

REQUEST FOR PROPOSAL

by

**The University of Texas System,
acting through The University of Texas System Supply Chain Alliance in
collaboration with Premier, Inc.**

for

Selection of a

Premier Contracted Supplier

to provide

Medical Surgical Distribution and Related Services

RFP No. UTS/A68

**Submittal Deadline: January 7, 2018
@ 3:00 PM, CST – Houston Time**

Issued: November 15, 2018

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SECTION 1

INTRODUCTION

1.1 Description of The University of Texas System

The University of Texas System is comprised of System Administration and 14 institutions of higher education with campuses across the State of Texas whose missions are devoted to world class healthcare, teaching, research, and public service (collectively, “**UT System**”). UT System is one of the largest education systems in the United States. With an annual operating budget of \$19 billion, UT System is also one of the largest employers in the State of Texas.

UT System has established The UT System Supply Chain Alliance (the “**Alliance**”) to conduct and coordinate strategic purchasing initiatives across UT System. The Alliance essentially operates as UT System’s own, in-house group purchasing organization. The Alliance is also affiliated with various Texas institutions of higher education. Through collaborative relationships, the Alliance seeks to combine supply chain and contracting activities and obtain best value goods and services while reducing total acquisition costs. The Alliance has created a team of supply chain professionals (the “**Strategic Services Group**”) that has been tasked with executing Alliance purchasing initiatives. The Strategic Services Group assembles a team of subject matter experts (“**SMEs**”) from participating institutions to assist in developing each sourcing event and evaluating suppliers during the procurement process. SMEs are involved from the sourcing event’s inception and work with the Alliance and UT System to select the best value supplier(s).

By participating in this RFP, proposer(s) (collectively, “**Proposer**”) agrees to extend all goods, services and pricing to UT Southwest Medical Center at Dallas, UT Medical Branch at Galveston and UT MD Anderson Cancer Center (collectively, “**Institutional Participant**”). This RFP is being sourced through selected contracted suppliers under agreement with the Premier, Inc., group purchasing organization (“**Premier**”).

1.2 Objective of this Premier Sourced Agreement Request for Proposal

UT System, acting through the Alliance, is soliciting proposals in response to this RFP for selection of a Preferred Supplier(s) to provide medical surgical distribution and related services (“**Med/Surg Distribution**”) as more specifically described herein and in the Proposer’s agreement with Premier. A successful Proposer to whom business may be awarded is referred to in this RFP as the “**Preferred Supplier**.” This RFP is primarily for acute care medical distribution with the exception that UT Medical Branch at Galveston and UT MD Anderson Cancer Center desire is to use the selected acute care distributor to also manage their non-acute/ambulatory location as well.

UT System is seeking the most practical and cost-effective business model to serve the needs of the Institutional Participants. The goal of this RFP is to work toward solutions that will minimize cost, while maintaining or improving current service levels for all participating institutions. UT System is seeking a strategic business alliance that will maximize the resources of both organizations to most effectively serve our patients. Specifically, this RFP process should:

- provide a comprehensive and guaranteed pricing structure for Med/Surg Distribution;
- leverage the aggregate purchasing volumes of Institutional Participants;
- achieve cost savings for Institutional Participants;

- improve overall customer satisfaction; and
- enhance relationships between Preferred Supplier, Institutional Participants, and Premier.

Proposer should realize that what is provided and written in their final proposal submitted to UT System may become part of an amended local agreement to the current Proposer's agreement with Premier for Med/Surg Distribution.

UT System may ask Proposer(s) to provide a formal presentation, prior to contract award, with additional information to SMEs or the Strategic Services Group. UT System may ask to visit Proposer's distribution facilities and/or Proposer's current customers that are of similar in size and scope to Institutional Participants. These presentations and/or site visits will allow Institutional Participants to clarify any technical, quality, or price-based questions that may arise from Proposer's response.

1.3 Agreement Value

UT System estimates the total aggregated spend by Institutional Participants for Med/Surg Distribution to be in excess of \$120 million annually. This estimated aggregate spend is based upon existing contracts and historical spend reports of Institutional Participants and is only an estimate of possible future volume.

SECTION 2 **NOTICE TO PROPOSER and HUB REQUIREMENT**

2.1 Submittal Deadline

UT System will accept proposals submitted in response to this RFP until **3:00 PM**, CST Houston Time, on January 7, 2018 (the "**Submittal Deadline**").

2.2 UT System Contact Persons

Proposers will direct **all** questions or concerns regarding this RFP to **both** the following UT System contact persons (the "**UT System Contacts**"):

Vick Pai
Sourcing Analyst
UT System Supply Chain Alliance
Email: vpai@mdanderson.org

Tina Kuo
Sourcing Specialist
UT System Supply Chain Alliance
Email: tkuo2@mdanderson.org

UT System specifically instructs all interested parties to restrict all contact and questions regarding this RFP to written communications forwarded to the UT System Contacts. The UT System Contacts must receive all final questions or concerns no later than **5:00 PM**, CST Houston Time, on December 4, 2018. UT System will use a reasonable amount of time to respond to questions or concerns. It is UT System's intent to respond to all appropriate questions and concerns.

