

## **SECTION 1**

### **INTRODUCTION**

#### **1.1 Description of The University of Texas System**

The University of Texas System is comprised of System Administration and 15 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 currently has six health institutions and nine academic universities, making it one of the larger education systems in the United States. With an operating budget of \$13 billion, UT System has a current student enrollment exceeding 214,000. UT System employs more than 87,000 faculty and staff, making UT System one of the largest employers in the State of Texas.

UT System is comprised of the following institutions:

- The University of Texas Southwestern Medical Center (UTSW)
- The University of Texas Medical Branch at Galveston (UTMB)
- The University of Texas Health Science Center at Houston (UTHSCH)
- The University of Texas Health Science Center at San Antonio (UTHSCSA)
- The University of Texas MD Anderson Cancer Center (UTMDACC)
- The University of Texas Health Science Center at Tyler (UTHSCT)
- The University of Texas at Arlington
- The University of Texas at Austin
- The University of Texas at Brownsville
- The University of Texas at Dallas
- The University of Texas at El Paso
- The University of Texas – Pan American
- The University of Texas of the Permian Basin
- The University of Texas at San Antonio
- The University of Texas at Tyler
- The University of Texas System Administration

#### **1.2 UT System Supply Chain Alliance**

UT System has established The University of Texas System Supply Chain Alliance (the “**Alliance**”) to conduct and coordinate strategic purchasing initiatives across UT System. The Alliance is also affiliated with various Texas institutions of higher education. Through a collaborative relationship, the Alliance seeks to combine the supply chain and contracting activities and efforts to obtain best value goods, services, and equipment, while reducing total acquisition costs. The Alliance has created a team of supply chain professionals (the “**Strategic Sourcing Team**”) that has been tasked with executing Alliance purchasing initiatives. The Strategic Sourcing Team assembles a team of subject matter experts (“**SMEs**”) from participating institutions to assist in the development of each sourcing event and the evaluation of suppliers during the procurement process. SMEs are involved from the sourcing event’s initial inception and work with the Alliance and UT System to select the best value supplier(s). By

participating in this Request for Proposal (“RFP”), proposer(s) (collectively, “Proposer”) agrees to extend all goods, services and pricing to any Alliance member or affiliate (collectively, “Institutional Participant”) that wishes to participate in any contract entered into with Proposer.

### 1.3 UT System Shared Services

#### 1.3.1 Background

In 2006, the UT System Board of Regents formally endorsed the concept of UT Shared Services and approved a series of pilot projects designed to provide the necessary proof of concept for the program. These initial projects validated that the following key characteristics are achievable:

- UT Shared Services involves consolidating common shared business services and/or software across institutions into a separate operation that is governed by customers and whose sole mission is to deliver the services more economically with equal or improved efficiency and quality.
- UT Shared Services will generate cost savings through economies of scale, standardized processes through collaboration and customer-focused groups, and create continuous improvement through business intelligence metrics thereby improving service levels.
- UT Shared Services differs from centralized services that are managed and controlled by UT System Administration.

Over the last two years, UT Shared Services has formalized and streamlined all aspects of its program, including adoption of a vision statement and creation of the UT Shared Services Executive Committee, which streamlined the governance structure. Additionally, the UT System institutions continue to evaluate a number of potential opportunities which offer cost savings and/or improved services levels. These opportunities are developed based on analyses performed by internal staff or external consultants.

#### 1.3.2 UT Shared Services Vision

The UT Shared Services vision is to become the leader in higher education by pursuing only collaborative projects that:

- Are clear and well defined
- Are supported by senior leadership
- Are transparent and supported by objective data communicated to all stakeholders
- Increase value (e.g., through decreased operating costs, improved efficiencies, standardized processes, and/or mitigated risks) for the participating institutions
- Are regularly evaluated by benchmarking key performance measures
- Have clear roles and responsibilities for managing and governing the activity

