, \_\_\_\_\_, the undersigned, hereby certify that the following statements are true and correct and that I understand and agree to be bound by the commitments contained herein. I am acting at the request of the UT System Supply Chain Alliance (UTSSCA) as a participant in the procurement process related to UTSSCA's Request for Proposal No. UTS/A\_\_\_ (Insert RFP Title) \_\_\_\_\_.

#### Business Entities under Consideration:

- Supplier # 1
- Supplier # 2
- Supplier # 3

I am acting of my own accord and am not acting under duress. I am not currently employed by, nor am I receiving any compensation from, nor have I been the recipient of any present or future economic opportunity, employment, gift, loan, gratuity, special discount, trip, favor, or service in connection with any proposal or involved Supplier in return for favorable consideration. I have no preconceived position on the relative merits of any of the proposals nor have I established a personal preference or position on the worth or standing of any Supplier participating in this RFP.

I agree not to disclose or otherwise divulge any information pertaining to the contents, status, or ranking of any proposal to anyone other than the UTSSCA project leader, other team members or those individuals to whom I report. I understand the terms "disclose or otherwise divulge" to include, but are not limited to, reproduction of any part of portion of any proposal, or removal of same from UT institution designated areas without prior authorization from the UTSSCA project leader. I agree to perform any and all evaluations of said proposals in an unbiased manner, to the best of my ability, and with the best interest of the UT System and the State of Texas paramount in all decisions. I understand that failure to do so will not only remove me, but also my institution, from the review and scoring process.

### PART 2

#### INSTRUCTIONS:

1. The disclosure statement must be submitted by purchasing personnel prior to the award of any major contract.
2. This statement must be submitted even if you answer "no" to questions 1, 2, and 3 below.
3. A copy of this statement should be submitted to the administrative head of the state agency.
4. A new or amended statement must be promptly filed with Director, UTSSCA whenever there is new information to report under Texas Government Code, Section 2262.004.

#### DEFINITIONS:

(Texas Government Code, Section 2262.004) Purchasing personnel includes an employee of a state agency who makes decisions on behalf of the state agency or recommendations regarding: (A)



contract terms or conditions on a major contract; (B) who is to be awarded a major contract; (C) preparation of a solicitation for a major contract; or (D) evaluation of a bid or proposal.

A major contract is a contract with a value (*over its term*; see 2.3.1 CMH) of at least \$1 million (Texas Government Code, Section 2262.001 (4) ).

DISCLOSURE REQUIREMENTS FOR PURCHASING PERSONNEL OF A STATE AGENCY:

1. Do you directly or indirectly own or control more than 10 percent interest or pecuniary interest with a value exceeding \$25,000 with any business entity under consideration for an award of a major contract with your agency?

\_\_\_ No \_\_\_ Yes If yes, please explain in detail the nature of such relationships on an additional page attached hereto.

2. Do you have a relationship with an employee, a partner, a major stockholder, a paid consultant with a contract of at least \$25,000 with any business entity under consideration for an award of a major contract, or other business entity that is related within a degree described by Government Code 573.002?

\_\_\_ No \_\_\_ Yes If yes, please explain in detail the nature of such relationships on an additional page attached hereto.

3. Do you have a controlling interest with any business entity under consideration for an award of a major contract with your agency, including ownership of more than \$5,000 of the fair market value or service as an officer?

\_\_\_ No \_\_\_ Yes If yes, please explain in detail the nature of such relationships on an additional page attached hereto.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Name of State Agency)

\_\_\_\_\_  
(Email)

\_\_\_\_\_  
(Date)



**INSTRUCTIONS:**

1. The disclosure statement must be submitted by purchasing personnel prior to the award of any major contract.
2. This statement must be submitted even if you answer "no" to questions 1 and 2 in part 2.
3. A copy of this statement should be submitted to the administrative head of the state agency.
4. A new or amended statement must be promptly filed with the parties listed in step 3 of these instructions whenever there is new information to report under Texas Government Code, Section 2262.004.

**PART 1: GENERAL INFORMATION**

Name of business entity  
being considered for  
award of major contract

Filer's address

City

State TX

ZIP

Phone

Name of state agency

**PART 2: DISCLOSURES**

**Definition:** (Texas Government Code, Section 2262.004) Purchasing personnel includes an employee of a state agency who makes decisions on behalf of the state agency or recommendations regarding: (A) contract terms or conditions on a major contract; (B) who is to be awarded a major contract; (C) preparation of a solicitation for a major contract; or (D) evaluation of a bid or proposal.

A major contract is a contract with a value of at least \$1 million. (Texas Government Code, Section 2262.001 (4) )

**Disclosure requirements for purchasing personnel of a state agency** (Texas Government Code, Section 2262.004.

\* \* \* \* \*

Printed Name

Job Title

Purchasing personnel of a state agency must disclose information regarding certain relationships with, and direct or indirect pecuniary interests in, any party to a major contract with the state agency prior to the award of a major contract.

1. Do you directly or indirectly own or control more than a 10 percent interest or pecuniary interest with a value exceeding \$25,000 in a business entity that is under consideration for an award of a major contract with your agency?

☐ No

☐ Yes

If yes, please explain in detail the nature of such relationships. (Attach additional sheets as needed.)

2. Do you have a relationship with an employee, a partner, a major stockholder, a paid consultant with a contract of at least \$25,000 with the business entity under consideration for an award of a major contract, or other owner of the business entity that is related within a degree described by Government Code, Section 573.002?

☐ No

☐ Yes

If yes, please explain in detail the nature of such relationships. (Attach additional sheets as needed.)

I hereby attest that all information provided above in questions 1 and 2 are complete and accurate to the best of my knowledge. I acknowledge my responsibility to submit promptly a new or amended disclosure statement to the party listed in step 3 of the instructions if any of the above information changes.

Purchasing  
Personnel  
Signature

Date

\* \* \* \* \*

Printed Name

Job Title

Purchasing personnel of a state agency must disclose information regarding certain relationships with, and direct or indirect pecuniary interests in, any party to a major contract with the state agency prior to the award of a major contract.

1. Do you directly or indirectly own or control more than a 10 percent interest or pecuniary interest with a value exceeding \$25,000 in a business entity that is under consideration for an award of a major contract with your agency?

☐ No

☐ Yes

If yes, please explain in detail the nature of such relationships. (Attach additional sheets as needed.)

## **APPENDIX 13**

### **Reference Check Forms**

**Purpose:**

This guideline is intended to assist the sourcing lead in completing a thorough reference check on respondents to a UT System Supply Chain Alliance (UTSSCA) competitive sourcing event.

**Audience:**

Applicable to all Strategic Services Group (SSG) personnel.

**Guidelines:**

1. Process and Methodology

- 1.1 The sourcing lead will perform a reference check on the organizations that a respondent lists as a past or current client in their proposal response. A best practice is to ask each reference the same questions so the evaluation can be fair and unbiased. As the responses are gathered, the Sourcing Lead will be responsible for collecting the responses in a structured and organized format so the content is clear and can be easily shared with the Evaluation Team for discussion.

Example reference check templates are attached for reference.

**Appendix 13- Attachment 1**  
**RFP NAME - RFP UTS/###**  
**Reference Checks**

**CUSTOMER CONTACT NAME:**

**CUSTOMER REFERENCE NAME:**

**PROPOSER'S COMPANY NAME:**

**Telephone Number:**

**PLEASE RATE THE SUPPLIER'S PERFORMANCE ON A SCALE OF 1 TO 5 (5=OUTSTANDING) For any areas that Supplier did not provide services please response not applicable (n/a):**

**Account Management:**

1. Team knowledge and resourcefulness in supporting your organization.
2. Account Management Team's ability and timeliness of problem resolution.

**Analytics, Benchmarking & Reporting:**

3. Suppliers ability to assist in identifying savings and price management through analytics, benchmarking & spend reporting.

**Order Placement & Delivery:**

4. Supplier order management, delivery guarantee, PO Cycle time & managing delivery schedules to meet organization needs.

**Substitutions, Backorder Management, and Returns:**

5. Supplier's ability to manage order substitutions, backorders, and returns in order to meet organizational needs and patient care.

**Implementation:**

6. When your organization initially implemented this supplier for your MedSurg Distrib. did they provide adequate staffing and resources to ensure a successful implementation.

**Emergency Preparedness and Business Continuity:**

7. Your organizations confidence in suppliers ability to support your organization in an emergency situation.

## Appendix 13- Attachment 1

### LUM/JIT/Stock Items:

8. Supplier's ability to meet your organizations needs regarding Low Unit of Measure, Just in Time, Sequestered stock and core items.

### Service Capabilities / Fill Rate

9. Supplier's ability to meet
- a. Picking accuracy
  - b. On-time delivery
  - c. Emergency / Rush orders
  - d. Corrugate free delivery
  - e. Supplier recall management


### Contract / Pricing Management / Invoicing

10. Suppliers process for managing contract pricing, price change notification, and invoice disputes.

### Additional Value & Competitive Advantage:

11. Suppliers ability to provide added value in relationship to standardization and value analysis.

### Technology:

12. Tools offered and operational value of the tools:
- a. Inventory Management System
  - b. Surgical Procedure mgmt.
  - c. Revenue Cycle mgmt.
  - d. Implant purchase mgmt.
  - e. Inventory transfer mgmt. (within your system)


## Appendix 13- Attachment 1

**Vendor:**

**Customer Reference Name:**

### General Background

1. When did you implement \_\_\_\_\_?
2. How is the \_\_\_\_\_ implementation hosted?
3. When did you implement \_\_\_\_\_?
4. Did you consider other technologies or applications prior to acquiring \_\_\_\_\_? If so, what caused you to select \_\_\_\_\_?

### Activity Supported / Operational Use

1. Do your users consider the system to be user friendly and intuitive?
2. Does \_\_\_\_\_ function as you expected? Does ongoing \_\_\_\_\_ support meet your expectations?
3. Do you utilize all \_\_\_\_\_ product features and functions, including \_\_\_\_\_, \_\_\_\_\_, etc.?

### Implementation

1. How long did your \_\_\_\_\_ implementation take?
2. Were you satisfied with \_\_\_\_\_ support and engagement during the implementation process?
  - a. Describe the implementation team (institution personnel, personnel, roles, skill sets, etc.)
  - b. Was there a skill set or role that became a critical factor for success of the project? If so, describe.
  - c. How responsive was \_\_\_\_\_ to changes, issues, and configuration modifications during the implementation process?
3. What implementation obstacles did you encounter? (e.g., resources, operating constraints, culture change, cost, etc.) How were these addressed?

### Cost

1. Is the total cost of owning and operating \_\_\_\_\_ as expected?



## **Appendix 13- Attachment 1**

### **Summary**

1. Has use of \_\_\_\_\_ improved your business process? Provided productivity or quality improvements? Improved order management response time in fulfilling requests for samples? Are there other benefits?
2. If you were making this purchase decision today, would you buy \_\_\_\_\_ again?
3. Have you encountered product limitations? What product enhancements would you suggest?
4. What (if anything) would you do differently?
5. Are there any other insights you would like to offer?