2.3 Key Events Schedule

Issuance of RFP	November 15, 2018
Onsite institutional visits and tours with Proposers	Completed
Pre-Proposal Submittal Conference Call (Time and Conference Call Information to be Provided)	November 28, 2018,
Deadline for Questions to RFP Requirements	December 4, 2018,
Submittal Deadline	January 7, 2019,
Distribution Center and/or Customer Visits	February 2019
Finalists Interviews and Discussions	March – April 2019
Anticipated Award and Final Negotiations	April – May 2019

IMPORTANT NOTICE: The Key Events Schedule represents many sourcing and contracting activities occurring within a short period of time. Proposer is asked in advance to make the following resources available to expedite the selection and contracting process:

1. Proposer may be required to attend an interview session that includes a face-to-face meeting with an advance notice of no more than one week. The anticipated location of this activity will be Houston, Texas.
2. If selected for contract award, Proposer should have its chief legal and business officers available for commencement of locally negotiated Premier agreement terms within 72 hours of notice of award. Such negotiations may take place face-to-face in order to expedite the contracting phase. The anticipated location of this activity will be Houston, Texas.

Proposer should not underestimate the necessity of complying with the Key Events Schedule and critical activities listed above. UT System reserves the right to revise the Key Events Schedule at any time.

2.4 Historically Underutilized Businesses

A HUB Subcontracting Plan (“HSP”) is required as part of Proposer’s proposal.

The HUB goal and category for this RFP is 26.0 percent – Other Services

The HSP forms are available at:

<https://www.utsystem.edu/offices/historically-underutilized-business/hub-forms>

Once you are on the UT System HUB Forms website, please read the following first, “Guide to Selecting the Appropriate HSP Option.” There are four potential HUB form options available for your submission as part of this RFP requirement.

- **Option 1 - Self-Performing HSP SD (Scope Defined)**

- **Option 2** - Sub-Contracting Opportunities using HUB Sub-Contractors only
- **Option 3** - Sub-Contracting Opportunities using HUB and non-HUB Sub-Contractors but will meet or exceed the HUB participation percentage goal stated in the RFP/ITB
- **Option 4** - Sub-Contracting Opportunities but will not meet the HUB participation percentage goal stated in the RFP/ITB

NOTE: ALL completed and signed forms must be scanned and submitted to the UT System Contacts as part of your RFP response.

Questions regarding the HUB forms and requirements should be directed to:

Cynthia L Booker
 HUB Coordinator
 Office of HUB Programs
 The University of Texas System
 Phone: (409) 772-1353 or (512) 322-3779
cbooker@utsystem.edu

SECTION 3 **SUBMISSION OF PROPOSAL**

3.1 Submission Notice

A complete proposal offer consisting of all elements listed in Section 3.2 must be submitted via email to the UT System Contacts on or before the Submittal Deadline (ref. **Section 2.1**).

UT System will not provide compensation to Proposer for any expenses incurred by Proposer for proposal preparation or for demonstrations or oral presentations that may be made by Proposer, unless otherwise expressly agreed in writing. Proposer submits its proposal at its own risk and expense.

3.2 Submittal Checklist

Proposer is instructed to complete, sign, and email the following documents as a part of its proposal. If Proposer fails to return each of the following items with its proposal, UT System may reject the proposal:

3.2.1 Signed and Completed Pricing Affirmation (ref. Section 4.2).

3.2.2 Responses to Proposer's Questionnaire (ref. attached Proposer's Questionnaire).

Proposers will provide answers to the questions listed in the Proposer's Questionnaire to the best of Proposer's knowledge, as responses may be incorporated into a locally negotiated Premier agreement.

3.2.3 Proposer's Price Schedule (ref. attached Price Schedule Spreadsheet).

3.2.4 Signed and completed copy of the HUB Subcontracting Plan and applicable documents.

**SECTION 4
PRICE SCHEDULE AND AFFIRMATION**

4.1 Price Schedule

Proposer must submit, as part of its proposal, pricing as detailed in the attached Price Schedule. Pricing must be detailed, specific, and completely transparent as to all associated costs to provide Med/Surg Distribution.

4.2 Pricing Affirmation

THE FOLLOWING FORM MUST BE COMPLETED, SIGNED AND SUBMITTED WITH THE PROPOSER'S PROPOSAL.

Proposal of: _____
(Proposer Company Name)

To: The University of Texas System
Ref.: Med/Surg Distribution
RFP No. UTS/A68

Ladies and Gentlemen:

Having carefully examined all the specifications and requirements of this RFP and any attachments thereto, the undersigned proposes to furnish the subject Med/Surg Distribution upon the pricing terms quoted in our response.

The prices quoted in response to this RFP will be Proposer's minimum guaranteed pricing.

Proposer certifies and agrees that all prices proposed in Proposer's proposal have been reviewed and approved by Proposer's executive management.

Respectfully submitted,

By: _____
(Authorized Signature for Proposer)

Name: _____

Title: _____

Date: _____

UTS/A68 – ATTACHMENT A PROPOSER QUESTIONNAIRE

PROPOSER INSTRUCTIONAL NOTE:

In the event that any question or statement in this questionnaire cover or duplicate any standard terms that have been pre-negotiated as part of the Premier National Agreement, Proposer must provide a cross-reference to those standard Premier terms and indicate any enhancements the Proposer is willing to offer above and beyond Premier standard terms or tiers.