### 1.3.3 UT Shared Services Executive Committee: Roles & Responsibilities

- Establish the strategic direction of UT Shared Services
- Approve UT Shared Services business plans and annual operating budgets, with the understanding that, while members will discuss all UT Shared Services matters, they will have a vote only on projects in which the member's Institution is or would be a participant
- Commit, on behalf of the respective Institutions represented by the members, necessary resources to implement, sustain and optimize UT Shared Services projects
- Approve Service Level Agreements and performance measures
- Monitor ongoing performance of UT Shared Services projects against agreed-upon metrics to ensure optimal value is being received by participating Institutions
- Approve the creation, and monitor the performance, of self-directed teams
- Resolve disputes involving the operation of UT Shared Services activities
- Provide executive sponsorship for approved UT Shared Services projects at the Institution level
- Delegate appropriate authority to permanent or ad hoc committees established by the Executive Committee, with the understanding that the Chair (or his designee) will conduct the meetings of these committees, and periodic reports of the outcomes will be made to the Executive Committee

### 1.3.4 UT Shared Services Current Projects

- Shared Data Centers: UT Shared Services data centers located at UT Arlington and UT MD Anderson Cancer Center
- MDaudit Physician and Hospital: Medical billing compliance program software
- TexSIS: PeopleSoft Campus Solutions (student information system)
- UT System Supply Chain Alliance: Group purchasing organization leveraging strategic sourcing
- ECRT: Online effort reporting system for faculty certification
- Banking and Merchant Services: Improved pricing and service levels for financial transactions
- UT Share: PeopleSoft Human Capital Management and Financial Management System
- Shared Business Office: Supporting certain UT Share administrative processes
- CodeAssist: Medical billing software and automation
- UT Research Infrastructure: Supporting advanced computing, storage and networking for researchers
- Velos: Clinical Trials Management System Software

## 1.4 Objective of this RFP and Scope

UT System, on behalf of UT Shared Services and acting through the Alliance, is soliciting proposals in response to this RFP from qualified suppliers, to provide Managed Services for highly transactional activities within the Procure to Pay business process that lend themselves to uniformity, centralization and economies of scale as more specifically described below in Sections 1.4.1 and 1.4.3 of this RFP (collectively, the "**Services**"). The successful Proposer(s) to whom business may be awarded are referred to in this RFP as the "**Service Provider**" or "**Preferred Supplier.**" UT System might contract with

one Service Provider to perform all the highly transactional activities comprising the Procure to Pay business process, or it might contract with multiple Service Providers to perform different portions of these activities. In either case, UT System wants to secure the most practical and cost effective performance of the Procure to Pay business process, considered end to end, for the UT System health institutions. Proposer should provide solutions involving Historically Underutilized Businesses (HUBs), where possible. The selected Service Provider will possess and demonstrate:

- Core competencies and experience in providing Managed Services with respect to the Procure to Pay business process
- An excellent reputation for implementing and delivering high-quality, cost-efficient, Managed Services to others
- Ability to deal with multiple information systems

It must be noted that the migration of in-house processes to a third-party service is not new within UT System. At our campuses today a broad range of formerly in-house performed services are now successfully delivered by third-party service providers. Examples include Food Services; Environmental/Housekeeping Services; Clinical Engineering; Landscape Maintenance; Patient Billing & Collections (professional fees only); Laundry Services; Collections; and Payroll W-2 Production. Collectively, outsourcing saves UT System institutions over \$30 million per year.

#### 1.4.1 Managed Services

For the purposes of this RFP, Managed Services is viewed as the transition of highly transactional activities within a business process from an in-house delivered service to a third-party delivered service. Under the relationship with the Service Provider, the remaining activities will continue to be performed by the UT System health institutions. The UT Shared Services Office will facilitate establishment of the supplier relationship and work collaboratively with the institutions to implement and manage the externally provided services under a shared governance model. The Service Provider will furnish the personnel, and possibly the tools and technology, required to perform the business activities as an independent contractor, either directly or through its business partners, pursuant to the scope and objectives set forth in this RFP.

