

Dell Medical School (DMS) & UT Austin Health

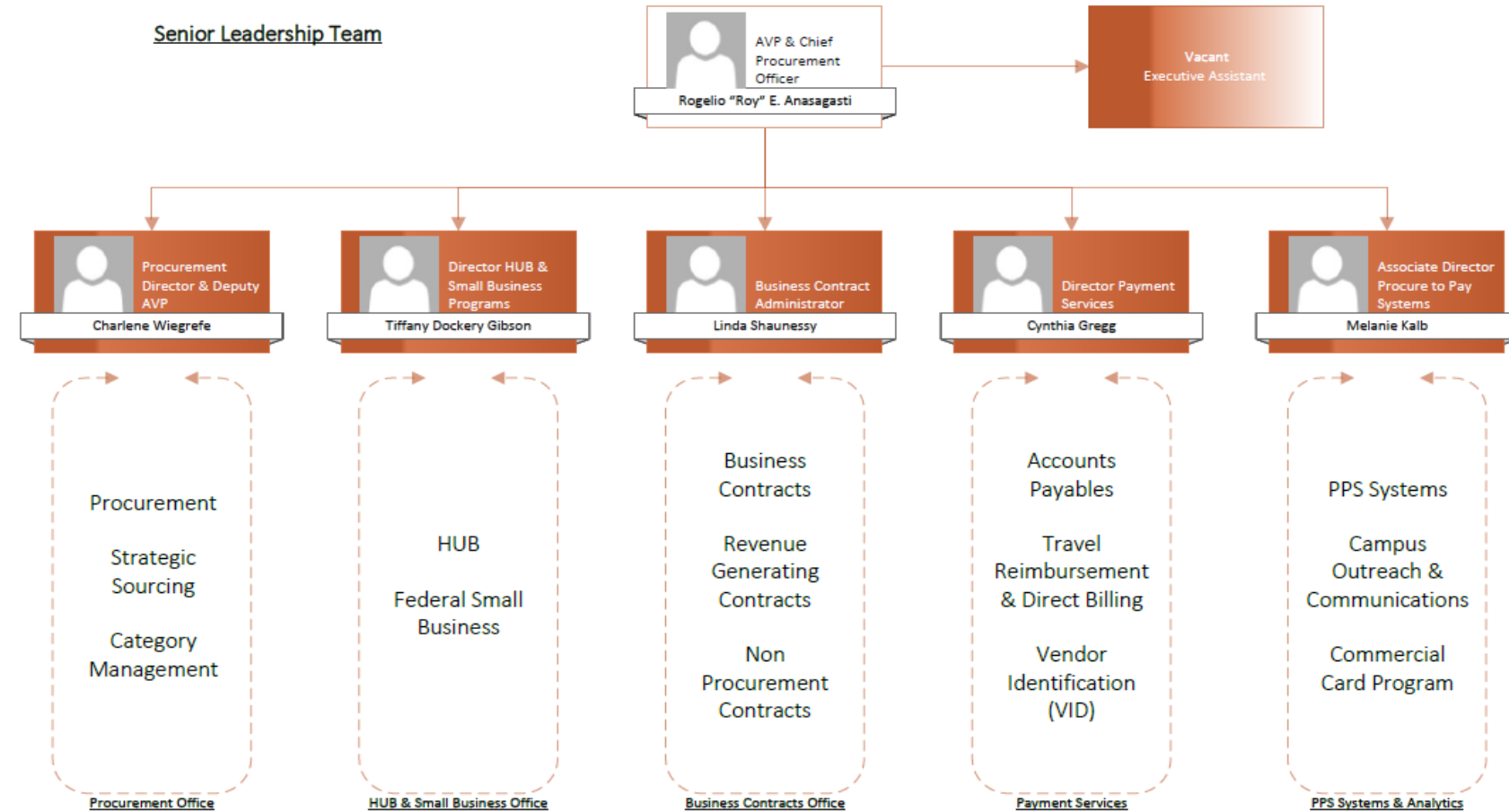
*Procurement & Business Contracts
Support Model*

Procurement and Payment Services (PPS)

November 8, 2024

PPS Organizational Model

Procurement and Payment Services



September 15, 2024

Procurement Process

High level review for the process to purchase goods and services

Procurement Threshold

\$15k

Is the limit university business officers are authorized to approve for small purchase orders (delegated purchases) in order to expedite purchasing functions