1.0 Company Profile

- 1.1 Provide your company's primary and secondary contacts specific for this RFP including name, title, address, telephone number, and email address.
- 1.2 For all individuals, groups, corporations, etc. that holds 25% or greater equity in the company list their name and their percentage (%) held.
- 1.3 Provide any details of all past or pending litigation or claims filed against your company that would affect your company's performance under a Premier localized agreement with UT System.
- 1.4 Has your company, or any of its parents or subsidiaries, ever had a Bankruptcy Petition filed in its name, voluntarily or involuntarily? If yes, specify the date, circumstances, and resolution.
- 1.5 Is your company currently in default on any loan agreement or financing agreement with any bank, financial institution, or other entity? If yes, specify date(s), details, circumstances, and prospects for resolution.
- 1.6 Is your company currently for sale or involved in any transaction to expand or to become acquired by another business entity? If yes, please explain the impact both in organizational and directional terms.
- 1.7 If your company is not publically traded and filed an annual 10-K with the Securities and Exchange Commission, please indicate your company's agreement to provide the company's audited financial statements for the last two (2) years if requested.
- 1.8 Specific to medical surgical distribution for the 'acute care' class of trade, please provide your best estimate of your market share position (for 2017 and 2018) in comparison to your competitors.

2.0 References

- 2.1 Please provide three existing customers (preferably academic medical centers) who can be contacted for a reference related to the products and services described in the RFP. Details should include: a brief outline of the products and services provided, the length of time the products and services have been provided, and a named contact who can be approached for a reference with their contact details. Reference sites should be contacted by your company in advance of their inclusion in the proposal response to ensure they are available to provide a reference.
- 2.2 Please provide two current financial references. List should include company name, mailing address, telephone number, FAX number, contact person, and length of financial relationship.

3.0 Account Management

- 3.1 Please describe demographic information for your company's primary distribution warehouse(s) and network that will service UT institutions. Please include the following at a minimum:
 - Physical location (i.e. address) and proximity to UT system delivery locations.
 - Percent of available capacity for growth as a percentage of total capacity.
 - Please name other healthcare organization of similar in size and scope to UT System locations that are serviced from the distribution location(s).
 - Standard hours of operation including weekends and holidays.
 - Is your distribution location within a known flood plain?
 - Please describe whether the primary location to a UT facility has sustained flood damage which required closure.
- 3.2 Is your transportation fleet owned, outsourced, or a combination of both? If both, please provide percentage breakout of each.
- 3.3 Please provide the name, title, email, and telephone of the senior most corporate executive that will have direct involvement and oversight for contract negotiations and post contract administration.
- 3.4 Provide the name, title, and brief resume of the individual who will assume primary responsibility for the overall contractual relationship with UT System, as well as the individuals who will assume overall responsibility at each UT Institutional location (local and regional).
- 3.5 Describe your account management team structure. Provide a project-staffing plan that identifies all "key" staff members who will be assigned to this account and define their role in supporting the UT institutions. If any personnel will be assigned to other accounts, please advise the percentage of time that they will be dedicated to UT institutions and advise what other accounts the personnel will be supporting. Please also identify any support staff to which UT institutions would have access to.

- 3.6 Identify any staff/personnel resources outside of your company that you typically engage to assist in providing the products and services contemplated under this RFP and the role they would play in supporting UT institutions.
- 3.7 Please provide your company's problem resolution process outlining the escalation path for product or service problems that cannot be properly resolved in the normal course of business. Include an escalation matrix showing the hierarchy of management personnel that will be engaged to progressively resolve critical issues (local and regional).
- 3.8 Describe what support you provide customers in dealing with primary or third party supplier performance and product quality issues.
- 3.9 Describe the routine periodic business review process that you propose to service UT System-wide and individual institutions.

4.0 Analytics, Benchmarking, and Reporting

- 4.1 Describe the analytic tools that are available to help UT institutions (collectively and/or individually) benchmark medical surgical distribution or overall supply chain performance. Include how you will help UT institutions (collectively and/or individually) manage price parity of items purchased within UT System.
- 4.2 Please identify the service engagements your organization could offer to help UT institutions drive cost out of the supply chain. Include any applicable fees.
- 4.3 Please describe your company's ability to report on metrics such as picking accuracy, on-time delivery, fill-rate, and other financial metrics.
- 4.4 Describe the process to propose, implement, manage, and track cost-reduction initiatives.
- 4.5 Describe any continuous, year-over-year, operational cost reduction (FTE, equipment, technology, supply chain, etc.) guarantees your company is willing to provide UT institutions.

5.0 Order Placement and Delivery

- 5.1 What is your delivery guarantee for orders placed by the designated cut-off time?
- 5.2 What is your standard policy for orders placed after the designated cut-off time?
- 5.3 How is purchase order cycle time measured?
- 5.4 What controls do you have in place to flag duplicate purchase orders?
- 5.5 Please describe your process for new supplier set-up and the maximum number of days guarantee to set up.
- 5.6 How do you ensure that all delivery vehicles arrive at the customer's loading dock within the designated delivery window? Please describe the notification process for delayed or late delivery.

- 5.7 How are deliveries to main hospital location(s) and pre-designated drop ship locations managed? Are you willing to provide at no cost, drop shipments that do not meet a pre-agreed performance indicator or service level?
- 5.8 Describe your ability to meet the required delivery schedules (as identified in this RFP).