#### 1.4.2 Project Objectives: The primary objectives for this initiative are:

- Cost Savings / Cost Avoidances
- Enhanced Productivity & Customer Service Quality
- Outstanding Performance Measured Against Quantitative Measures
- Compliance Enhancement and Reduced Exposure to Risk
- Improved Collaboration among Institutions
- Standardized Business Processes (end to end)
- Improved integration and information available for decision-making and planning
- Provide for a scalable service infrastructure
- Continuous operational improvement

#### 1.4.3 Scope: UT Shared Services will establish a relationship with an experienced supplier to provide assistance in achieving significant cost savings and service level efficiencies through end to end

business process redesign and execution, and the migration of selected highly transactional activities within the Procure to Pay business process and/or technology to external sources. This Managed Services effort will focus on the Procure to Pay business process for UT System's six (6) health institutions.

UT System is seeking a long-term (10+ years) Service Provider to:

- Provide Managed Services to perform the highly transactional activities within the Procure to Pay business process
- Assist in the continuous evaluation of the Procure to Pay business process to determine potential improvement opportunities
- Advise on re-engineering internal Procure to Pay business process to maximize Managed Services benefits
- Help develop change management strategies
- Suggest appropriate performance measures (e.g., service quality, customer satisfaction)
- Provide system expertise to interface/integrate systems at UT System health institutions

To clarify, this RFP uses the following terminology when describing the hierarchy between "**business process**," "**function**," and "**activities**":

"**business process**" refers to a highly transactional process for a particular aspect of business operations. "Procure to Pay" – further described below – is an example of one such business process.

"**function**" refers to a particular subset within a business process. Within Procure to Pay, procurement is one such subset.

"**activities**" refers to business activities within a particular function. Issuing a purchase order is an example of one such activity within the procurement function.

"**Procure to Pay**," encompasses the functional areas and related activities from procurement / purchasing through payment for goods and services including, but not limited to:

- sourcing
- purchasing
- inventory control
- supplier support and historically underutilized business program
- materials management
- spend analysis
- accounts payable (purchase orders, procurement cards, travel and entertainment reimbursements)
- patient refunds
- contract administration

#### 1.4.4 Business Relationship Model

It is our intent that any contract for Managed Services resulting from the selection process will be based on a “business alliance” relationship between UT Shared Services, the UT System health institutions and the Service Provider. We do not believe that a traditional buyer/seller relationship can provide the full scope of Services required to meet objectives outlined herein. It is our goal that such a “business alliance” relationship will provide flexibility to continually evolve and strengthen to meet the mutual goals and requirements of both parties.

Some of the characteristics we believe will result from this type of relationship are:

- Reciprocal, mutually supportive actions so that both parties gain over time
- Trust that the other party will take positive actions and refrain from opportunistic actions
- A long-term perspective and the willingness to give-and-take, resolving differences as they arise and sharing gains, risks, and losses
- Performance monitoring against explicit quantitative measures
- A meshing of the processes between the organizations to provide seamless delivery of services to customers

### 1.5 RFP Info.

1.5.1 Process. For this procurement, UT System will utilize a two-step process.

#### RFP – STEP 1 (QUALIFICATIONS)

The RFP – Step 1 (Qualifications) is the first step in a two-step process and provides the information necessary for interested Proposer to prepare and submit their qualifications and capabilities for consideration and initial ranking by UT System. UT System reserves the right to request additional clarification and oral interviews from a short-list of the top rated Proposers developed solely from the written responses to this RFP. Based on the initial ranking of Proposers submitting their proposals to RFP-Step 1 (Qualifications), UT System plans to invite the top-ranked Proposers to participate in the second step of the process, which will involve submittal of a Technical & Cost Proposal.

#### RFP – STEP 2 (TECHNICAL)

In RFP – Step 2 (Technical) step of the process, Proposers will be required to submit additional information to UT System, including, but not limited to, project approach and implementation plan, staffing, contract terms & conditions, and cost and fee schedules. UT System will rank the proposals in the order that they provide the “best value” for UT System. As part of RFP – Step 2 (Technical), the “highest ranked Proposers” may be requested to provide additional clarifications and participate in oral interviews as requested by UT System. UT System will then rank the remaining Proposers in order to identify the Proposer that offers the overall “best value” to UT System.