**Appendix 13- Attachment 1**  
**Customer Reference Survey**  
**RFP UTS/### Name of Event**

**Proposer:** \_\_\_\_\_

**Company Name:** \_\_\_\_\_

**Contact Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Email:** \_\_\_\_\_ **Tel. No.:** \_\_\_\_\_

**Please check all that apply:**

**1. Status of engagement with supplier**

- ☐ Currently performing services
- ☐ Services completed

**2. Scope of \_\_\_\_\_ services performed by supplier**

- ☐ Developed Roadmap
- ☐ Performed readiness assessment
- ☐ Developed governance model
- ☐ Developed Center of Excellence
- ☐ Provided implementation assistance
- ☐ Developed communication/change management plan
- ☐ \_\_\_\_\_ development and programming
- ☐ Software hosting
- ☐ \_\_\_\_\_ management
- ☐ Design/set up technical environment
- ☐ Other (please describe) \_\_\_\_\_

**3. Types of processes automated**

- ☐ Financial
- ☐ Human Resources
- ☐ Supply Chain
- ☐ Information Technology
- ☐ Revenue Cycle
- ☐ Other (please describe) \_\_\_\_\_

## Appendix 13- Attachment 1

Please answer the following

Number of \_\_\_\_ developed/programmed by supplier and in production: \_\_\_\_\_

Number of processes automated by supplier: \_\_\_\_\_

Number of \_\_\_\_ managed by supplier: \_\_\_\_\_

How did you select supplier

- ☐ On-going relationship
  - ☐ Competitive bid
  - ☐ Other (please describe) \_\_\_\_\_
- \_\_\_\_\_

Was projected cost saving or return of investment (ROI) provided by Supplier? If yes, were projections achieved? Yes \_\_\_\_ or No \_\_\_\_

Please rate the supplier's performance on a scale of 1 to 5 (5=outstanding)

1. Availability of knowledgeable and trained resources  
Rating: \_\_\_\_\_
2. Willingness to share and transfer knowledge to your staff  
Rating: \_\_\_\_\_
3. Effectiveness in managing the work (e.g., scheduling, resources, cost)  
Rating: \_\_\_\_\_
4. Willingness to work with customer openly and transparently  
Rating: \_\_\_\_\_
5. If performing hosting and or BOT management services, overall performance and quality of these services  
Rating: \_\_\_\_\_
6. Overall rating of supplier's performance and quality of services  
Rating: \_\_\_\_\_

Comments: \_\_\_\_\_

\_\_\_\_\_

## **APPENDIX 14**

### **Oral Presentation Guidelines**

**Purpose:**

These guidelines will assist the sourcing lead in facilitating in-person oral presentation meetings as part of a formal UT System Supply Chain Alliance (UTSSCA) sourcing event. These guidelines are based on best practices, but the sourcing lead may have to modify the exact approach to accommodate the specific circumstances of the sourcing event.

**Audience:**

Applicable to all Strategic Services Group (SSG) personnel.

**Guidelines:**

1. Determination of Need

The sourcing lead, in conjunction with the evaluation team, must first determine if oral presentations would be beneficial as part of the sourcing event evaluation process. Oral presentations are typically required after the evaluation team has scored all responsive proposals and a short-list of finalists have been found to be “technically acceptable”. Based on the initial evaluation results, the sourcing lead will make a short-list recommendation to the evaluation team. Once the team agrees on the short-list, the sourcing lead will be responsible for scheduling and planning the presentations.

2. Development of the Agenda and Presentations

2.1. The sourcing lead should meet with the evaluation team and identify their availability for attendance at the in-person presentations. In order to allow sufficient time for making travel arrangements, the sourcing lead should target dates at least two weeks in the future, if possible. The sourcing lead should also request the evaluation team offer their feedback on specific topics that should be addressed by each finalist during the oral presentations.

2.2 Once an acceptable date and time has been identified, the sourcing lead should communicate to each short-list finalist that they have been selected to the short list of finalists for further evaluation and consideration (see attached *Sample Communication # 1*). The communication should also advise each finalist that their team should be prepared to provide an oral presentation on the specified date and time. In closing, the letter should indicate that the sourcing lead will be sending out further information regarding the content of the presentation, as well as the exact conference room number.

2.3 After receiving feedback from the evaluation team, the sourcing lead should provide a list of topics that each finalist must address during their oral presentation (see attached *Sample Communication # 2*). Although the finalists will likely request a list of the evaluation team members, this information should not be disclosed to mitigate any risk of inappropriate contact. Leading up to the oral presentations, the sourcing lead can expect to receive several questions from the respondents regarding the topics of discussion, the number of representatives allowed for each respondent, as well as repeated requests of who will be in attendance on behalf of the institutions. It is important to respond to such requests in a standard and unbiased manner.

- 2.4. On the day of the presentations, the sourcing lead should arrive to the reserved conference room early to ensure that all telecommunications equipment is working properly. The sourcing lead should also ensure that a sign-in sheet is circulated to all UT attendees as a record of their participation.
- 2.5. The sourcing lead will begin the meeting with an introduction communicating the purpose of the meeting and then introducing the UT representatives in attendance. At that point, the sourcing lead will turn the meeting over to the identified lead for that particular proposer and allow them to proceed accordingly.
- 2.6. At the end of the oral presentation, there should be a minimum of fifteen (15) minutes allowed for questions & answers. After all the questions have been asked, the sourcing lead will conclude the meeting and will reiterate that all communications must be submitted to him/her according to the sourcing event instructions.
- 2.7. After the respondents leave the room, the sourcing lead will then encourage a discussion among the evaluation team so that each evaluator can make notes and/or re-score each proposer immediately following their presentation.
- 2.8. At the conclusion of all the oral presentations, the sourcing lead will be responsible for collecting the evaluator scorecards and compiling the bid evaluation documents, as necessary.

## APPENDIX 14-Attachment 1

### Sample Communication # 1



THE SUPPLY CHAIN ALLIANCE | THE UNIVERSITY OF TEXAS SYSTEM

7007 BERTNER AVENUE, SUITE 10.3212, HOUSTON, TX 77030

Mail: PO Box 301407, Houston, TX 77230-1439

Date

Finalist Company Name  
Address

Attention: Contact Name, Job Title

SUBJECT: UT System Event Name Request for Proposal (RFP) # UTS/A##

Dear Contact Name,

On behalf of the UT System Supply Chain Alliance, I want to formally notify you that Finalist Company Name has been selected to the short list of finalists for further evaluation and consideration.

We would like to request that you bring in your team for a one and a half hour technical presentation and live product demo on **Day, Month ##, 20##, from Time CST.**

The meeting will be held in Houston, TX at the UT M.D. Anderson Cancer Center facilities at the following address:

Mid Campus Building One  
7007 Bertner Ave. (Conf. Room No. "To Be Determined")  
Houston, TX 77030

I will be sending out further information regarding the content of the presentation/product demo, as well as the exact conference room number. **Please confirm your receipt of this notification, as well as confirmation that your team will be able to accommodate the technical presentation and live product demo on Month ##.**

Let me know if you have any additional questions regarding this matter.

Sincerely,

Sourcing Lead

## APPENDIX 14-Attachment 1

*Sample Communication # 2*

**From:** Sourcing Lead

**Sent:** Friday, February 22, 2013 10:53 AM

**Subject:** Sourcing Event UTS/AXX  
Live Product Demonstrations / Oral Presentations - Date

Good morning:

Attached to this email is a (1) page document outlining the questions/topics that the Sourcing Event Name workgroup requests be addressed in your presentation/product demo on *February 28, 2020 @ 2:00 PM CST*. As anticipated, the list of topics is fairly typical of the content that one would expect to be addressed during a live presentation/product demo.

For your information, the work group is comprised of Compliance Leadership / Personnel from the various UT System health institutions. The presentations will be held at 7007 Bertner Avenue, Houston, TX, 77030 conference room # *1MC3.2310*.

Directions to the conference room are as follows:

- Upon arriving at the 7007 Bertner, park in the parking garage (cash or credit card) which is immediately adjacent (and connected via skywalk) to the building
- The skywalk connects floor 5 of the parking garage to floor 3 of the building
- Once inside our building (you will already be on floor 3), please continue walking straight, past a set of escalators
- As you pass the escalators there will be a hallway to your right
- Proceed walking down that hallway, past another set of escalators
- *As you pass the escalators, conference room # 1MC3.2310 is on your left, directly next to an elevator and seating area*

Please let me know if you have any questions.

Regards,

Sourcing Lead



Oral Presentation  
Content

## **Sourcing Event Name - Presentation/Product Demo**

Date

### Demonstration Goals/Questions:

- User Features
  - What are the different user roles?
  - Who defines the roles?
  - Can they be customized?
- Audit/Request Information & Data
  - How is request/audit information entered?
  - How is the 835/837 information imported?
  - How is it populated in the tool?
  - How can we upload other information into the tool? (Historical data, other billing information, etc.)
  - How is the information tracked?
    - How is status of the request/audit updated? Tracked?
  - Attaching documents
    - How do you upload documents?
    - What can be attached?
  - How does it work with the billing system?
  - How are data feeds incorporated?
  - How can we view/cross-check the hospital and relevant physician data?
  - How is the denial information updated? Is any of it pre-populated?
  - How is the audit type incorporated into the tracking information? (Medicare RAC, ZPIC, CERT, etc.)
  - How is the appeal level incorporated into the tracking information?
- Communication
  - What types of alerts are generated by the tool?
  - How are they generated?
  - In what format are alerts delivered? (Email, flagged in tool, etc.)
  - How are duplicate requests flagged? Or how is the user notified that another request for the record exists?
  - Can the tool notify us when the records request limit for an auditor has been reached? If so, how?
- Reports
  - What standard reports does the tool have?
  - What custom reports can be run or created?
  - How can we run data analysis in the tool to identify denial trends?
  - Can we create graphs in to the tool for reporting?
- Other Items
  - What appeal templates does the tool have?
  - What information is populated?
  - How can they be customized?
  - How is your tool prepared to work with ICD-10 information?
    - Is there an ICD-9 to ICD-10 reference guide in the tool?
  - Can you import data from Midas into the tool?
  - Do you offer any webinar/education seminars about changes and trends in healthcare regulatory audit activity?



## **APPENDIX 15**

### **Best and Final Offer (BAFO)**

#### **Guideline: Soliciting Best and Final Offers from Respondents**

##### **Purpose:**

These guidelines are provided to assist the sourcing lead on how to develop, solicit and process a “Best and Final Offer” (BAFO) as part of a formal Alliance solicitation process per the Contract Management Handbook Section 5.10.