UT Southwestern

<u>Location</u>	<u>Address</u>	<u>Delivery Days</u>	<u>Delivery Time</u>
William P. Clements University Jr.	6110 Wyche Blvd Dallas Texas 75390	Monday - Friday	7:00PM - 7:30PM
Zale Lipshy Hospital	5151 Harry Hines Blvd Dallas Texas 75390	Monday - Friday	7:30PM - 8:00PM
X Building	4600 Harry Haines Dallas TX 75390	Monday - Friday	8:00AM - 4:30PM
North Campus Dock	5901 Forest Park Rd Dallas TX 75390	Monday - Friday	8:00AM - 4:30PM

UT Medical Branch

<u>Location</u>	<u>Address</u>	<u>Delivery Days</u>	<u>Delivery Time</u>
Logistics Warehouse - Galveston	205 13th Street, Galveston TX 77555	Monday - Friday	6:00AM - 6:30AM
CSW - Galveston	712 Texas Ave, Galveston TX 77555	7 Days	10:30PM - 11:30PM
League City Materials Management	2240 Gulf Fwy S., League City TX 77573	Monday - Friday	5:30AM - 7:00AM
Angleton Danbury Materials Management	132 E. Hospital Dr. Angleton TX 77515	Tuesday - Friday	4:30AM - 6:30AM

UT MD Anderson

<u>Location</u>	<u>Address</u>	<u>Delivery Days</u>	<u>Delivery Time</u>
Sugarland - offsite	1327 Lake Pointe Parkway, Sugarland, Texas	Thursday	8:30AM - 9:30AM
Katy - offsite	19770 Kingsland Blvd., Katy, Texas	Friday	8:30AM - 9:30AM
Woodlands	17450 St. Luke's Way, The Woodlands , Texas	Thursday	8:30AM - 9:30AM
Woodlands	17198 St. Luke's Way, The Woodlands, Texas	Thursday	8:30AM - 9:30AM
West Houston	15021 Katy Freeway	Monday, Tuesday, Thursday	8:30AM - 9:30AM
League City	2280 GULF FWY S, League City Texas	Monday, Wednesday, Friday	8:30AM - 9:30AM
Proton Therapy (The Roc)	1840 Old Spanish Trail (OST), Houston, Texas	Monday	8:30AM - 9:30AM
Moh's	6900 Fannin Street, Houston, Texas	Monday	8:30AM - 9:30AM
Main Hospital (dock)	1515 Holcombe Blvd, Houston, TX 77030	7 Days	9:00PM, 11:00PM, 1:00AM
CPB	1155 PRESSLER STREET	Monday - Friday	9:00AM

Drop shipment locations to be provided.

- 5.9 Describe process and notification requirements for adding or changing a delivery location and/or time of delivery.
- 5.10 What is your company's standard operating procedure for expired product notifications and audits (i.e. minimization of shipping expired product)? Is your company able to ensure that it does not provide any product to a facility with less than 90 days remaining to expiration?

- 5.11 Define your company cleaning process of the reusable totes. Do you have the ability to provide clear plastic liners inside of the reusable totes?
- 5.12 Please describe whether UT contractual requirements are employed with manufacturers related to fill rates and on time delivery.
- 5.13 Please describe your company's process for mitigating manufacturers back orders (MBO) and rolling back order (RBO).

6.0 Substitutions, Backorder Management, and Returns

- 6.1 Please provide details of your company's auto-substitution program and any customization attributes available. Also, include your proposed plan to mitigate unauthorized substitution of products.
- 6.2 Describe your process for resolution and mitigation of non-filled items including additional discounts or penalties offered.
- 6.3 Describe your policies and procedures for handling any order or receipt discrepancies.
- 6.4 Describe your return policy and outline the process.
- 6.5 Can you provide a daily backorder report in Word or Excel format?
- 6.6 What type of notification system do you have in place to alert of manufacturer backorders? Can you provide an "at risk" report twice per week? This report will give approximately one week advance notice of products that may be a backorder issue.
- 6.7 Will all substitute items be provided at an equivalent or lower cost than backordered items?
- 6.9 Describe your company's policies regarding failure to supply provisions for contracted items.

7.0 Implementation

- 7.1 Provide a detailed and organized implementation work plan that reflects a reasonable assessment of the resources (both UT institutions and your company) and schedule requirements necessary to ensure a timely and accurate implementation of your services. Please factor in any non-standard needs if you are not the current contracted supplier to a UT institution.
- 7.2 Identify the dedicated support staff that would be assigned to the implementation of your services including their titles and responsibilities.
- 7.3 What are the key issues and processes that the customer must be aware of to ensure a successful implementation? What issues do customers underestimate?
- 7.4 What metrics and management tools are utilized to track status of the implementation and document completion?

- 7.5 What training will be provided to customer staff on the technology and services offered? Is there a cost associated with this training?

8.0 Emergency Preparedness and Business Continuity

- 8.1 Identify your business continuity program in the event of an emergency or natural disaster. Include what backup systems are recommended in the event of a system issue or failure that is outside of any action contained in your business continuity plan.
- 8.2 Please describe how local UT facility emergency preparedness programs will be integrated into those of your company.
- 8.2 Identify the process you will employ to provide emergency contacts that will be available 24/7/365.
- 8.3 Describe your emergency preparedness plans that would potentially include alternative delivery options to an UT institution that experiences an emergency or natural disaster.
- 8.4 At the end of the term of the proposed agreement between UT System and supplier, please describe, in detail, commitments your company will offer during a transition period to a new supplier. At a minimum, please address service levels, length of time for transition, additional cost and other applicable items. Please include the most recent three service account location contacts that transitioned from your company to a competing supplier.

9.0 LUM/JIT/Stock Items

- 9.1 Please describe your capability to provide a Low Unit of Measure (LUM)/Just in Time (JIT) program. Describe your Stockless/LUM distribution platform and the capacity to customize.
- 9.2 Provide details of the business model (people, technology, dedicated resources) your company employs to ensure the ability to meet the higher service requirements of the stockless/LUM programs.
- 9.3 Explain how your program will help manage PAR levels, better manage inventory, and improve customer satisfaction.
- 9.4 Describe your company's approach to satisfying any product stocking requirements of UT institutions. Include the minimum number of turns required for a product to be maintained in the local distribution center. Additionally, will you provide for the establishment of a local core list of items that do not require any turn in order to be maintained at the local distribution center?
- 9.5 Please describe your company's policy on sequestered stock, wherein such stock will be dedicated and made available only to UT institutions and not to other customers that your company may service.