Solicitation Process:

Non-Competitive
(delegated) Purchases

\$0 - \$15k

- Competitive quotes encouraged, but not required

Informal
Competitive Bids

\$15k - \$50k

- 3 quotation minimum (written)
- 1 quote from minority or women owned business is required
- EAJ may be used when only 1 supplier can meet requirements

Formal Competitive
Solicitations (ITB & RFP)

\$50k +

- Consult with Procurement
- Formal Solicitation process may be required
- EAJ may be used when only 1 supplier can meet requirements or when the good or service is proprietary

Any
Amount

- Contract Purchase Agreement (CPA) Term and Managed Contracts
- Texas Multiple Award Schedules (TXMAS)
- Department of Information Resources (DIR)

- Group Purchasing Organizations
- Exclusive Acquisition

Want to Buy something

- Contact the Procurement Office
- Dedicated staff
 - [Michelle Bernal](#) – Procurement Contracting Officer
 - [Rocio Torres](#) – Category Manager
 - [UT Market](#) – eProcurement support
- Early engagement is key to helping deliver best results



The Procurement team is ready to support your sourcing needs in accordance with the HBP

Defining the Need

The required good or service must be defined including:

- Description of the good or service being requested
- Quality required – *special requirements to meet the needs*
- Quantity – *how much do you require*
- Milestones – *description of major task or deliverables required*
- Delivery – *by when do you need it*
- Budget – *estimated total cost*

Sourcing options

The Procurement Team has multiple options available to help you get the required good or service

- UT Market – fastest way to complete a purchase electronically
- Group Purchasing Organization, Vizient, Cooperative, Local Agreements
- Quote Request
- Invitation to Bid
- Request for Proposal/Qualifications
- Non-Competitive request (sole source, best value, emergency)



Working together the Procurement will identify the best path forward

Things to Consider

All purchases that include software/cloud must be approved by the Information Security Office (ISO)

Consider vendors UT has an existing relationship with whenever possible (UT Market, GPO, Vizient, Local Agreements)

If something changes after the contract has been signed, the request must be amended

For all supporting documents, ensure required signatures are present, the quote date is valid, backup documentation is included

Purchases requesting use of federal funds require special permission

Requests for International vendors will require Export Control review and approval

5 Must Haves:

1

Quotes must be valid for a minimum of 30 days

2

Approved agreements must be issued prior to shipment or service commencement

3

Quotes must indicate any applicable shipping charges

4

Agreements can only be signed by employee with delegated authority

5

Agreements must be fully executed by all parties

Important Reminders

Business Contracts Process

High level review of the contract request and approval process

DMS Contract Administration

-Who

-What

-How

-Where

WHO: Contracts Officer Daniel Shaunessy and Contracts Specialist Michele Thompson are the core members and contacts of the contracts team.

WHAT: The DMS contracts team conducts and oversees the drafting, negotiation, and execution of contracts following the Procurement process.