##### **Audience:**

Applicable to all Strategic Services Group (SSG) personnel.

##### **Guidelines:**

#### **1. Determination of Need**

The sourcing lead must first determine if a BAFO is necessary to obtain final clarifications and/or pricing offers from a respondent to an Alliance RFP. The request for a BAFO is generally a “best practice”, as it grants the respondent with a final opportunity to revise their proposal to address specific areas within the scope or to offer lower pricing. Prior to submitting a BAFO to the respondent, the sourcing lead should discuss the strategy with the Evaluation Team and include any clarifications that need to be addressed by the respondent.

#### **2. Development of the BAFO and Communications**

- 2.1. If it is determined that a BAFO will be issued, the sourcing lead should communicate this fact to the RFP respondents and inform them of the process. Typically, the respondents who will receive the BAFO are those who have been the highest scored through the evaluation process and are often times referred to as the “finalist”.
- 2.2. The sourcing lead will then submit a formal request for a BAFO to the respondent and communicate that this will be the final opportunity for the respondent to revise their proposal. A sample of the BAFO and related documents are attached herein as Attachment 1, which includes:
  - 2.2.1. Formal email to respondents;
  - 2.2.2. List of clarifications if applicable; and
  - 2.2.3. Attachment A – Pricing Schedule from the RFP.

*Note: The BAFO documents should clearly indicate the time and place when the BAFO submittal is due.*

- 2.3. Upon receipt of the BAFO from the respondent, the sourcing lead should distribute the BAFO to the Evaluation Team and provide them an opportunity re-score the proposal offering based on the new and or updated information submitted from the respondent.

- 2.4. If Evaluation Team determines to rescore the proposals, then the sourcing lead will prepare a final proposal tabulation of the scores and notify the Evaluation Team which respondent was highest rated and the apparent awardee.



Appendix 15,  
Attachment 1.pdf

**From:** [Jones, Awesome](#)  
**To:** ["Jim.Smith@anycompany.com"](mailto:Jim.Smith@anycompany.com)  
**Cc:** [Supervisor](#)  
**Subject:** UTS/A00 Specialty Products (response required)  
**Date:** Friday, September 20, 2019 1:41:35 PM  
**Attachments:** UTS/A00 Attachment A-1 Price Schedule

---

Good afternoon Jim,

On behalf of the UT System [\[insert project name\]](#) Team and the UT System Supply Chain Alliance, I want to formally notify you that your Company has been selected as one of the suppliers to proceed to the "Best and Final Offer" phase of the evaluation process.

Therefore, in accordance with Section 1.5 of APPENDIX ONE of the RFP, we invite you to submit a Best and Final Offer ("BAFO"). Attached is the Best and Final Offer ("BAFO") letter. You must submit the BAFO to me via email at [awesome.buyer@mdanderson.org](mailto:awesome.buyer@mdanderson.org), on or before September 26, 2019 at 5:00pm to be considered further in the evaluation process. Please contact me if you have any questions.

Regards,  
Awesome Jones  
Sourcing Specialist  
Supply Chain Alliance | [The University of Texas System](#)

713-563-1000 |  
[awesome.buyer@mdanderson.org](mailto:awesome.buyer@mdanderson.org)  
[www.utsystem.edu/hea/supplychainalliance](http://www.utsystem.edu/hea/supplychainalliance)



THE SUPPLY CHAIN ALLIANCE | THE UNIVERSITY OF TEXAS SYSTEM

7007 BERTNER AVENUE, SUITE 11.2339, HOUSTON, TX 77030

Mail: PO Box 301407, Houston, TX 77230-1439

September 20, 2019

Jim Smith  
Sr. Customer Relationship Manager  
[Jim.Smith@anycompany.com](mailto:Jim.Smith@anycompany.com)

SUBJECT: Request for Proposal (RFP) # UTS/00– Specialty Products

UT System has conducted an initial review of the proposals that were submitted in response to UTSSCA RFP #UTS/A00 . On behalf of the UT System *[insert project name]* Solution Team and the UT System Supply Chain Alliance, I want to formally notify you that your Company has been selected as one of the suppliers to proceed to the “Best and Final Offer” phase of the evaluation process.

Therefore, in accordance with Section 1.5 of APPENDIX ONE of the RFP, we invite you to submit a Best and Final Offer (“BAFO”). We request that your BAFO response address the specific items detailed on page 2 of this document. You should submit the BAFO as a replacement to, and in accordance with the RFP requirements for, your original submittal. You must submit the BAFO to Awesome Jones via email at [awesome.buyer@mdanderson.org](mailto:awesome.buyer@mdanderson.org), on or before **September 26, 2019 at 5:00pm** to be considered further in the evaluation process.

**This letter is only an invitation to participate further in the RFP process; it does not convey or imply anything more.**

Regards,  
Awesome Jones  
Sourcing Specialist  
**Supply Chain Alliance | The University of Texas System**  
713-563-1000 | [awesome.buyer@mdanderson.org](mailto:awesome.buyer@mdanderson.org)  
[www.utsystem.edu/hea/supplychainalliance](http://www.utsystem.edu/hea/supplychainalliance)

**Submit by 5:00 PM, Central Time; September 26, 2019 via e-mail to [awesome.buyer@mdanderson.org](mailto:awesome.buyer@mdanderson.org)**  
**General Instructions:** Please respond to the questions or request for additional information outlined below. This document represents the “Best and Final Offer” and will become part of your response to RFP UTS/A00.

## **1.0 Specialty Products**

- 1.1 Please specify how your company plans to deliver Specialty Products and provide effective account management to the UT System Institutions and affiliates in El Paso, Permian Basin and areas west of San Antonio? Identify all the areas your company cannot provide services as identified in the RFP.

## **2.0 Pricing**

- 2.1 We have reviewed and benchmarked the pricing that has been submitted as part of your proposal. Based on our analysis, we believe there is an opportunity for your company to provide greater value given the overall size and scope of this opportunity. Therefore, we respectfully request that you revisit, and where applicable, revise the pricing submitted in Attachment A of your proposal. Please consider not only the potential size and scope of this opportunity but the visibility and exposure the awarded supplier will have across the UT System institutions and Alliance Affiliates

## **3.0 Additional Value**

- 3.1 Please provide details of any additional incentives your company will offer. Such incentives may include, but not limited to, the following example: a) Transition to your company's products and services within ninety (90) days of contract execution; b) Annual sales growth year over year beginning in year 2; and 3) priority delivery services on weekends.
- 3.2 Describe how your company would proactively approach generating additional cost savings for the Alliance's spend going forward. Please provide only information not previously asked or disclosed herein.

## ATTACHMENT A-1 PRICE SCHEDULE

### PRICE SCHEDULE: Specialty Products

**INSTRUCTIONS:** Proposer will complete Attachment A-1 to describe the overall pricing structure for the products and services described in the RFP and any other unspecified cost required to provide Specialty Products. Describe any one-time or set-up charges, fees and include all other fees or charges that will be or could be charged. Institutional Participants will not recognize or accept any charges/fees that are not specified in the proposal. All fees not currently listed should be added to Attachment A-1 and fully defined.

1. For each Item Number, Proposer must complete Column D.
2. If not quoting on an Item indicate "no bid" in Column D.
3. If waiving a fee, indicate "waived" in Column D.

Specialty Products			
Item	Task/Description	Unit	Unit Price
101	Specialty Chemical A (12 per case/gallon bottles).	Per case	\$
102	Specialty Chemical B. (6 per case/ 500ml bottles)	Per Case	\$
103	Research Widgets Type 2	each	\$
104	Research Widgets- Type 1 (Animal use only)	each	\$
105	Specialty Packaging-Environmental Containers	each	\$









**APPENDIX 16**  
**BEST VALUE AWARD RECOMMENDATION MEMORANDUM**

**MEMORANDUM**

<b>To:</b>	Jeffery Bonnardel, C.P.M. Director, UT System Supply Chain Alliance
<b>From:</b>	John Doe Manager, Contracts
<b>Date:</b>	September 15, 2019
<b>Subject:</b>	Proposal Evaluation and Recommendation for Request For Proposal No.: UTS/A99

Submitted herewith for your review and concurrence is the award recommendation for the above referenced Request for Proposal (RFP).

**HISTORY**

On June 1, 2019 the UT System Supply Chain Alliance Strategic Services Group (SSG), in conjunction with subject matter experts (SMEs) representing several UT System institutions, solicited proposals for Widgets, Widget Installation, and Related Services ("Products & Services"). The objective of the RFP was to contract with a qualified and experienced firm(s) to provide the most practical and cost-effective business model to serve the needs of UT System and Institutional Participants as their preferred supplier for the Products & Services.

The RFP was issued with four evaluation criteria categories:

<b><u>Categories</u></b>	<b><u>Weight</u></b>
Account Management <sup>1</sup>	20%
Installation <sup>2</sup>	25%
Product Offerings <sup>3</sup>	25%
Cost <sup>4</sup>	<u>30%</u>
	<b>100%</b>

1. Account Management: This category dealt with the proposer's ability and commitment to appropriately staff their organization in order to service the operational needs of UT System and Institutional Participants.
2. Installation: This category dealt with the bidder's capabilities in providing installation services to UT System and Institutional Participants across the state of Texas.
3. Product Offerings: This category dealt with the proposer's ability to provide the wide range of widgets and related services required by UT System and Institutional Participants.
4. Cost: This category dealt with the total overall cost to UT System and Institutional Participants.

**RFP PROPOSAL EVALUATION PROCESS**

The proposals were opened on July 15, 2019. Each proposal submitted was reviewed by the UT System HUB Office for HUB subcontracting plan compliance; and the SSG performed an administrative review to

ensure each proposal complied with the RFP's submittal requirements. The responsive firms were as follows:

- Widgets 'R' Us
- Smith Widgets Incorporated
- World of Widgets

The proposals were evaluated by a cross-institutional team which included SMEs from both UT academic and health institutions (see SME List attached as Exhibit 1).

## **SUBMITTED PROPOSALS**

Listed below is a synopsis of each responsive proposal submitted.

### **World of Widgets**

The highest rated response; key aspects of proposal include:

- One (1) senior account executive dedicated to the Alliance and four (4) sales support representatives dedicated to the Alliance (Houston-2, Dallas-2).
- Installation services available throughout Texas – no subcontracting of installation services.
- Wide breadth of widget offerings; provided pricing for 100% of market basket included in RFP.
- Highest rated cost proposal (lowest cost)

### **Smith Widgets Incorporated**

The second highest rated response; key aspects of proposal include:

- One (1) senior account executive dedicated to the Alliance and four (4) sales support representatives dedicated to the Alliance (Houston-2, Dallas-2).
- Installation services available throughout Texas – no subcontracting of installation services.
- Wide breadth of widget offerings; provided pricing for 90% of market basket included in RFP.
- Second highest rated cost proposal

### **Widgets "R" Us**

The third rated response; key aspects of proposal include:

- One (1) senior account executive shared with another Texas based customer and one (1) sales support representative dedicated to the Alliance (based in North Carolina; travels to Texas).
- Subcontracts all installation work to third parties.
- Somewhat limited breadth of widget offerings; provided pricing for 70% of market basket included in RFP.
- Third rated cost proposal (highest cost)

The scoring matrix attached hereto as Exhibit 2 details the scoring for each proposal.