10.0 Service Capabilities / Fill Rate

- 10.1 Please provide your company's guaranteed service levels for picking accuracy, on-time delivery, and fill-rate.
- 10.2 Provide a detailed explanation of the fill rate calculation used when answering the preceding question.
- 10.3 Describe your process for emergency/rush orders. What is the maximum number of hours from receipt of order at no additional charge?
- 10.4 Describe your capabilities for custom palletization.
- 10.5 If required, could your company provide corrugate free delivery (i.e., removal of outer shipper cardboard) for perioperative areas?
- 10.6 What is the average days on hand for inventory in the distribution facilities that will service UT institutions? Can average days of on-hand inventory be calculated by supply category?
- 10.7 Does your company exclusively use ANSI UOM? If not, please advise what convention is used and provide a cross-reference to ANSI.
- 10.8 What role does the company play in supplier recall management? Does the company require suppliers to provide priority distribution of products to customers during an active recall process? Does the company require the supplier to match item pricing for substitute products during an active recall?
- 10.9 Please provide a list and reason for companies or manufacturers you are unable to distribute. Please indicate any change since completion of the Premier negotiated agreement.
- 10.10 Please state your minimum requirements for maintaining an environment for sterile related products from receipt from manufacturer to final delivery location.
- 10.11 Please describe the provisions you have for after-hours receipt and posting of shipments to inventory.

11.0 Contract / Pricing Management/ Invoicing

- 11.1 Describe your process for loading contract pricing and products into your system.
- 11.2 Describe your price change notification process and any unique pricing programs that will aid in managing pricing accuracy and eliminating invoice discrepancies.
- 11.3 What assistance can your company offer in providing data on price discrepancies between the UT institutions?
- 11.4 Acknowledge your company's agreement to a 'pricing accuracy' metric of 99%, measured based on the contract price on the PO?
- 11.5 Describe your company's process for managing disputed invoices.

- 11.6 Describe how your company factors price markup calculations and how this is maintained and monitored.
- 11.7 Please describe your company's policy on GPO private label/standardization programs. Please include in your response how compliance is calculated if UT institutions participate in both Distributor and GPO private label programs, related markups for GPO private label/standardization items, and curing period for private label programs.
- 11.8 If applicable, describe how your company will ensure local formulary items are not available through secondary ordering method or platforms (i.e. only institutionally approved items are available for ordering).
- 11.9 If a UT System institution maintains an early payment discount as described in the agreement for a term of six months or more are you willing to offer a permanent reduction in the cost plus or fixed service fees in replace of the early payment discount terms, providing the previous early payment discount threshold is maintained.

12.0 Additional Value & Competitive Advantage

- 12.1 Describe any solutions your company offers to drive standardization efforts across all UT institutions.
- 12.2 Describe how your company intends to support value analysis efforts across UT institutions.
- 12.3 Describe how your company can assist UT institutions in moving product purchased directly from manufacturers through the distribution channel. What technology do you use, if any?
- 12.4 Please describe your company's private label or self-manufactured product portfolio and its benefit to your overall distribution service offering.
- 12.5 Independent of cost plus or fixed service fees, please describe any additional rebate or discount program you are willing to provide for increasing utilization (dollar thresholds, tiers or other methods) of private label or self-manufactured products.
- 12.6 Please describe how your company offers tools and/or services to assist UT institutions in the management of the healthcare supply chain. Please include whether these tools and services are value-added (no additional charge) or if separate charges will occur per offering. Please describe all programs included, but not limited to:
 - Inventory management systems
 - Surgical procedure management (e.g. case picking, preference cards)
 - Revenue cycle management
 - Implant purchase management
 - Inventory transfer amongst UT System institutions
- 12.7 What positions your company as the ideal fit to service UT System now and into the future (5 - 10 years from now)?

13.0 Technology

- 13.1 Please describe your company EDI capabilities. Please be specific to any associated additional fees.
- 13.2 Please describe any online or web-based resources for ordering, pricing and availability, proof of delivery, order resolution, and customized reporting.
- 13.3 Provide a description of your system for order tracking.
- 13.4 What IT support will your company provide to UT institutions?

14.0 Historically Underutilized Businesses

In addition to HSP (**Appendix Two to the RFP**), please respond to the following.

- 14.1 If your company is subcontracting/partnering with another company(s) or prime supplier, please provide a clear implementation plan outlining each party's responsibilities and utilization/role in delivering the products and services required, timeframe for implementation, and key milestones.

15.0 Sustainability

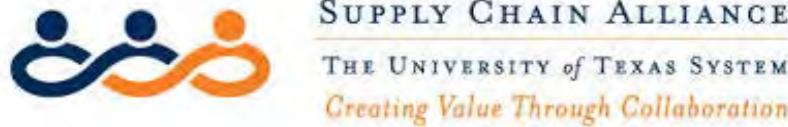
- 18.1 Please describe any programs or activities your company has related to sustainable business practices and/or environmental stewardship. Please limit this response to one page.
- 18.2 Does your company publish a "sustainability" or "environmental" report? If yes, please attach report.



Instructions

This spreadsheet **MUST NOT** be modified in any way. You are authorized to enter your bid into the designated cells of this spreadsheet and submit on or before the RFP due date.