**No contract resulting from this RFP will guarantee a specific volume of Services to a Service Provider.**

### 1.5.2 RFP Schedule

- Issue RFP-Step 1, Qualifications.....May 1, 2013
- Pre-Proposal Conference.....May 15, 2013
- Deadline-Submittal of Questions.....May 22, 2013
- Deadline-Proposal Submittal.....June 3, 2013
- Evaluation and Selection of Short-list.....June/July 2013
  - Possible oral presentations in the same time frame
- Issuance of RFP-Step 2, Technical & Cost Proposals.....July 2013
- Proposal Submittal-Step 2.....August 2013
- Evaluation and Clarification.....Sept./Oct. 2013
  - Possible oral presentations in the same time frame
- Final Selection / Contract Award.....Oct. 2013

IMPORTANT NOTICE: The RFP Schedule shown above 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. If selected as a finalist, 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 is Houston, Texas.
2. If selected for contract award, Proposer should have its chief legal and business officers available for commencement of contract negotiations with 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 is Houston, Texas.

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

**SECTION 2**  
**NOTICE TO PROPOSER**

**2.1 Submittal Deadline**

UT System will accept proposals submitted in response to this RFP until **3:00 PM**, Houston, TX time, on **June 3, 2013** (the “**Submittal Deadline**”).

**2.2 UT System Contact Person**

Proposers will direct all questions or concerns regarding this RFP to the following UT System contact person (the “**UT System Contact**”):

Jeff Bonnardel, Sourcing Specialist  
UT System Supply Chain Alliance  
Phone: 713-745-0899  
Email: jabonnardel@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 Contact. The UT System Contact must receive all questions or concerns no later than 5 pm, Houston, TX time on **May 22, 2013**. 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; however, UT System reserves the right to decline to respond to any question or concern.

**2.3 Criteria for Selection**

Successful Proposer, if any, selected by UT System in accordance with the requirements and specifications set forth in this RFP, will be the Proposer that submits a proposal in response to this RFP, on or before the Submittal Deadline, that ultimately is determined by UT System, following review of timely submissions pursuant to the RFP Schedule shown above, to be the most advantageous to UT System.

Proposer is encouraged to propose terms and conditions offering the maximum benefit to UT System in terms of (1) services to be provided and (2) total overall cost to participating institutions. Proposers should describe all educational, state and local government discounts, as well as any other applicable discounts that may be available.

An evaluation team from UT System will evaluate proposals. The evaluation of proposals and the selection of Preferred Supplier will be based on the information provided by Proposer in its proposal. UT System may give consideration to additional information if UT System deems such information relevant.

The criteria to be considered by UT System in evaluating proposals and selecting Preferred Supplier will be those factors listed below:

### 2.3.1 Threshold Criteria Not Scored

- 2.3.1.1 Ability of UT System to comply with laws regarding Historically Underutilized Businesses; and
- 2.3.1.2 Ability of UT System to comply with laws regarding purchases from persons with disabilities.

### 2.3.2 Scored Criteria

- 2.3.2.1 cost of the goods and services;
- 2.3.2.2 reputation of Proposer and of Proposer's goods or services;
- 2.3.2.3 quality of Proposer's goods or services;
- 2.3.2.4 extent to which the goods or services meet UT System's needs;
- 2.3.2.5 Proposer's past relationship with UT System;
- 2.3.2.6 the total long-term cost of acquiring Proposer's goods or services ; and
- 2.3.2.7 Proposer's exceptions to the terms and conditions referenced in **Section 4** of this RFP.