## **BEST AND FINAL OFFER (BAFO) EVALUATION PROCESS**

Based on the initial scoring and evaluation of the responsive proposals, the top two (2) highest scoring firms were designated as finalists and invited to make in-person oral presentations to the cross-institutional evaluation team on August 15, 2019. Following the presentations, each finalist was provided

with the opportunity to submit a BAFO response to enhance the value offered in their original proposal. The firms identified as finalists were as follows:

- World of Widgets
- Smith Widgets Incorporated

The submitted BAFOs were then evaluated and scored by the evaluation team. World of Widgets elected to lower their widget pricing an additional 5% across all product lines, while the BAFO response from Smith Widgets Incorporated did not include any enhancements. The scoring matrix attached hereto as Exhibit 3 details the final scoring for each of the finalists.

### **AWARD RECOMMENDATION**

After a thorough evaluation, the SSG recommends that a contract award to World of Widgets would offer best value to UT System and Institutional Participants. While other respondents offered competitive proposals, World of Widgets offers the best value in support of the Products & Services needs of UT System.

**Attest:**

\_\_\_\_\_  
Manager, Contracts

\_\_\_\_\_  
Associate Director, Sourcing & Contract

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

In consideration of the foregoing, please indicate your approval of this recommendation by your signature below.

**Concur:** \_\_\_\_\_

**Reject:** \_\_\_\_\_

\_\_\_\_\_  
Jeffery Bonnardel, C.P.M.  
Director, UT System Supply Chain Alliance

Date: \_\_\_\_\_

## **EXHIBIT 1**

### **SME LIST**

**Jane Smith, VP of Widget Use** - The University of Texas MD Anderson Cancer Center

**Joe Brown, Director Widgets** - The University of Texas at Austin

**Mary Jones, Senior Widget Specialist** - The University of Texas at Arlington

**Bill Jackson, Chief Widget Officer** - The University of Texas Southwestern Medical Center

**Fred Davis, Executive Director Widget Services** - The University of Texas at El Paso

## EXHIBIT 2

### INITIAL RFP EVALUATION SCORING FOR RFP UTS/A99

Eval Category	Weight	Max Score	Smith Widgets			World of Widgets			Widgets "R" Us		
			Avg Score	Weighted Value	Weighted Score	Avg Score	Weighted Value	Weighted Score	Avg Score	Weighted Value	Weighted Score
Account Mgmt	20	4.00	4.00	1.00	20.00	4.00	1.00	20.00	1.00	0.25	5.00
Install	25	4.00	4.00	1.00	25.00	4.00	1.00	25.00	2.00	0.50	12.50
Product Offerings	25	4.00	3.50	0.88	21.88	4.00	1.00	25.00	2.50	0.63	15.63
Cost	30	4.00	3.60	0.90	27.00	4.00	1.00	30.00	2.44	0.61	18.30
100			93.88			100.00			51.43		

### EXHIBIT 3

#### FINAL EVALUATION SCORING FOR RFP UTS/A99

Eval Category	Weight	Max Score	Smith Widgets			World of Widgets		
			Avg Score	Weighted Value	Weighted Score	Avg Score	Weighted Value	Weighted Score
Account Mgmt	20	4.00	4.00	1.00	20.00	4.00	1.00	20.00
Install	25	4.00	4.00	1.00	25.00	4.00	1.00	25.00
Product Offerings	25	4.00	3.50	0.88	21.88	4.00	1.00	25.00
Cost	30	4.00	3.60	0.85	25.50	4.00	1.00	30.00
100					92.38			100.00

## **APPENDIX 17**

### **Information Required by Alliance Legal Counsel**

The contract manager should ensure the following information is provided to Alliance legal counsel when initiating the contract drafting process:

#### Draft Contract Documents

- Scope of Work (details of the “business deal”)
- Fee Schedule
- Supplier Relationship Management Rider
- Any changes that need to be made to the standard Institutional Participation Agreement language
- Implementation Schedules, Milestone Payment Schedules, Roles & Responsibilities, or any other non-standard Riders as applicable

#### Other Documents

- Approved HUB Subcontracting Plan
- Final version of the RFP as issued
- Any supplier exceptions to the sample Preferred Supplier Agreement included in the RFP

#### Additional Information

- Supplier’s proper name, address, and form of organization
- State in which the supplier is organized and their federal tax ID
- Alliance assigned contract number
- Supplier’s business and legal contacts for addressing questions and concerns



## APPENDIX 18

### SSG Delegation Letters

Executive Vice Chancellor  
for Business Affairs

MEMORANDUM

Scott C. Kelley  
(512) 499-4560



July 17, 2019

TO: UT System Supply Chain Alliance Director, *ad interim*   
FROM: Executive Vice Chancellor for Business Affairs - Scott C. Kelley  
SUBJECT: Delegation of Authority

Pursuant to authority granted in Regents' Rule 10501, Section 2.5, I appoint you as my delegate to execute and deliver routine, written revisions to UT System Supply Chain Alliance contracts (contracts), provided:

- the contracts involve UT System and/or two or more UT System institutions that have elected to participate;
- the contracts are for the purchase of equipment, supplies, goods or services;
- the changes are associated with price adjustments, revisions to product schedules, changes to product warranties, or similar routine contract implementation matters that do not impact the dollar value of the agreement; and
- a copy of each signed contract with a completed Business Affairs Contract Checklist are provided to the UT System Office of Business Affairs for compliance with all rules regarding posting to the agency's transparency report and for recordkeeping purposes.

Regents' Rule 10501, Section 2.1 states all authority to execute and deliver contracts, agreements, and other documents is subject to these Rules and Regulations and compliance with all applicable laws and special instructions or guidelines issued by the Chancellor, an Executive Vice Chancellor, and/or the Vice Chancellor and General Counsel. Special instructions or guidelines by the Chancellor, an Executive Vice Chancellor, or the Vice Chancellor and General Counsel may include without limitation instructions concerning reporting requirements; standard clauses or provisions; ratification or prior approval by the Board of Regents or the appropriate Executive Vice Chancellor; review and approval by the Office of General Counsel; and recordkeeping. Please ensure that you comply with the Regents' Rules, laws, special instructions and guidelines relevant to this delegation of authority.

*No further delegation of the authority granted pursuant to this memorandum is authorized.*

SCK:lmf

c: Paul Steinkraus  
Richard St. Onge  
JoAnn Townsend  
Jerry Fuller  
Marcella Trant

## APPENDIX 18

### SSG Delegation Letters


Executive Vice Chancellor  
for Business Affairs

MEMORANDUM

Scott C. Kelley  
(512) 499-4560



July 17, 2019

TO: UT System Supply Chain Alliance Director, *ad interim*   
FROM: Executive Vice Chancellor for Business Affairs - Scott C. Kelley  
SUBJECT: Delegation of Authority

Pursuant to authority granted in Regents' Rule 10501, Section 2.5, I appoint you as my delegate to execute and deliver, either electronically or in hard copies, price activation agreements in the name of UT System, on behalf of the UT System health institutions specified in the agreements, provided:

- the agreements commit the specified health institutions to participate in, and enable them to secure improved tiered pricing under, master contracts competitively procured by the Premier group purchasing organization for the purchase of equipment, supplies, goods or services;
- the agreements apply the terms and conditions of Premier-procured master contracts without modification;
- the health institutions specified in each agreement, acting through their duly authorized representatives, provide you with an advance written consent (via email or otherwise) to your execution of the agreement on their behalf; and
- a copy of each signed agreement with a completed Business Affairs Contract Checklist are provided to the UT System Office of Business Affairs for compliance with all rules regarding posting to the agency's transparency report and for recordkeeping purposes.

Regents' Rule 10501, Section 2.1 states all authority to execute and deliver contracts, agreements, and other documents is subject to these Rules and Regulations and compliance with all applicable laws and special instructions or guidelines issued by the Chancellor, an Executive Vice Chancellor, and/or the Vice Chancellor and General Counsel. Special instructions or guidelines by the Chancellor, an Executive Vice Chancellor, or the Vice Chancellor and General Counsel may include without limitation instructions concerning reporting requirements; standard clauses or provisions; ratification or prior approval by the Board of Regents or the appropriate Executive Vice Chancellor; review and approval by the Office of General Counsel; and recordkeeping. Please ensure that you comply with the Regents' Rules, laws, special instructions and guidelines relevant to this delegation of authority.

*No further delegation of the authority granted pursuant to this memorandum is authorized.*

SCK:lmf

C: Paul Steinkraus  
Richard St. Onge  
JoAnn Townsend  
Jerry Puller  
Marcella Trant

## **APPENDIX 19**

**Intentionally Left Blank**

## APPENDIX 20

### Guidelines for Renewals, Amendments, & Contract Close-Out

#### GENERAL INFORMATION

The instructions contained herein are provided to establish effective guidelines for any Renewals, Amendments and/or the closeout of all UT System Supply Chain Alliance (Alliance) agreements. The SSG staff member assigned as contract manager to a particular agreement will be responsible for the performance of the requirements contained in this document.

#### AUDIENCE

Applicable to all Strategic Services Group (SSG) personnel

#### GUIDELINES

##### 1. Supplier Agreement Renewal Process

- A. Within 15 days of the “Renewal Prompt Date” the contract manager will complete a Contract Renewal Assessment Form (see attached sample) and submit to their supervisor a recommendation of whether or not to renew. The “Renewal Prompt Date” is to be established by the contract manager when the executed agreement is first loaded into the contract repository, but at no time will the “Renewal Prompt Date” be less than 12 months prior to the agreement’s base period expiration date. If a determination to renew is appropriate, the contract manager’s recommendation may also include suggested changes/enhancements to the existing agreement.

***Note: If the Alliance and/or the Supplier wish to amend the agreement to include changes in addition to the renewal then the contract manager should meet with Supplier to determine the scope of the Amendment and the areas/sections of the agreement that will have to modified, and/or additional areas/section added to the agreement.***

If the recommendation is to not renew, the contract manager will notify the supplier and the participating institutions, as applicable. The contract will automatically expire on its expiration date without further action by the contract manager.

The contract manager will file all documentation in the electronic contract file system.

- C. If the supervisor approves the recommendation to renew, the contract manager will notify the supplier that the Alliance is moving forward with a term renewal and schedule a meeting to discuss renewal terms, as applicable.
- D. Once the renewal terms have been agreed to by both parties, the contract manager will notify Alliance legal counsel for comments, as needed.