Supplier Name	
RFP Title	UT System Supply Chain Alliance Medical Surgical Acute Care Distribution
RFP Number	UTS/A68
RFP Close	January 7, 2019 @ 3:00PM CST Houston Time



RFP Number UTS/A68

Price Schedule

Please enter your distributor markups below at Net 30 days payment. A one year history of sales with products routinely stocked and ordered are listed on associated tabs by institution in this workbook. Conversion opportunities for distributor branded items should be provided as listed in the history of sales worksheets.

Cost Plus Model for Med/Surg Products *				
Category	Single Bulk Distribution Markup for all locations	Lowest or Logical Unit of Measure (LUM) Distribution Cost for all locations	Early Payment Discount ****	Early Payment Time Frame ****
**Contracted Items				
***Non-Contracted Items				

* For all cost and fees proposed, private label and self-manufactured products should be excluded and considered to be free of any cost plus or service fees.

** Contracted items are defined as products that are on an agreement such as UT System Supply Chain Alliance, UT Institution, Premier, or between manufacturer and distributor.

*** Non-contracted items are defined as products purchased where no agreement exists.

**** Only provide if greater than the Premier contracted base terms.

Cost Plus Model as a Single Monthly Distribution Fee for Med/Surg Products	
Institution	Fee
UTSW	
UTMB	
UTMDACC	
TOTAL ALL INSTITUTIONS	

Cost Plus Fee and Single Distribution Fee presented herein shall be valid for a period of 15 months from the contract effective date. Proposers are requested to submit any applicable annual price increase methodology for periods greater than the 15 month base.

Provide the monthly fee to maintain and manage a 10-day and 30-day supply of pandemic supplies. Refer to associated tab within this workbook.

Pandemic Supply Management	UTSW	UTMB	UTMDACC
10-day supply	\$	N/A	\$
30-day supply	\$	N/A	\$

Incentives	
Type of incentive	Cost plus markdown percentage or other proposed structure

Distribution Costs or Fees Explicitly Excluded from Cost Plus or Monthly Fee Listed Above	
Description	Cost or Fee



DOI Number: 10.5139/1923-472X



RPP Number UTS/Ass
History of Distribution

Pandemic Supply

MFG STOCK #	ITEM	ITEM #	UOM	10 DAYS USAGE
Q55172X	WIPE GERMICIDAL POP UP	9395	CA	210
47080	MASK PROC SUBMICRON FILTER FLUID RESISTANT EARLOOP	92350	CA	263
77765L	MEDC GOWN PROTECTIVE BLUE LIGHT WEIGHT	99462	CA	945
GLV2301	GLOVE EXAM NITRILE XTS SMALL MEDC	903	CA	420
GLV2302	GLOVE EXAM NITRILE XTS MEDIUM MEDC	901	CA	420
GLV2303	GLOVE EXAM NITRILE XTS LARGE MEDC	902	CA	420
GLV2300	GLOVE EXAM NITRILE XTS X-SMALL MEDC	54749	CA	32
GLV2304	GLOVE EXAM NITRILE XTS XLARGE MEDC	15777	CA	53
1860S	MASK TB FILTER N95 SMALL	40091	CA	53
1870PLUS	MASK RESPIRATOR SURGICAL N95 3M AURA	93468	CA	39
EVEL15BP	FLASHLIGHT	36852	EA	175
PC2400BKD	BATTERY AAA	2281	CT	392
PC1500	BATTERY AA	2282	CT	392
PC1400	BATTERY C	2283	CT	175
PC1300	BATTERY D	2284	CT	175
PC1604	BATTERY 9V	2285	BX	175
306546	SYRINGE PRE FILL NACL 0.9 10ML	47798	BX	1,680
6001-043C	PACK HEAT INSTANT DISP	423	CA	74

Pandemic Supply UTMB - TBD

The pandemic supply requirement for UTMB will be provided prior to agreement completion. The absence of this item currently will not impact any pricing evaluation decisions.

Pandemic Supply

MFG STOCK #	ITEM	ITEM #	UOM	10 DAYS USAGE
NONLV200M	GOWN, ISOLATION MED	98600	EA	9,210
NONLV200	GOWN, ISOLATION REG	98601	EA	43,090
NONLV200XL	GOWN, ISOLATION XLRG	98602	EA	5,080
NONLV200XXL	GOWN, ISOLATION XXLRG	98603	EA	1,680
AT74531	MASK	5302	BX	1,210
1860	MASK, RESP N95 REG	1100	BX	30
1860SA	MASK, N95 RESP SM	1101	BX	50
MDS8086	GLOVE EXAM NITRILE LG	219464	BX	1,600
MDS8085	GLOVE EXAM NITRILE MED	219463	BX	2,775
MDS8087	GLOVE EXAM NITRILE XL	219465	BX	60
MDS8083	GLOVE EXAM NITRILE XS	219461	BX	50
MDS8084	GLOVE EXAM NITRILE SM	219462	BX	2,170
31294	HAND SANITIZER 4.25 OZ	1033	EA	450
9631-24	HAND SANITIZER 8.0 OZ	3007	BT	100



RFP Submittal Deadline: **January 25, at 3:00 PM**
Houston, TX Time

Addendum Issue Date: **December 18, 2018**

ADDENDUM 1
REQUEST FOR PROPOSAL
UTS/A68
Medical Surgical Distribution and
Related Services

THIS RFP ADDENDUM IS A FURTHERANCE OF RFP **UTS/A68** AND IS NOT A CONTRACT OR OFFER TO CONTRACT.

All other terms, conditions and requirements set forth in RFP UTS/A68 remain unchanged and in effect.

The purpose of Addendum 1 is to modify the Key Events Schedule, extend the Submittal Deadline date, and respond to Proposer's submitted questions. Data specific questions are still in the process of being answered. These answers will be forthcoming in Addendum 2.

