



March 8, 2021

TO: UT System Chief Business Officers

FROM: Scott C. Kelley *Scott C. Kelley*

SUBJECT: 2021 Procurement Directive Update

In late 2015, I issued procurement directives addressing questions about how UT institutions should operate under then new procurement and contracting legislation. The UT institutions have updated and made multiple changes to their institutional procurement processes during the intervening years.

One of the procurement processes established in 2015 is review of UT institution high-dollar contracts and POs arising from accredited GPO procurements. The GPO review process applies when the anticipated contract/PO spend will exceed the then current UT institution Board approval threshold as defined in [Regents' Rule 10501, Sec. 3.1.1](#). The UT institution submits to [me](#) a completed [GPO submittal form](#) available on the Business Affairs [website](#). I immediately circulate the GPO submittal form to the UT System GPO review team. Within two business days, the review team determines whether the UT institution should submit the contract for consideration on the consent agenda for the next Board meeting. In the years since the process was established, I am not aware that it has caused any significant purchasing delays. If you have concerns about the process, please contact me.

With this memorandum, I'm updating my directives to clarify that the spend threshold for submitting such contracts/POs for review is identical to the *UT institution spend threshold found in [Regents' Rule 10501](#). Additionally, the requirement for an institution to obtain a minimum of three valid proposals (or two, if there are only two firms in the category) from contracted suppliers of goods and services at accredited GPOs with multiple contract awards in order to identify "best value" remains valid.

The following three referenced materials, which provided earlier guidance, are withdrawn as obsolete:

- 1) The April 2015 Group Purchasing Organization (GPO)/Sole Source Purchasing Working Group Report presented to the U. T. System Board of Regents in May 2015;
- 2) The September 23, 2015 memorandum to the UT System Chief Business Officers related to the Implementation of Procurement and Contracting Legislation and Working Group Recommendations on Group Purchasing Organizations and Sole Source Purchasing; and
- 3) The December 16, 2015 memorandum to the UT System Chief Business Officers related to revisions to September 23, 2015 Memorandum related to Procurement.

SCK/lml

cc: UT System Chief Procurement Officers

*UT System will retain the 2015 spend threshold of \$3,000,000.