Alliance legal counsel will prepare a renewal amendment to extend the term, and send to the Supplier for signature.

- E. While waiting on the renewal amendment to be signed by the Supplier, the contract manager will prepare the "UT System Contract Processing Checklist" and other required processing documents (see References below).
- F. The contract manager, once notified that the Supplier has signed the amendment, will finalize the contract processing checklist and other required documents in accordance with the UT System Contract Processing Checklist; and then send the checklist along with the other required documents to Alliance legal counsel via e-mail.
- G. Once the renewal amendment is signed and received from the Supplier, Alliance legal counsel will route signed renewal amendment, along with the UT System Contract Processing Checklist and other required processing documents to the UT System Executive Vice Chancellor of Business Affairs for execution of the contract amendment.
- H. Once the renewal amendment has been fully executed, the contract manager will file the renewal amendment in the electronic contract file and update the number of renewals and expiration dates in the electronic contract file, as applicable.

## 2. Contract Amendment Process (Non-Renewal)

If the Alliance and/or the Supplier wish to amend the agreement for reasons other than a renewal, the contract manager will perform the following activities:

- A. Meet with Supplier to determine the scope of the amendment and the areas/sections of the agreement that will have to be modified, and/or additional areas/section added to the agreement.
- B. Forward the recommended changes to their supervisor for review and approval.
- C. Once approved, draft the proposed amendment and then forward to the Alliance legal counsel and copy the supervisor for review and approval.
- D. Once the amendment is approved, Alliance legal counsel will send the amendment to the Supplier for signature.
- E. While waiting on the amendment to be signed by the Supplier, prepare the "UT System Contract Processing Checklist" and other required processing documents: (see References below).
- F. Once the amendment is signed and received from the Supplier, Alliance legal counsel will route the signed amendment, along with the UT System Contract Processing Checklist and other required documents to the UT System Executive Vice Chancellor of Business Affairs for contract execution.
- E. Once the Amendment is fully executed, the contract manager will file the amendment in the electronic contract file and update the file status, as applicable.

## 4. Contract Closeout

Within ten (10) days from the expiration or termination of an agreement, the contract manager will, at a minimum, conduct the following activities:

- Update the UTSSCA contract portfolio list and communicate the contract expiration or termination to all participating institutions.
- Update the status of the contract in the electronic contract file system to “expired” or “inactive,” as appropriate.
- Survey the participating institutions for feedback on the supplier and their performance under the agreement.
- Identify any outstanding liabilities that exist for the supplier or participating institutions.

#### EXCEPTIONS

There will be no exceptions unless by formal addendum to this procedure or other formal written exception by the Director.

#### REFERENCES

UT System Contract Processing Checklist can be found at: <http://www.utsystem.edu/documents/docs/bidding-and-contracts/contract-processing-checklist>.

### **Appendix 20- Attachment 1 Contract Renewal Assessment Form**

1. Contract Number: \_\_\_\_\_

2. Supplier Name: \_\_\_\_\_

3. Type of Agreement:

\_\_\_\_\_ Addendum to GPO

\_\_\_\_\_ Alliance Preferred Supplier Agreement (PSA)

\_\_\_\_\_ Price Agreement

4. Description of Good/Services:

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5. Projected Annual Spend: \$ \_\_\_\_\_

6. Projected Annual Admin Fees: \$ \_\_\_\_\_

7. Benefits/Value: *(please explain)*

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---

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8. Number of Participating Institutions: \_\_\_\_\_

9. Competitive Market: \_\_\_\_\_ Yes \_\_\_\_\_ No

If no, explain:

---

---

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10. Are Subject Matter Experts (SMEs) available: \_\_\_\_ Yes \_\_\_\_ No

11. Supplier's Performance: \_\_\_\_ Outstanding \_\_\_\_ Satisfactory \_\_\_\_ Marginal

Other Considerations (please attach summary detail):

- How does actual annual spend compare to what was originally estimated?
- Have there been any significant technological advances since contract award?
- Have new competitors entered the market since the original agreement was executed?
- Is the supplier still considered an innovative industry leader, or has the competition caught up with them?
- Has the financial standing of the organization worsened, or has their ownership structure changed?
- Are there foreseeable changes in the industry or with Alliance demand that will impact the scope of the opportunity?
- Does current state support the administrative fee percentage that was part of the original award?
- Are additional rebate or incentives warranted?

Recommendation:

In consideration of the above material facts, it is recommended that the SSG proceed in the following manner:

\_\_\_\_ Move forward with renewal

\_\_\_\_ Do not proceed with renewal

Submitted by: \_\_\_\_\_

Signature/Title

\_\_\_\_\_  
Date

Reviewed by: \_\_\_\_\_

Manager, Contracts

\_\_\_\_\_  
Date

Approved by: \_\_\_\_\_

Associate Director Sourcing & Contracts

\_\_\_\_\_  
Date



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SUPPLY CHAIN ALLIANCE

# GUIDELINES FOR MANAGEMENT OF THE ADMINISTRATIVE FEES PROCESS



## INTRODUCTION: GUIDELINES FOR MANAGEMENT OF THE ADMINISTRATIVE FEES PROCESS

### PURPOSE

These guidelines are established to ensure accurate reporting, validation and distribution of administrative fees, generated by The University of Texas System Supply Chain Alliance (UTSSCA).

### TARGET AUDIENCE

These Guidelines are applicable to, but is not limited to, all Strategic Sourcing Group (SSG) staff members, and institutional participants.

### DEFINITIONS

**Admin Fee Administrator (Administrator):** The person who assists in the management of the admin fee process

**Administrative Fee Reconciliation:** Agreeing the administrative fee revenue reported within the PeopleSoft general ledger system to the administrative fee revenue reported by the suppliers.

**Affiliates:** Affiliates are non-UT System entities that have been approved to participate in Alliance contracts and other designated activities.

**Attestation:** Process whereby participating institutions examine and review the validity of data presented in spend reports provided by the suppliers.

**Contract Manager:** The person who maintains and has overall responsibility of the SSG and supplier relationship. (e.g., Sourcing Specialist, Contract Manager)

**Digital Worker:** Robotics worker that processes the spend reports sent to participating institutions for validation.

**Finance Manager:** The person who owns and has overall responsibility for the entire admin fee process. This person performs administrative fee transaction reviews and reconciliations (e.g., Program Manager, Supply Chain-Finance).

**Preferred Supplier (PSA):** Suppliers that are selected for enhanced reporting and validation based on a risk-based analysis conducted by the SSG.

**Risk Based Approach:** The process used by the Alliance to ensure limited resources are focused on the PSA that aggregate, majority of the administrative fees current consideration (ninety) 90% of the SSG admin fees.

### GUIDELINES

#### ADMINISTRATIVE FEE PROCESS

Each Alliance agreement with a supplier specifies whether an administrative fee is required as part of the contractual relationship. These Guidelines are only applicable to Alliance contracts that have an admin fee provision, and does not refer to those contracts that are through Premier.

## 1.0 Contract Manager

- 1.1. Once a contract is executed, the Contract Manager will distribute to the supplier bank remittance information detailing how and where administrative fee payments will be made. See Payment Instructions-Sample (see Attachment 1)
- 1.2. The Contract Manager will send an email communication to the Administrator and Finance Manager that provides contract details to include, at a minimum: supplier name, the admin fees percentage, rebates/incentives, contract owner, and supplier contact information. (see Attachment 2)
- 1.3. The Contract Manager has overall responsibility for the supplier relationship and monitoring supplier performance. Accordingly, the Contract Manager should work closely with the Administrator and Finance Manager to ensure that the supplier is correctly reporting and remitting payment as required.

## 2.0 Admin Fee Administrator (Administrator)

The Administrator provides assistance in the overall management for the Admin Fee Process ensuring that contact lists, reporting templates, and related materials are maintained, updated and distributed to SSG and supplier personnel, as appropriate. Specific duties and responsibilities of the Administrator include, but are not limited to the following:

- 2.1 Maintain a directory and communicate to SSG personnel new contact information or changes to contact information received by the SSG from the suppliers or the institutions.
- 2.2 Process spend data reports received from suppliers. This includes:
  - 2.2.1 Vendor spend data reports are due no later than 30 days following end of calendar year quarter (*January, April, July, October*). The Administrator will initiate the process by sending an email reminder to all vendors by the 15<sup>th</sup> day of the month preceding the due date month.
  - 2.2.2 Suppliers will send spend report processing via email to [UTSSCAinfo@mdanderson.org](mailto:UTSSCAinfo@mdanderson.org) for Non-PSA suppliers and [UTSSCAAdminFeeMgmt@mdanderson.org](mailto:UTSSCAAdminFeeMgmt@mdanderson.org) for PSA.
  - 2.2.3 As spend reports are received, the Administrator will move and save received files under the original vendor folder of the respective fiscal year and quarter.
  - 2.2.4 The Administrator will review the files received and will save all files in a standard format. In addition, the Administrator will undertake an initial review of the supplier reports to look at variances or omissions and request corrections.  
If no issues exists, the reviewed and standardized files will be moved to a “completed” folder under each corresponding year and quarter; also created by the administrator  
If errors exist, the Administrator will follow up with the suppliers for corrected files.

## 3.0 Admin Fee Automation (Preferred Supplier).

### 3.1 Guidelines for Preferred Suppliers

- 3.1.1 Preferred Supplier will complete the quarterly spend report according to the template provided; see template on page 3.

	A	B	C	D	E	F	G	H	I	J	K	L
1	Reporting year	Step 1	Input the reporting year and Qtr.									
2	Reporting Quarter	Step 2										
3												
4	Contract Number	Contract Supplier (Admin Fee)	Supplier Name	HUB	Institution Agency Code <small>(Look up function based on Institution Name)</small>	Institution Name	Product Description	Transaction Date <small>(mm/dd/yyyy)</small>	Total Spend	Admin Fee %	Admin Fee Generated	Invoice Number
5	Step 3											
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												

3.1.2 The completed report must be emailed to: [UTSSCAAdminFeeMgt@MDanderson.org](mailto:UTSSCAAdminFeeMgt@MDanderson.org) within thirty (30) days following the end of the calendar quarter per the schedule below:

Q1 - April 30, Q2 - July 31, Q3 - October 31, Q4 - January 31

3.1.3 The preferred supplier will fully cooperate with each institution that contacts them regarding a discrepancy in the reported spend. Changes agreed upon by preferred supplier and the institution will be reported during the next quarterly reporting cycle.