Revised Key Events Schedule

Submittal Deadline	<u>January 7, 2019</u>	<u>January 25, 2019 – New Date</u> (Time remains unchanged)
Distribution Center and/or Customer Visits		March 2019
Finalists Interviews and Discussions		April 2019
Anticipated Award and Final Negotiations		May 2019

Questions and Answers

Question One: Can the UT Alliance clarify what a Financial Reference is?

Answer: A reference from a financial institution partner that can represent the good financial standing of your company.

Question Two: Do you have a centralized item master that all facilities (including off-sites/clinics/etc.) utilize or are they maintained individually?

Answer: No, Item masters are maintained locally at each institution.

Question Three: Price Schedule – History of Sales Tab: Can you please clarify what should be provided in the “Conversion Opportunity” column. Is this conversion to the exact product, or conversion to an alternative?

Answer: Conversion to an alternative.

Question Four: Please provide information on the MMIS system for each UT Alliance facility as well as the latest operating version.

Answer: Each institution is using PeopleSoft version 9.2 (recent or in-process conversion) in some combination with GHX.

Question Five: What is the current AP/GL system at each UT Alliance facility?

Answer: PeopleSoft version 9.2 (recent or in-process conversion).

Question Six: It is understood that each UT Alliance facility has its own master data file. Is there a short or long term goal to create one master file for the UT Alliance?

Answer: There is no short or long term plan to create one item master file for UT System acute care institutions. However, this concept remains under debate and review.

Question Seven: What is the short and long range goals concerning the centralization of supply chain support activities for the UT Alliance?

Answer: There currently is no short or long term plan to centralize supply chain support activities in general.

Question Eight: Will supply chain leadership for the UT Alliance facilities remain decentralized or is there a goal to centralize leadership in the future?

Answer: Supply Chain leadership will remain decentralized with enhanced collaboration over time.

Question Nine: Please provide an overview of the structure and strategy for the UT Alliance Value Analysis support team.

Answer: Value analysis projects and strategy are supported by the Cross-Institutional Clinical Value Analysis (CCVA) initiative. CCVA is a collaboration effort and governance structure designed to increase and enhance synergy across the current value analysis processes in place at the independent acute care local institutions.

Question Ten: What is the fiscal year for the UT Alliance members?

Answer: September 1st - August 31st.

Question Eleven: Do the UT Alliance track diverse product spend from non-Texas HUBs or vendors?

Answer: No.

Question Twelve: What is the total annual CPT spend by UT Alliance facility?

Answer: Custom Procedure Trays spend for October 2017 through September 2018 is as follows: UTMB (\$1,177,562), UTMDACC (\$4,417,003) and UTSW (\$3,993,631).

All other terms, conditions and requirements set forth in RFP UTS/A58 remain unchanged and in effect.

END OF ADDENDUM 1



RFP Revised Submittal Deadline: **January 25, at 3:00 PM**
Houston, TX Time

Addendum Issue Date: **December 18, 2018**

ADDENDUM 2
REQUEST FOR PROPOSAL
UTS/A68
Medical Surgical Distribution and
Related Services

THIS RFP ADDENDUM IS A FURTHERANCE OF RFP **UTS/A68** AND IS NOT A CONTRACT
OR OFFER TO CONTRACT.

All other terms, conditions and requirements set forth in RFP UTS/A68 remain unchanged and in effect.

The purpose of Addendum 2 is to answer additional questions addressed by institutions which were not answered in Addendum 1. If there were Supplier questions not answered, please resubmit and justify the question to the relevancy of the scope and we will review.

Please note Addendum 2 includes seven attached files that is part of the answers to the below questions. Please see answers to view the correct files.

Question One: What is the current Operating Room Information System (ORIS) in use, if applicable at each UT System facility?

Answer:

- **UTMB - Epic OpTime**
- **UTMDACC - Epic OpTime**
- **UTSW - Epic OpTime**

Question Two: Irrespective of the distributor's cut-off order placement time, what is the average actual order placement time for each institution within a one-hour window?

Answer:

- **UTMB - LUM is 3:30PM 7 days/week. Bulk is 2:00PM 5 days/week (Monday - Friday)**
- **UTMDACC - 2:30PM, must be complete by 4:30PM**
- **UTSW – 1:00PM, (Monday - Friday)**

Question Three: Please provide organizational chart for Materials Management personnel showing FTEs by functional activity.

Answer:

- **UTMB – Refer “Org Chart” attachment**
- **UTMDACC – Refer “Org Chart” attachment**
- **UTSW – Refer “Org Chart” attachment**

Question Four: Please provide a PAR Form Report from the MMIS system showing the number and locations of PARs.

Answer:

- **UTMB – Refer to “UTMB PAR Form Report” attachment**
- **UTMDACC – Refer to “UTMDACC PAR Form Report” attachment**
- **UTSW – Refer to “UTSW PAR Form Report” attachment**

Question Five: Please provide a complete list of all “ship-to” locations to be covered under this agreement. Please provide location name, address, city, state, zip, and frequency of delivery (days and times). What is the primary method for servicing “ship-to” locations (courier, common carrier, etc.)

Answer:

- **UTMB – Refer to “The University of Texas Medical Branch Ship To Locations”**
- **UTMDACC – Refer to “The University of Texas MD Anderson Ship To Locations”**
- **UTSW - Refer to “The University of Texas Southwestern Ship To Locations”**

Question Six: If available, please provide a cross reference file showing the current ship-to suffix with the PAR location name and location identifier. This is used to combine any inventory issues with LUM PO data.