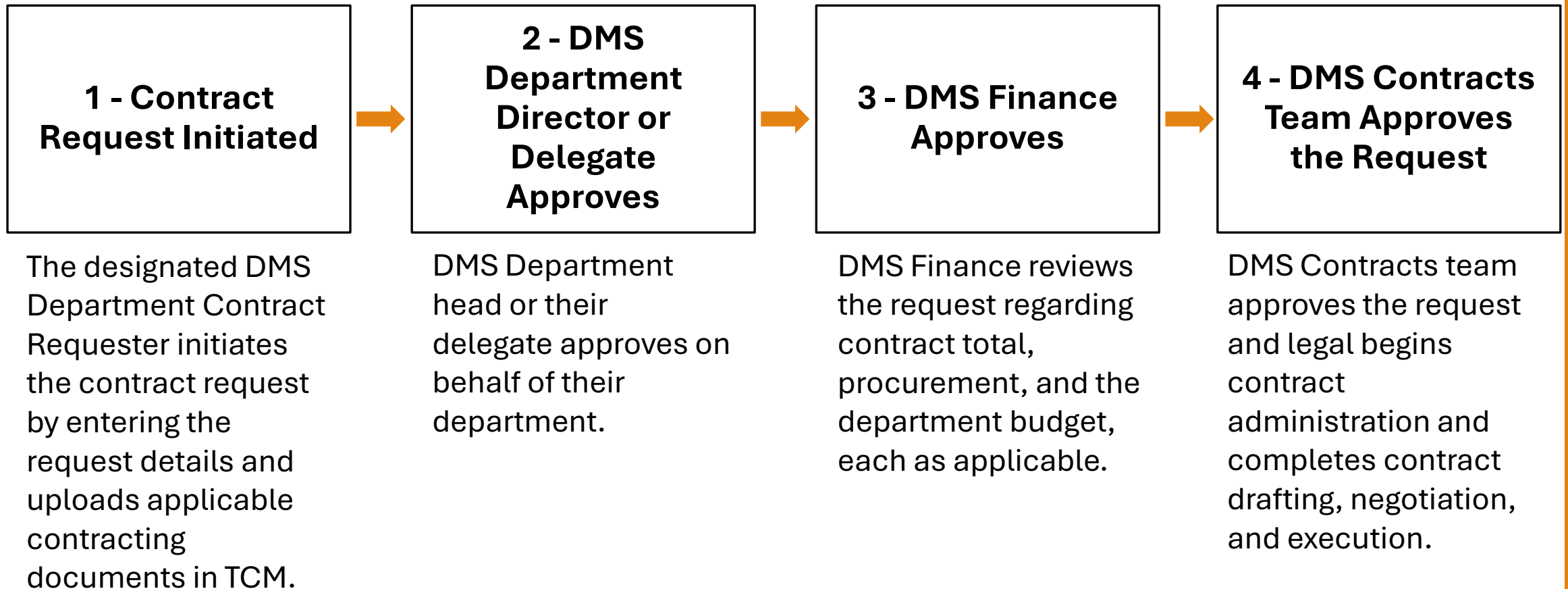
HOW: When DMS or UT Austin Health would like to execute a contract, the following process applies:

1. A DMS Department submits a request for the agreement in Total Contract Manager (contract management system).
2. Michele Thompson (Contracts Specialist) reviews the request and works with Daniel Shaunessy (Contracts Officer) to create the agreement and work with the DMS Department to ensure the scope of work and payment schedule is correct.

WHERE: Contracts are submitted and executed in Total Contract Manager.

Contract Request Workflow Overview

The contract request workflow is completed in Total Contract Manager (TCM)



Who Has Authority to Sign DMS Contracts

Only select employees with written delegated signature authority from the University President may sign agreements on behalf of DMS.

The following list indicates which employees' have authority to sign agreements on behalf of DMS:

- Jay Hartzell, President
- Dr. Claudia Lucchinetti, Dean and Senior Vice President for Medical Affairs
- Dr. C. Martin Harris, Vice President, Health Enterprise and Chief Business Officer
- Roy Anasagasti, AVP & Chief Procurement Officer
- Linda Shaunessy, Business Contracts Administrator

If you have any questions as to who has delegated authority at UT Austin, please contact [Linda Shaunessy](#).

We Are Here to Help...

The following resources are available to help you

- [Tim Boughal](#), Chief Healthcare Risk & Compliance Officer

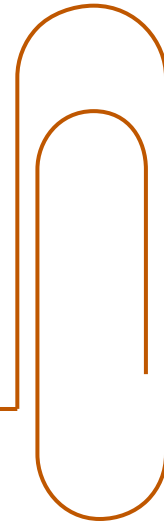
DMS Contracts Team

- [Daniel Shaunessy](#), Healthcare Contracts Officer
- [Michelle Thompson](#), Paralegal & Contracts Specialist

DMS Finance

- [Ellis Trinh](#), Finance Manager
- [Maria Inmaculada Villamil Jarauta](#), Senior Finance Business Analyst

Appendix



Supporting Documents Attached

1. Procurement Tips – *quick guide*
2. PPS Governing Policies and Procedures – *relevant policies*
3. Statement of Work Specification Guide – *SOW development tool*
4. PPS Simplified Procurement Forms – [online resource](#)

Procurement Tips



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PROCUREMENT & PAYMENT SERVICES
1616 Guadalupe St, Suite 3.302

purchasing@austin.utexas.edu



Formal Bid Opportunities

<https://purchasing.utexas.edu/resources/formal-bid-opportunities>

Tips on Receiving Payments Promptly



Have you...