## 3.2 Guidelines for the Administrator

3.2.1 Within ten (10) days following the spend report submittal deadline, the Administrator will ensure that Supplier Spend Files have been received in the mailbox and properly submitted in conformance to the template completion instructions (see Attachment 3, "RPA Supplier Instruction Presentation.ppt")

Process spend data reports received from suppliers. This includes: Ongoing SSG Admin Fee Administrator responsibilities for the designated Admin Fee administrator include:

- Keep all templates current  
*BOX:\Admin Fee Automation\Template & Tables*
- Process spend data reports received from suppliers. This includes: Keep all outgoing mailing lists to the institutions current  
*BOX:\Admin Fee Automation\Template & Tables*
- Process spend data reports received from suppliers. This includes: Keep letter template to institutions current  
*Check periodically for relevance and accuracy*
- Process spend data reports received from suppliers. This includes:
  - Validate that the digital worker executes the automation program correctly to include the checking of the outlook mailbox for notification of "failed execution"; checking the BOX.com folders for output files (e.g., consolidated report, institution consolidated spend report)
  - Process spend data reports received from suppliers. This includes: Available to review the process with Suppliers and Orient New Suppliers

*BOX:\Admin Fee Automation\Template & Tables\Vendor Training Documents*

3.2.2 At a minimum, the Administrator will:

a. Check to ensure that the file attachments and the Subject fields are named the same as specified in the template instructions. ex: "Contract Number Supplier Quarter and Year - UTSSCA2017SupplierNameQ2 2019"

a.1 If attachments and subject fields are named correctly go to b

a.2 If there is a naming convention issue send an email to the supplier requesting another file using the naming guidelines from page 4 and 9 of the "RPA Supplier Instruction Presentation.ppt"

b. Check to ensure that all eleven fields within the file are named as specified in the template

b.1 If all field names match the specified template go to c

b.2 If there are field names outside the template guidelines, send an email to the supplier requesting another file with the specified template field names

c. Check to ensure that data has been populated in all eleven fields

c.1 If all fields have data go to d

c.2 If a field or fields are missing data, send an email to the supplier requesting another file with data populating each field

d. Check to ensure that relevant data has been populated in all eleven fields (ex: date fields are dates, currency fields are numeric)

d.1 If all data in spend file is relevant go to 1.3

d.2 If a field has non-relevant data, reply back to supplier asking for a spend file with relevant data to the fields

e. Create the Yearly Quarter folder (ex: 2019 Q2) under each of the following Folders

BOX:\Admin Fee Automation\Vendor Emails Received Quarterly\2019 Q2 (ex: folder)

BOX:\Admin Fee Automation\Completed Compiled Quarterly Supplier Spend Data Summary Files\2019 Q2 (ex: folder)

BOX:\Admin Fee Automation\Completed Institution Spend Files to be emailed for review\2019 Q2 (ex: folder)

3.2.3 Upon a positive file review, manually move the RPA ready supplier submitted spend files to the BOX location.

**BOX:\Admin Fee Automation\Vendor Emails Received Quarterly\2019 Q2 (example folder)**

3.3 Digital Worker (Preferred Suppliers):

The following set of activities will be executed by the Digital Worker:

- a. The Automation is scheduled to run on the 15<sup>th</sup> day of the month (after the file submittal deadline e.g., Q1, May 15<sup>th</sup>).
- b. Key activities of the Digital Worker include:
  - Open the vendor/supplier Excel file, and begin moving data creating a compiled/composite excel file containing all supplier data for all institutions.
  - Create a spend report (an individual excel workbooks for each institution)
  - Send an email with current quarter spend report to the institution's contacts.

***Note: Email address, P.XIAPBPBPPRTEST0.1@xe04.ey.com is an outgoing only, and is not monitored***

### 3.4 Manual Process (All other suppliers).

- 3.4.1 As files are received the Administrator will review and convert reports received to the standard template format. Complete files are moved to the completed folder.
- 3.4.2 As spend reports are finalized generated spend and admin fees are reported, the Administrator will update the amounts in the quarterly spend data tracking file where they will be reconciled
- 3.4.3 Check the [UTSSCAinfo@mdanderson.org](mailto:UTSSCAinfo@mdanderson.org) to ensure that all UT System institutions have completed and submitted their Attestation form each quarter. The Administrator will issue a report submitted to the Finance Manager and Director of the Alliance identifying any institution that has not submitted its Attestation.

### 4.0 Finance Manager

This person performs administrative fee transaction reviews and reconciliations

- 4.1 The quarterly tracking file with reported spend and administrative fees generated will be updated concurrently as files are processed by the Administrator. See [Quarterly Spend Data Tracking](#)
- 4.2 All files processed and validated by the administrator files will be saved under the completed folder in each respective fiscal year and quarter.
- 4.3 The Finance Manager will reconcile and validate that expected amounts reported by the administrator match to what is sent via EFT or Check.
- 4.4 Suppliers will send admin fee payments to bank account provided after the execution of the contract. Per the [Payment Instructions \(ref. Section 1.1, above\)](#)
- 4.5 As spend reports are received and the quarterly tracking file is updated by the Administrator. The Finance Manager will:
  - Review the amounts and update the tracking report with amounts received by treasury.
  - Payment detail (date and amount received) will be updated in the quarterly spend data tracking report
  - Liaison with treasury and will ensure timely posting of payments received to general ledger.
- 4.6 The Finance Manager will follow up with the suppliers on any missing information and/or variance. (e.g., missing spend reports, payments and/or variances between administrative fees reported by suppliers and amount received by treasury)

---

## ATTESTATION

### 5.0 Guidelines for Institutions (UT System):

- 5.1 By the 60<sup>th</sup> day following the end of each calendar quarter an automated (Digital Worker generated) email will be sent to each institution that has spend with one or more of the selected preferred suppliers (see Sample email and spend report-Attachment 4).
- 5.2 Each institution will provide the Administrator the name and email address of a primary and secondary individual who will be sent the spend report.
- 5.3 Each institution is responsible to keep the Administrator updated of any changes to the named individuals.
- 5.4 Each institution's Chief Procurement Officer (CPO) will be the responsible party to review and validate the preferred supplier's reported spend and to have any discrepancies corrected with the preferred supplier.
- 5.5 Once a discrepancy has been resolved, the institution will notify the Administrator of the changes that will be reported by the Preferred Supplier during the next quarterly reporting period.
- 5.6 Within thirty (30) after receipt of the spend report, the institution will have completed its review and validation process, the CPO will sign and return the Attestation form (Attachment 5). Completed forms will be sent to [UTSSCAinfo@mdanderson.org](mailto:UTSSCAinfo@mdanderson.org)

- 5.7 For Attestation purposes the vendor spend report will be considered materially accurate if the each preferred supplier variance is plus/minus 10%.

#### **6.0 Guidelines for Affiliates:**

- 6.1 On periodic basis an attestation form and a summary of spend reported by the preferred supplier's will be sent to affiliate institutions for review and validation. The selection of affiliates required to attest will be based on a random sample of the top admin fee generating institutions. The Finance Manager will notify the Director of the Alliance which affiliates were selected. *Affiliate institutions are not required to respond to the inquiry.*
- 6.2 If an institution chooses to respond attesting to the admin fee generated the completed and signed attestation forms will be sent to [UTSSCAinfo@mdanderson.org](mailto:UTSSCAinfo@mdanderson.org)
- 6.3 If any discrepancies exist, each individual affiliate institution is responsible for correcting discrepancies with the suppliers.
- 6.4 Once a discrepancy has been resolved, the institution will notify the Administrator of the changes that are to be reported by the supplier during the next reporting period.
- 6.5 For Attestation purposes the vendor spend, report will be considered materially accurate if the each preferred supplier variance is plus/minus 10%.

---

#### **DISTRIBUTIONS:**

- 7.1 The distributions to the participating institutions are made in the first quarter of the fiscal year for the previous fiscal year.
- 7.2 The Finance Manager will prepare the distribution report outlining fiscal year total spend and administrative fees generated by institution.
- 7.3 The Administrative Fee distribution to institutions is the greater of 50% of the current year excess Administrative Fees after being adjusted for the operating expenses (Salary & Wages) of the Office of Collaborative Business Services (OCBS) or the Administrative Fees distributed in the immediately preceding fiscal year. This is in-turn allocated to each institution on a pro-rata basis of the administrative fees generated.
- 7.4 Once the administrative fee distribution is approved and signed off by the Executive Vice Chancellor of Business Affairs and Associate Vice Chancellor, the Finance Manager will request payment through accounting to distribute the administrative fees to the institutions.
- 7.5 For the UT System institutions, the Finance Manager will send an email to each Chief Procurement Officer (CPO) with the details of the distribution amount. For the affiliate institutions, an email with the details will be sent to the designated contact person.

***Note: if affiliate distribution is less than \$150, the amount will be held for distribution until the total distribution reaches \$250***

April 8, 2016, in force until changed by the Treasurer

The preferred method of receipts from organizations (Non-UT) is via Electronic Fund Transfers (i.e. Wire Transfers or Automatic Clearing House).

The wiring instructions for electronic receipts to The University of Texas MD Anderson Cancer Center are provided below:

JPMorgan Chase Bank, N.A.  
707 Travis  
Houston, TX 77002

SWIFT: **CHASUS33** (used for international wires)  
ABA ROUTING NO: **021000021** (used for domestic wires)  
ABA ROUTING NO: **111000614** (used for domestic Automatic Clearing House)  
ACCOUNT NAME: Univ. of Texas M. D. Anderson Cancer Center  
ACCOUNT NO.: **1586838979**  
REFERENCE: *Note: Please specify: **UTSSCA 600861.107166***

The MD Anderson Treasury Services and Operations Department may be contacted at (713) 745-9580 or [treasuryservices@mdanderson.org](mailto:treasuryservices@mdanderson.org) for assistance.

Approved:

**Brad Gibson**  
*Vice President, Revenue Cycle & Treasurer*

**Edward Bellay**  
*Director, Treasury Services and Operations*



SUPPLY CHAIN ALLIANCE  
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*Creating Value Through Collaboration*

It is the preference of UT MD Anderson Cancer Center that all payments be made via ETF. Enclosed are instructions for making electronic payments. However, payments made via check should be sent to the address below based on delivery method.

**All payments must include the following reference notation:**

**UTSSCA 600861.107166**

**Mailing address:**

**Checks Sent Via Regular USPS Mail**

The University of Texas M.D. Anderson Cancer Center  
P.O. Box 4390  
Houston, TX 77210-4390

**Checks Sent Via Courier Service (Such as FedEx, UPS, etc.)**

JPMorgan Chase (TX1-0029)  
The University of Texas M.D. Anderson Cancer Center/P.O. Box 4390  
14800 Frye Rd.  
Fort Worth, TX 76155



## Supplier Information



Category/Commodity:

Preferred Supplier Name:

Contract NO.

