



July 23, 2019

Arpan Gandhi  
Vice President, Account Management  
13034 Ballantyne Corporate Place  
Charlotte, NC 28277

Dear Ms. Gandhi,

The University of Texas ("UT") System Audit Office has completed an audit of Premier Inc.'s control practices related to sourcing and management of contracts offered through its cooperative purchasing program to UT System institutions. This audit was conducted as part of the UT System Accreditation Program for Texas State Agencies and Group Purchasing Organizations ("GPO Accreditation Program").

Accreditation of Premier was granted based on information provided in its application, submitted on April 14, 2016. At that time, my office performed an assessment of the material collected to determine whether internal control procedures, as represented in the application, would meet minimum control standards if consistently applied. The minimum control standards include the requirements of both Texas and UT System procurement rules, such as open and competitive bidding, "Best Value" evaluation and award criteria, inclusion of opportunity for historically underutilized businesses, and post-award contract management. The objective of this audit was to validate that control practices are functioning as described to us during the accreditation process.

Based on interviews with staff, review of applicable documentation, and testing of a sample of Premier contracts used by UT System institutions, sourcing and contract management controls, as communicated to us during the accreditation process, are in place and working as intended. We will communicate these results separately to UT System management of the GPO Accreditation Program.

Thank you for your assistance during this audit. Your courtesy towards the audit team during the site visit was appreciated. If you have any questions, please do not hesitate to contact me or Dyan Hudson at 512-499-4283.

Sincerely,

J. Michael Peppers, CPA, CIA, QIAL, CRMA  
Chief Audit Executive

cc: Scott C. Kelley, Ed.D., Executive Vice Chancellor for Business Affairs  
Richard St. Onge, Associate Vice President, Office of Collaborative Business Services