Answer:

- **UTMB – Refer to UTMB PAR Form Report**
- **UTMDACC - Refer to UTMDACC PAR Form Report**
- **UTSW – see below**
 - **CUH (IBU 31500): MMB**
 - **CUH SURGERY (IBU 33500 - 035)**
 - **ZL (IBU 34000): DZL and MMB**
 - **ZL SURGERY (IBU 37000 - 037)**
 - **OSC SURGERY (32000 - 032)**

Question Seven: Please list any special holiday delivery requirements.

Answer:

- **UTMB - LUM = 7 days per week including all holidays unless otherwise agreed upon. BULK = 5 days per week (Monday - Friday) including holidays unless otherwise agreed upon**
- **UTMDACC - N/A**

- **UTSW - CUH and ZL require delivery's on all holidays except New Year's Day, Independence Day, Thanksgiving Day and Christmas Day**

Question Eight: Please list the technology system used to manage PAR locations (i.e. MMIS handhelds, automated POU cabinets, etc.) and the version of such system/software.

Answer:

- **UTMB**
 - Omnicell's OptiFlex V.15
 - Cabinets for Patient Chargeable Items
 - Bins for Non-Patient Chargable items
 - Scanners
 - MMIS – PeopleSoft inventory & Mobile Inventory 9.2
- **UTMDACC**
 - using Allscripts Point of Use
 - MHS AtPar Handheld technology
 - Moving to mobile inventory by utilizing mini-iPads
- **UTSW**
 - Peoplesoft 9.2 (Mobile Inventory) PC/Tablets

Question Nine: What is the average Materials Tech wage rate assuming a 25% markup for fringe benefits?

Answer:

- **UTMB - \$20.80/hour**
- **UTMDACC - \$22.38/hour**
- **UTSW - \$18.76/hour**

Question Ten: How are EDI orders transmitted today (VAN, E-Commerce Exchange etc.)?

Answer:

- **UTMB - GHX & Jagger**
- **UTMDACC - GHX**
- **UTSW - GHX**

Question Eleven: What frequency are EDI orders released (all day, batch times etc.)?

Answer:

- **UTMB - Every 30 minutes; 7 days/ week**
- **UTMDACC - batch orders released every 30 minutes**
- **UTSW - orders are released via batch processing through GHX every hour beginning at 8:45AM**

Question Twelve: Please confirm (yes or no) the following EDI transaction sets currently in use:

Answer:

- **UTMB**
 - 810 Electronic Invoice - Yes
 - 820 Electronic Funds Transfer - Yes
 - 832 Electronic Price Catalog - Yes (Jagger only)
 - 850 Electronic PO - Yes
 - 855 PO Acknowledgment - Yes
 - 856 Advance Ship Notice - Yes (only for Prime vendor)
- **UTMDACC**
 - 810 Electronic Invoice - Yes
 - 820 Electronic Funds Transfer - No
 - 832 Electronic Price Catalog - No
 - 850 Electronic PO - Yes
 - 855 PO Acknowledgment - Yes
 - 856 Advance Ship Notice - Yes
- **UTSW**
 - 810 Electronic Invoice - Yes
 - 820 Electronic Funds Transfer - No
 - 832 Electronic Price Catalog - No
 - 850 Electronic PO - Yes
 - 855 PO Acknowledgment - Yes
 - 856 Advance Ship Notice - No

Question Thirteen: Specific to the OR Storeroom and General/Core Inventory locations, please answer the following:

Answer:

- **UTMB Hours of Operation**
 - Galveston Campus - 5:30AM to 9:00PM
 - League City Campus - 7AM to 4PM
 - Angleton Danbury Campus - 8AM to 5PM
 - Clear Lake Campus - 6AM to 8PM
- **UTMDACC Hours of Operation – Sunday – Friday open for 24 hours. Saturday on call staff from 7:30AM until Sunday 11:00PM.**
- **UTSW Hours of Operation**
 - CUH: 24 hours per day/7 days per week/365 days per year
 - ZL: Monday - Friday 6AM – 10:30PM
 - Outpatient Surgery Center (OSC): Monday - Friday 7AM – 3:30PM
- **UTMB Number of OR suites**
 - Galveston Campus - 20
 - League City Campus - 10
 - Angleton Danbury Campus - 6
 - Clear Lake Campus - 8

- **UTMDACC Number of OR Suites**
 - Main OR Floor - 38
 - ACB - 6
- **UTSW Number of OR Suites**
 - CUH: 25 Suites
 - ZL: 12 Suites
 - OSC: 8 Suites

Question Fourteen: Are there any patient charge labeling requirements? If yes, please explain.

Answer:

- **UTMB - No**
- **UTMDACC - Patient chargeable items are a sticker that is currently in use in the outpatient clinics. Not needed for OR items. This practice will end sometime in FY2019.**
- **UTSW - no special labeling requirements exist.**

Question Fifteen: Do the Packs and IVs delivered to surgery need to be de-cased and placed in totes? (Supplier requested answer from UTSW only)

Answer:

- **Packs and IVs are de-cased in the Sterile Supply area. As a future value added service, UTSW would like to have items placed in totes for CUH, OSC and ZL**

Question Sixteen: Are there any other items (other than Packs and IV's) that need delivery to surgery? (Supplier requested answer from UTSW only)

Answer:

- **No. All items for surgery are delivered to the Materials Management Branch (MMB). Materials will then receive and transport to Surgery.**

All other terms, conditions and requirements set forth in RFP UTS/A58 remain unchanged and in effect.

END OF ADDENDUM 2