Brief Description

Effective Date: (MM/DD/YY)

Expiration Date: (MM/DD/YY)

Option to  
Extend:☐ Yes☐ No

Additional Information:

Hub Supplier:

☐ Yes☐ No

Spend Report Required:

☐ Yes☐ No

Admin Fee(s):

☐ Yes☐ No

If Yes, Admin Fee %:

Incentive:

☐ Yes☐ No

Type of Incentive:

Payable to

SSG  
Institution

Business Review:

Supplier Contact: Name

Supplier Contact: Title

Supplier Contact Phone  
Number: (xxx) xxx-xxxx

Supplier Contact: Email

Submit



THE UNIVERSITY *of* TEXAS SYSTEM  
**Collaborative**  
BUSINESS SERVICES

## **New Requirements for Contract Spend Reporting**

**Jason Stanford**

**Associate Director, Sourcing & Contract Management**

**Jeff Bonnardel**

**Director, Business Administration for Collaborative Business Services**

**June 14, 2019**



THE UNIVERSITY *of* TEXAS SYSTEM  
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

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# Agenda

- Purpose and overview
- Completing the worksheet template
- Submitting the report
- Next Steps



# Purpose and Overview

- New requirements for contract spend reporting will allow the Alliance to automate the consolidation of spend data submissions and the production of reports to ensure that UT System institutions reconcile and attest the contract spend as reported by each of the preferred suppliers.
- This will require preferred suppliers to follow a new standard submittal process.



# Completing the worksheet template

- File Name: Contract # Supplier Name Q\_ Year
  - e.g.UTSCCA1234 Acme Q1 2019
- Step 1: Fill-in Reporting Year (calendar year; i.e., 2019)
- Step 2: Fill in Reporting Quarter (calendar quarter; i.e., Q1)
- Step 3: Begin populating the report on Row 5 of the Worksheet

	A	B	C	D	E	F	G	H	I	J	K
1	Reporting year	1									
2	Reporting Quarter	2									
3											
4	Contract Numbr	Contract Supplier (Admin Fee)	Supplier Name	HUB	Institution Agency Code <small>(Look up function based on Institution Name)</small>	Institution Name	Product Description	Transaction Date <small>(mm/dd/yyyy)</small>	Total Spend	Admin Fee %	Admin Fee Generated
5	3										\$0.00
6											\$0.00
7											\$0.00
8											\$0.00
9											\$0.00
10											\$0.00
11											\$0.00
12											\$0.00
13											\$0.00
14											\$0.00
15											\$0.00
16											\$0.00
17											\$0.00
18											\$0.00
19											\$0.00



# Completing the worksheet template

- The supplier reporting template has been modified to include institution agency codes. Using the agency code will simplify the consolidation of supplier spend data reports. If the correct Institution Name is reported in column F, then the Institution Agency Code will automatically populate in column E.

1	A	B	C	D	E	F	G	H	I	J	K
2	Reporting year										
3	Reporting Quarter										
4	Contract Numbr	Contract Supplier (Admin Fee)	Supplier Name	HUB	Institution Agency Code (Look up function based on Institution Name)	Institution Name	Product Description	Transaction Date (mm/dd/yyyy)	Total Spend	Admin Fee %	Admin Fee Generated
5					737	Angelo State University					\$0.00
6											\$0.00
7											\$0.00
8											\$0.00
9											\$0.00
10											\$0.00
11											\$0.00
12											\$0.00
13											\$0.00
14											\$0.00
15											\$0.00
16											\$0.00
17											\$0.00
18											\$0.00
19											\$0.00



# Completing the worksheet template

- When entering the Institution Name, please check the institution name in TAB 2, Institution Crosswalk. If the correct Institution Name is used, the Institution Agency Code will automatically populate.

A	B	C	D	E	F	G	H	I	J	K	
1	Reporting year										
2	Reporting Quarter										
3											
4	Contract Numbr	Contract Supplier (Admin Fee)	Supplier Name	HUB	Institution Agency Code <small>(Look up function based on Institution Name)</small>	Institution Name	Product Description	Transaction Date <small>(mm/dd/yyyy)</small>	Total Spend	Admin Fee %	Admin Fee Generated
5											\$0.00
6											\$0.00
7											\$0.00
8											\$0.00
9											\$0.00
10											\$0.00
11											\$0.00
12											\$0.00
13											\$0.00
14											\$0.00
15											\$0.00
16											\$0.00
17											\$0.00
18											\$0.00
19											\$0.00
20											\$0.00
45											

Supplier Reporting Template

Institution Crosswalk



# Completing the worksheet template

- The first column of the Institution Crosswalk contains the correct name to be used in the Institution Name column in the quarterly spend report template .

UTSSCA Participating Vendor Crosswalk		Agency Code
Institution Name	Other Possible Names for Institutions	
Angelo State University		737
Texas A&M University Prairie View	Prairie View A&M University	715
Stephen F Austin State University	Stephen F. Austin State University	755
Texas A&M University Tarleton State University	Tarleton State University	713
Texas A&M AgriLife Extension Service	Texas A&M AgriLife Extension Service	555
Texas A&M AgriLife Research	Texas A&M AgriLife Research	556
Texas A&M University International		761
Texas A&M University Laredo	Part of Texas A&M University International	761
Texas A&M Transportation Institute	Texas A&M Transportation Institute	727
Texas A&M University Central Texas	Texas A&M University - Central Texas	770
Texas A&M University Commerce	Texas A&M University - Commerce	751
Texas A&M University Corpus Christi	Texas A&M University - Corpus Christi	760
Texas A&M University Kingsville	Texas A&M University - Kingsville	732
Texas A&M University Texarkana	Texas A&M University - Texarkana	764
Texas A&M University College Station	Texas A&M University (Main University)	711
Texas A&M University Galveston	Texas A&M University at Galveston	718
Texas A&M University San Antonio	Texas A&M University at San Antonio	749
Texas A&M University System		710





# Completing the worksheet template

- The second column of the Institution Crosswalk contains other possible names for many of the institutions. The institution name used in the quarterly spend report must match the names as presented in the first column of the crosswalk for the agency code to populate correctly.

UTSSCA Participating Vendor Crosswalk		Agency Code
Institution Name	Other Possible Names for Institutions	
Angelo State University		737
Texas A&M University Prairie View	Prairie View A&M University	715
Stephen F Austin State University	Stephen F. Austin State University	755
Texas A&M University Tarleton State University	Tarleton State University	713
Texas A&M AgriLife Extension Service	Texas A&M AgriLife Extension Service	555
Texas A&M AgriLife Research	Texas A&M AgriLife Research	556
Texas A&M University International		761
Texas A&M University Laredo	Part of Texas A&M University International	761
Texas A&M Transportation Institute	Texas A&M Transportation Institute	727
Texas A&M University Central Texas	Texas A&M University - Central Texas	770
Texas A&M University Commerce	Texas A&M University - Commerce	751
Texas A&M University Corpus Christi	Texas A&M University - Corpus Christi	760
Texas A&M University Kingsville	Texas A&M University - Kingsville	732
Texas A&M University Texarkana	Texas A&M University - Texarkana	764
Texas A&M University College Station	Texas A&M University (Main University)	711
Texas A&M University Galveston	Texas A&M University at Galveston	718
Texas A&M University San Antonio	Texas A&M University at San Antonio	749
Texas A&M University System		710



# Submitting the Report

- When to submit: Contract terms specify that spend data and payment be submitted by the 30<sup>th</sup> day following the end of each calendar quarter.
- Where to submit: via email to [utsscaadminfeemgmt@mdanderson.org](mailto:utsscaadminfeemgmt@mdanderson.org)
- Email Subject Line: Contract # Supplier Name Q\_ Year
  - e.g.UTSCCA1234 Acme Q1 2019



# Next Steps

- The official launch of the new format will be August 15, 2019, with a test submittal occurring in July to help mitigate any issues.
- Submit test file by July 10<sup>th</sup>
- Prepare April and May 2019 data for test file



# Q & A

1. Does the report need to include transaction or line detail? Line detail.
2. How detailed should the product description be? However it is generated from your system.
3. Does the template cell “Reporting Year” refer to calendar year, or fiscal year? It refers to calendar year.
4. Can the email receive zip files? Yes.
5. Can I add supplemental sheets within the workbook? Yes, but **sheets must be located at the end of the workbook, after the institutional crosswalk**. Due to the parameters in the automation, it is set to pick up information in the first sheet and second sheet.
6. Can I add columns? **Do not add columns in the template or institutional crosswalk, as it will disrupt the automation. Do not add rows above row 5 for the same reason.**
7. For the test submission that is due by July 10<sup>th</sup>, may I include the full quarter if ready? Yes.



**From:** P.XIAPBPPRTEST0.1@xe04.ey.com  
**To:** [Bonnardel.Jeffery.A](mailto:Bonnardel.Jeffery.A@ey.com); [farhan.mandani@ey.com](mailto:farhan.mandani@ey.com)  
**Subject:** [EXT] Quarterly Administrative Fee Spend Report  
**Date:** Tuesday, May 7, 2019 9:18:38 AM  
**Attachments:** [UT Permian Basin 2019 Q1 Supplier Reported Spend Data.xlsm](#)

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**WARNING:** This email originated from outside of MD Anderson. Please validate the sender's email address before clicking on links or attachments as they may not be safe.

Good morning,

Please find attached the Quarterly Administrative Fee Spend Report. This report reflects your institution's on-contract spend reported by Alliance Preferred Suppliers for this past calendar quarter.

Direct any questions or concerns regarding this report to the Alliance's Administrative Fee Coordinator at [utsscainfo@mdanderson.org](mailto:utsscainfo@mdanderson.org).