PIF - Payee Information Form: be sure UT Austin has an updated copy (<https://utexas.app.box.com/v/payee-information-form>)



Direct Deposit Form: request UT Departmental Contact launch the PIF DocuSign PowerForm to set up Direct Deposit processing



Businesses should have an issued **purchase order** or **business contract**; ensure there is a proper contract before beginning work



Submit a **complete invoice** containing the following information:

Accounts payable process at UT Austin is decentralized.



Mail invoices to UT Austin address as listed on purchase order or as listed within the business contract



List Federal Employer Number (FEIN) on invoices to ensure the correct vendor identification number is used when payment is processed

List the issued purchase order number or contract number from UT Austin on the invoice.



Include a Progress Assessment Report (PAR) with any invoices and applications, if applicable

Be sure remit to address listed on invoice is accurate, so payment is sent to correct address



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Procurement and Payment Services

Governing Policies & Procedures

1. HBP 7.5.4	<p>Only Central Procurement can issue bids from \$15,000 to \$50,000 (Handbook of Business Procedures)</p> <p>Pursuant to Handbook of Business Procedures, 7.5.4, All bids for purchases between \$15,000 to \$50,000 can only be approved by the Central Purchasing buyers. These purchases cannot be approved by any other person or entity.</p> <p>https://afm.utexas.edu/hbp/part-7/5-4-informal-bids</p>
2. HBP 7.5.5	<p>Only Central Procurement can prepare issue and award Invitations to bid.</p> <p>Invitations to Bid can only be issued and awarded by the Central Purchasing Office pursuant to Sec. 7.5.5. "The purchasing buyer notifies the department of which bidder(s) are selected and obtains the department's agreement. Multiple awards are possible in order to achieve the lowest cost and/or fastest delivery to The University of Texas at Austin.</p> <p>All bidders are notified by the Purchasing Office when an award is made. The purchasing buyer issues a purchase order to the supplier. In cases where a contract may be more appropriate than a purchase order, the Purchasing Office will notify the Business Contracts Office, which will work with the department to develop a contract."</p> <p>https://afm.utexas.edu/hbp/part-7/5-5-invitation-to-bid</p>
3. HBP 7.5.6	<p>Only Central Purchasing can issue a request for proposal and conduct the request for proposal proceedings.</p> <p>Pursuant to the Handbook of Business Procedures, Sec. 7.5.6, only the Central Procurement Office can prepare and issue a request for proposal, "[t]he purchasing buyer prepares an RFP document." 7.5.6. Only the Central Purchasing buyers can issue a request for proposal, conduct a request for proposal and award a request for proposal.</p> <p>"Proposals are held by the Purchasing Office until the proposal submission date. If an HSP was required, it will be reviewed by the director of HUB and Small Business Programs. If a required HSP was not</p>

	<p>submitted or the HSP is deemed to be unacceptable, the proposal will not be opened.</p> <p>The purchasing buyer completes scoring of the price/cost and compiles the total score. The purchasing buyer reviews the proposal scores with the evaluation team, and the group makes a recommendation for the award based on the evaluation process.</p> <p>https://afm.utexas.edu/hbp/part-7/5-6-request-for-proposal</p>
4. HBP 7.5.6	<p>Only the Assistant Vice President of Procurement can approve or decline to approve a request for proposal.</p> <p>“The purchasing buyer reviews the evaluation team’s recommendation with the assistant vice president for procurement, contracts, and payment services, who will approve or decline the recommendation. An award letter is sent to the successful proposer and is contingent on the successful negotiation of a contract.</p> <p>https://afm.utexas.edu/hbp/part-7/5-6-request-for-proposal</p>
5. HBP 7.5.6	<p>The Historically Underutilized Business Office reviews HSP submissions</p> <p>“Proposals are held by the Purchasing Office until the proposal submission date. If an HSP was required, it will be reviewed by the director of HUB and Small Business Programs. If a required HSP was not submitted or the HSP is deemed to be unacceptable, the proposal will not be opened.”</p> <p>https://afm.utexas.edu/hbp/part-7/5-6-request-for-proposal</p>
6. HBP 7.5.7	<p>Only the Central Procurement Office can issue and award Request for Qualifications</p> <p>Requests for Qualifications are handled by the Purchasing Office pursuant to Handbook of Business Procedures, See,</p> <p>https://afm.utexas.edu/hbp/part-7/5-7-request-for-qualifications</p>
7. HBP Section 7	<p>Purchasing justifications or approvals can only be issued by the Central Purchasing Office.</p>