Best Regards,

Alliance Strategic Services Group

UT Permian Basin

2019

Q1

Sum of Spend w/out Adj		Transaction Month				
Contract Number	Contract Supplier(Admin Fee)	-	1.00	2.00	3.00	Grand Total
UTSSCA4413	Enterprise		2,652.74	5,832.94	3,967.83	12453.51
UTSSCA5414	Iron Mountain	-				0
UTSSCA8016	Grainger			47,195.91		47195.91
Grand Total		-	2,652.74	53,028.85	3,967.83	59649.42

Count of Spend w/out Adj		Transaction Month				
Contract Number	Contract Supplier(Admin Fee)	-	1.00	2.00	3.00	Grand Total
UTSSCA4413	Enterprise		1.00	1.00	1.00	3.00
UTSSCA5414	Iron Mountain	-				-
UTSSCA8016	Grainger			3.00		3.00
Grand Total		-	1.00	4.00	1.00	6.00

Sum of Spend Adjustments		Transaction Month				
Contract Number	Contract Supplier(Admin Fee)	-	1.00	2.00	3.00	Grand Total
UTSSCA4413	Enterprise		-	-	-	-
UTSSCA5414	Iron Mountain	-				-
UTSSCA8016	Grainger			-		-
Grand Total		-	-	-	-	-

Count of Spend Adjustments		Transaction Month				
Contract Number	Contract Supplier(Admin Fee)	-	1.00	2.00	3.00	Grand Total
UTSSCA4413	Enterprise		-	-	-	-
UTSSCA5414	Iron Mountain	-				-
UTSSCA8016	Grainger			-		-
Grand Total		-	-	-	-	-

Reporting year 2019  
Reporting Quarter Q1

Indicates formulas in template  
these should be copied to all rows with data

Contract Number	Contract Supplier (Admin Fee)	Supplier Name	HUB	Institution	Product Description	Purchase Order #	Transaction Date (mm/dd/yyyy)	Total Spend	Transaction Month	Reporting year	Reporting Quarter	Spend w/out Adj	Spend Adjustments
UTSSCA4413	Enterprise	Enterprise	N	UT Permian Basin			1/1/1900	2,652.74	1	2019	Q1	\$ 2,652.74	
UTSSCA4413	Enterprise	Enterprise	N	UT Permian Basin			1/3/1900	3,967.83	3	2019	Q1	\$ 3,967.83	
UTSSCA4413	Enterprise	Enterprise	N	UT Permian Basin			1/2/1900	5,832.94	2	2019	Q1	\$ 5,832.94	
UTSSCA5414	Iron Mountain	Iron Mountain	N	UT Permian Basin					0	2019	Q1		
UTSSCA8016	Grainger	Burgoon	Y	UT Permian Basin			2/19/2019	14,406.03	2	2019	Q1	\$ 14,406.03	
UTSSCA8016	Grainger	Burgoon	Y	UT Permian Basin			2/22/2019	26,988.36	2	2019	Q1	\$ 26,988.36	
UTSSCA8016	Grainger	Burgoon	Y	UT Permian Basin			2/25/2019	5,801.52	2	2019	Q1	\$ 5,801.52	

## APPENDIX 22

### Contract Processing Guidelines

All Alliance contracts are signed by the UT System Executive Vice Chancellor for Business Affairs or a duly authorized delegate, pursuant to Regents' Rule 10501.

Only contractor's employees authorized to bind the contractor to contract terms may sign the contract on behalf of the contractor.

Prior to submittal of contracts for signature, the contract manager must adhere with the guidelines in this APPENDIX 22.

#### All New Contracts & Amendments

Required Documents	Notes
UT System Business Affairs Contract Processing Checklist	<a href="https://www.utsystem.edu/documents/docs/general-documents/2019/contract-processing-checklist">https://www.utsystem.edu/documents/docs/general-documents/2019/contract-processing-checklist</a>
1295 Form	Required only if the contract value is over \$1M and the company is not publically traded.
LBB Attestation Letter	Required only if the total contract value is over \$10M, or an EAJ over \$1M.
GPO Contract Submittal Form	Required only if the contract value is over \$3M. <a href="https://www.utsystem.edu/documents/docs/bidding-and-contracts/ut-system-executive-vice-chancellor-business-affairs-contract">https://www.utsystem.edu/documents/docs/bidding-and-contracts/ut-system-executive-vice-chancellor-business-affairs-contract</a>
UTSSCA Director's Approval of Contract Business Terms	
Nepotism Disclosure Forms	Required only if the total contract value exceeds \$1M.
Vendor Debarment Checks	Must be conducted no more than 7 days prior to contract execution. <b>Note: Vendor debarment checks are not required for processing amendments.</b>
Complete RFP Documents	Include RFP, Pricing Schedule, Survey, HSP, Addendums, etc. (This is the original RFP that was advertised, NOT the awarded proposal)
Contract Risk Assessment	
Contract Monitoring Plan	
After Contract is Executed	
Once the contract is executed, send the Preferred Supplier UT System's "W-9" and "Instructions for Supplier Payments to UT System" documentation	

#### IT Contracts (In addition to the items above, Information Technology contracts also require the items below)

Required Documents	Notes
CIO review and approval	At present, Marg Knox provides CIO review and approval.
UT System Information Security Review/Approval	
EIR Accessibility / VPAT Review	
Accounting and Purchasing Services Questionnaire	Only required if the purchase or development of software is valued at \$100,000 or more.



## APPENDIX 23 Pre-Award Term Sheet (Worksheet)

### TEMPLATE FOR DRAFTING A NON-BINDING TERM SHEET

*(In preparing any draft term sheet based on the template below, the drafter should include, with assistance from Alliance legal counsel, all the key business terms to be agreed upon in concept, before formal contract documents are prepared. The template below includes sample business terms only. Particular terms to be included in each case will depend on the details of the particular transaction and should take into account Preferred Supplier's redlines to Alliance agreement templates that were embedded in the Alliance's RFP.)*

**UT SYSTEM – [insert name of Preferred Supplier] MASTER AGREEMENT FOR  
\_\_\_\_\_ [identify products or services] –  
NON-BINDING TERM SHEET OF KEY BUSINESS POINTS FOR DISCUSSION**

Business Point	UT Position	Comments by Preferred Supplier
Overall Structure	<ul style="list-style-type: none"><li>• UT System and [insert supplier's name] (Preferred Supplier) would sign a master agreement, which would contain a Scope of Work (SOW) providing a general overview of Preferred Supplier's services.</li><li>• Institutional Participants (both Alliance members and affiliates) would opt in by signing an Institutional Participation Agreement (IPA), agreeing to be bound by the master agreement.</li><li>• Institutional Participants and Preferred Supplier would sign a specific Engagement Letter in advance of each engagement, using a prescribed form, specifying:<ul style="list-style-type: none"><li>○ Project overview and objectives</li><li>○ Detailed description of services</li><li>○ Project work plan and key deliverables</li><li>○ Timing for commencement and completion</li><li>○ Staffing, including job categories, roles and responsibilities, and estimated hours</li><li>○ Engagement fees, including total project cost, with a breakdown for each key deliverable</li><li>○ Detailed payment schedule, tying compensation, to the maximum extent possible, to achievement of specific deliverables, rather than providing solely for time &amp; materials compensation.</li><li>○ Institutional Participant's responsibilities, tasks, personnel, and other resources to be provided in association with the Engagement Letter.</li><li>○ HUB Subcontracting Plan, approved by the appropriate HUB office, if the project likely will involve charges of \$100K or more.</li></ul></li></ul>	

Business Point	UT Position	Comments by Preferred Supplier
	<ul style="list-style-type: none"> <li>○ Whether the project will involve Preferred Supplier's exposure to personally identifiable Information, including protected health information.</li> <li>○ Incorporation of master agreement's Ts&amp;Cs.</li> <li>• At no additional charge, Preferred Supplier would agree to (a) provide UT System with a copy of each Engagement Letter and a synopsis of related services, in support of UT System's efforts to post the materials on a file-sharing platform accessible by all UT System institutions, and (b) help facilitate detailed discussions among UT System institutions of Preferred Supplier's work, and with the prior consent of affected institutions, the sharing of resulting work product among them.</li> </ul>	
Term – Sect. ____	_____[effective date] thru _____[end date]; UT alone would have the option to extend unilaterally thru _____[renewal end date] on 90 days' written notice.	
Supplier's Charges	<ul style="list-style-type: none"> <li>• Maximum rates would be as listed in <b>Att. ____</b>.</li> <li>• All fee charges by Preferred Supplier to be inclusive of shipping and travel as applicable.</li> <li>• Rates would be firm for first three years of contract; rates would be subject to max. ____% adjustment for any extended term to reflect Preferred Supplier's actual cost increases, as substantiated in writing by Preferred Supplier, and agreed in writing in advance by the UT System Contract Administrator, without the necessity for a formal contract amendment.</li> <li>• Strong preference by UT for deliverables-based, rather than time &amp; materials, charges.</li> <li>• Holdback: unless Institutional Participant and Preferred Supplier expressly agree otherwise in writing, any Engagement Letter involving estimated charges exceeding \$500K would provide for ____% of charges payable to Preferred Supplier to be retained by Institutional Participant, until the services are completed and formally accepted in writing by Institutional Participant.</li> </ul>	
Alliance Admin. Fees	_____% of total net sales; payable quarterly on Preferred Supplier revenue actually received; based on sales reports to be provided by Preferred Supplier; no invoicing by UT; additional fees for late payment.	
Invoicing by Preferred Supplier	State-mandated payment terms of Net 30 (Texas Prompt Payment Act); early payment discount of ____% on invoices paid within ten (10) days of receipt.	
Volume Incentive	_____% cash rebate payable by Preferred Supplier to UT System on any aggregate spend under contract in excess of \$_____M annually (payable only on the excess).	

Business Point	UT Position	Comments by Preferred Supplier
UT System Audit Right – Sect. ____	UT will not accept Preferred Supplier’s proposal to refund only those overcharges that exceed a 10% threshold.	
Insurance Coverage- Sect. ____	Preferred Supplier’s redlines to be discussed by respective experts.	
Indemnities – Sect. ____	Preferred Supplier’s redlines to indemnities to be discussed; not OK with limitation to gross negligence or willful misconduct; no obvious job stoppers.	
HUB – Sect. ____	These provisions are statutorily required, even if Supplier is self-performing.	
Limitations on UT Authority – Sect. ____	Preferred Supplier’s redlines to limitations to be discussed. UT strongly prefers to keep this summary in unaltered, to avoid any misunderstanding about limitations on UT’s authority as a TX state agency to agree on liability caps, etc.	
Termination Rights – Sect. ____	UT is unwilling to provide Preferred Supplier with rights to terminate at will – will explain why.	
Ownership of Work Materials – Sect. ____	PREFERRED SUPPLIER’S REDLINES ON THIS SUBJECT ARE A PROMISING START – but UT needs Preferred Supplier’s review and comments on UT’s standard “work materials” terms in <b>Att. ____</b> to this term sheet. <b>POTENTIAL JOB STOPPER IF CAN’T REACH AGREEMENT ON KEY PRINCIPLES.</b>	
Limitations of Liability – Sect. ____	UT strongly prefers not to have any liability cap, but if included, should be mutual, with higher limits and typical exclusions. Let’s discuss.	
PHI / BAA / GDPR	<ul style="list-style-type: none"> <li>UT’s subject matter experts (SMEs) believe it’s very likely Preferred Supplier would be exposed to PHI in performing under the contract. UT will need to include in the contract UT’s standard System-wide BAA terms – see <b>Att. C</b>. There was a hard-fought internal battle to achieve consensus among UT institutions on these BAA terms.</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>UT’s subject matter experts (SMEs) believe it’s very unlikely Preferred Supplier would be exposed to PHI in performing under the contract. As a result, UT’s standard System-wide BAA terms will not be required.</li> <li>We don’t believe it is necessary to include Ts&amp;Cs governing Supplier’s compliance with the EU’s GDPR rules. As we understand them, these rules would apply only to an EU resident’s personal data provided to Supplier <i>while the resident is physically located in the EU</i>, which we don’t contemplate here. (If Supplier were exposed to an EU resident’s data while the resident is in the US, we understand HIPAA alone would apply.) If you disagree, please advise.</li> </ul>	