	<p>In accordance with the Handbook of Business Procedures awards for exclusive acquisitions of justifications, invitations to bid, requests for proposals and requests for qualifications can only be made by the Office.</p> <p>https://afm.utexas.edu/hbp/part-7-purchasing</p>
8. Contract Management Handbook	<p>Only Central Procurement can perform purchasing functions under the Contract Management Handbook</p> <p>Under the Contract Management Handbook only the Purchasing Office is designate to perform purchasing functions. "Purchasing Office: The office designated to purchase goods/services above the direct procurement dollar threshold for an Institution." See Page 9 of the Contract Management Handbook.</p> <p>"Purchasing Office personnel will review all procurements above the competitive threshold to ensure that Applicable Laws and University Rules relating to procurement processes are followed and that the procurement method is appropriate."</p> <p>https://businesscontracts.utexas.edu/contract-management-handbook</p>
9. Contract Management Handbook	<p>Formal Procurement can only be performed by central procurement.</p> <p>Purchases above \$50,000 Formal procurement by the Institution directly or via another state agency or a GPO.</p> <p>The Institution's purchasing office, not Department staff, must take lead responsibility for conducting or overseeing the procurement, unless the procurement is led by the UT System Supply Chain Alliance."</p> <p>https://businesscontracts.utexas.edu/contract-management-handbook pg. 24</p>
10. UTS 156	<p>Training Requirements for Central Procurement personnel</p> <p>In order to make a procurement decision, a buyer in central procurement must have proper certifications:</p> <p>UTS 156, only personnel with proper certifications may perform purchasing approvals:</p> <p>"Sec. 3 Requirements: System Administration and each institution must establish a training and certification plan that:</p>

	<p>a) requires all personnel who process procurements of goods or services on behalf of System Administration or an institution to obtain appropriate training;</p> <p>b) requires all personnel who process competitive procurements of goods or services in an amount over \$50,000 to attain nationally recognized and/or State of Texas buyer certification;</p> <p>c) requires personnel directly involved in contract negotiations for the purchase of Information Resources Technologies to complete DIR training related to effective negotiation of contracts for Information Resources Technologies; and</p> <p>d) conforms to the guidelines established in this policy.”</p> <p>https://www.utsystem.edu/sites/policy-library/policies/uts-156-purchaser-and-certain-contract-negotiator-training-and-certification</p>
11. HUB – TGC 2161.003	<p>Establishes agency rules regarding HUB for State of Texas agencies and institutions of Higher Education.</p> <p>“A state agency, including an institution of higher education, shall adopt the comptroller’s rules under Section 2161.002 as the agency’s or institution’s own rules. Those rules apply to the agency’s construction projects and purchases of goods and services paid for with appropriated money without regard to whether a project or purchase is otherwise subject to this subtitle.”</p> <p>https://statutes.capitol.texas.gov/Docs/GV/htm/GV.2161.htm</p>
12. Comptroller Rules Regarding HUB Program	<p>Duties of the HUB Coordinator TAC §20.296(a)(b)</p> <ul style="list-style-type: none"> • Advise and assist state agency directors and staff in compliance TGC §321.0123 and §2101.011, and TGC, Chapter 2161 • Assist it state agency in the development of the state agency’s procurement specifications, HUB subcontracting plans, and evaluation of contracts for compliance. • Be in a position that reports, communicates, and provides information directly to the state agency’s executive director • Facilitate compliance with the state agency’s good faith effort criteria, HUB reporting, contract administration, and marketing and outreach efforts for HUB participation. <p>Furthermore, to determine Good Faith Effort the state auditor shall consider if the university:</p>

	<ul style="list-style-type: none"> • Has agency adopted Comptrollers HUB rules (34 Texas Administrative Code 20(D)(1)) • Uses the HUB Directory (2161.064) and other resources to identify ready willing and able HUBs • Made good faith, timely efforts to contact HUBs for contracting opportunities • Conducted its procurement program in accordance with good faith effort methodology set out by the comptroller • Established annual goals for contracting with HUBs in each category (2161.002)
13. Regent Rule	<p>Regent Rule 80301.2, Sec.6</p> <p>Management of a Major Project. Each project added to the CIP will, at that time, be designated as being managed by the institution or by the Office of Capital Projects. An institution may manage a Major Project if authority to do so has been delegated by the Office of Capital Projects.</p> <p>A list of institutions which have been delegated authority to manage all Major Projects at that institution can be found here. Other institutions may be delegated authority to manage specific projects. In the absence of such delegation, the institution's Major Projects will be managed by the Office of Capital Projects.</p> <p>Projects designated for institutional management shall follow the process, authority, and approvals as outlined in Rule 80404 for the full amount stipulated in the CIP.</p> <p>Rule 80404 delegates the President of the Institutions the authority for major construction subject to the Regent Rules and Regulations Rule 80301 and Rule 10501.</p>
14. Texas Education Code	<p>UT is subject to TEC 51.9335 and TEC 51.9337 for the acquisition of goods and services and the conditional authority for the university to purchase.</p>

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The goal of this tool is to help guide Client Departments to identify key information related to requirements that will facilitate the development of a clear Statement of Work/Specification. Once complete, this information will be used by the Procurement Department to openly compete for the requested good or service as required by The University of Texas at Austin governing policies and procedures.

Please review and complete all information noted, providing any supporting information and market research details that may have been completed.

1. Purpose: Why are we doing this project? A purpose statement attempts to answer this.
 - a) Consider that a key component to successfully preparing the SOW is the contractor's ability to provide a comprehensive document that fully represents your project requirements.
 - b) Establish a preliminary scope statement that identifies the project objective or purpose. Be sure to include a description of the type of work being performed including any boundaries associated with performance and duties.
2. Scope of Work: This describes the work to be done and specifies the details of what is being requested.
 - a) List the tasks to be performed to indicate any performance requirements and all project requirements that the contractor must comply with during contract performance.
 - b) As much as possible, group similar or related tasks and organize each task in logical order.
 - c) Identify any resources that are necessary to complete each task that includes labor, equipment, or materials.
 - d) List any relevant reports or documentation available that may be used by the contractor in performing the work or better understanding the requirements.
 - e) List all major project milestones that are required, this will facilitate creating a payment schedule.
3. Location of Work: This describes where the work is to be performed, including the specific location where the work may be needed or delivered.
 - a) Describe any special instructions for the delivery; for example, second floor – installed or no loading dock available, etc.
4. Period of Performance: This specifies the allowable time for projects, such as start and finish time, number of hours that can be billed per week or month, where work is to be performed and anything else that relates to scheduling.

5. Deliverables Schedule: This part lists and describes what is due and when.
 - a) Identify project deliverables required for the project to be successfully completed.
 - b) Identify any time-sensitive milestones or deliverables.
 - c) Describe any special reports or delivery requirements that are being required.
6. Applicable Standards: This describes any industry specific standards that need to be adhered to in fulfilling the contract.
 - a) Describe quality expectations and applicable deadlines in terms of quality, quantity, time and appearance. Performance deliverables should be realistic, objective, and measurable.
 - b) Remember that we cannot be restrictive; any such requirements will be vetted prior to issuance and may be subject to protest without adequate justification.
 - c) Determine how you will monitor the deliverables. Some methods used include random sampling, periodic inspections, and reporting.
7. Acceptance Criteria: This specifies how you will determine if the product or service is acceptable, usually with objective criteria.
8. Special Requirements: This specifies any special aspects that are requested including but not limited to: hardware or software, specialized workforce requirements, such as degrees or certifications for personnel, travel requirements, and anything else not covered in the contract specifics.
9. Type of Contract/Payment Schedule: The project acceptance will depend on the budget available, therefore a breakdown of payments based on project milestones or phases will usually be negotiated in an early stage.
10. Miscellaneous: Many items that are not part of the main negotiations may be listed because they are important to the project and overlooking or forgetting them could pose problems for the project.
 - a) Any additional relevant information should be provided and discussed with Procurement.

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In addition, the following table shall be completed by Client Department.

Date:	
Project Title:	
Client Department:	
Client Owner Name:	
Client Phone:	
Funding Source:	
Estimated Cost:	
Budget Amount Available:	
Participants in Scope Development (including UT and any Suppliers):	

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