## 2.4 Historically Underutilized Businesses

- 2.4.1 All agencies of the State of Texas are required to make a good faith effort to assist historically underutilized businesses (each a "**HUB**") in receiving contract awards. The goal of the HUB program is to promote full and equal business opportunity for all businesses in contracting with state agencies. Pursuant to the HUB program, if under the terms of any agreement or contractual arrangement resulting from this RFP, Preferred Supplier subcontracts any of the Services, Preferred Supplier must make a good faith effort to utilize HUBs certified by the Texas Procurement and Support Services Division of the Texas Comptroller of Public Accounts or any successor agency. Proposals that fail to comply with the requirements contained in this **Section 2.4** will constitute a material failure to comply with advertised specifications and will be rejected by UT System as non-responsive. Additionally, compliance with good faith effort guidelines is a condition precedent to awarding any agreement or contractual arrangement resulting from this RFP. Proposer acknowledges that, if selected by UT System, its obligation to make a good faith effort to utilize HUBs when subcontracting any of the Services will continue throughout the term of all agreements and contractual arrangements resulting from this RFP. Furthermore, any subcontracting of the Services by Proposer is subject to review by UT System to ensure compliance with the HUB program.
- 2.4.2 UT System has reviewed this RFP in accordance with Title 34, *Texas Administrative Code*, Section 20.13 (a), and has determined that subcontracting opportunities are probable under this RFP.
- 2.4.3 A HUB Subcontracting Plan ("**HSP**") is required as part of Proposer's proposal to be submitted in RFP-Step 2 (ref. **Sect. 1.5.1** of this RFP). The HSP will be developed and administered in accordance with UT System's Policy on Utilization of Historically Underutilized Businesses attached as **APPENDIX TWO** and incorporated herein for all purposes.

*Each Proposer that is invited by UT System to participate in the second step of the procurement process (RFP-Step 2) must complete and return the HSP in accordance with the terms and conditions of this RFP, including **APPENDIX TWO**. Proposals that fail to do so will be considered non-responsive to this RFP in accordance with Section 2161.252, Texas Government Code.*

Preferred Supplier will not be permitted to change its HSP unless: (1) Preferred Supplier completes a newly modified version of the HSP in accordance with the terms of **APPENDIX TWO** that sets forth all changes requested by Preferred Supplier, (2) Preferred Supplier provides UT System with such modified version of the HSP, (3) UT System approves the modified HSP in writing, and (4) all agreements or contractual arrangements resulting from this RFP are amended in writing by UT System and Preferred Supplier to conform to the modified HSP.

- 2.4.4 Each Proposer that is invited by UT System to participate in the second part of the procurement process is required, by the separate submittal deadline to be established in RFP-Step 2 – ref. **Sect. 1.5.1** of this RFP – to submit one (1) signed copy of the HSP to UT System at the same time as it submits its RFP-Step 2 proposal to UT System (ref. **Section 3.1** of this RFP). The signed copy of the HSP (the “**HSP Packet**”) must be submitted electronically utilizing the Ariba® e-sourcing tool as more particularly described in **Section 3.1** of this RFP. Proposer must ensure that the HSP Packet is submitted according to the electronic instructions provided in this RFP.

Any RFP-Step 2 proposal submitted in response to this RFP that is not accompanied by an HSP Packet meeting the above requirements will be rejected by UT System and remain unopened, as that proposal will be considered non-responsive due to material failure to comply with advertised specifications. Furthermore, UT System will open a Proposer’s HSP Packet prior to opening the proposal submitted by Proposer, in order to ensure that Proposer has submitted a signed copy of the Proposer’s HSP Packet as required by this RFP. A Proposer’s failure to submit a signed copy of the completed HSP Packet as required by this RFP will result in UT System’s rejection of the proposal submitted by that Proposer as non-responsive, due to material failure to comply with advertised specifications; such a proposal will remain unopened and will be disqualified and not reviewed by UT System (ref. **Section 1.5** of **APPENDIX ONE** to this RFP).

**Note:** The requirement that Proposer provide a signed and completed HSP Packet under this **Section 2.4.4** is separate from and does not affect Proposer’s obligation to provide UT System with its proposal as specified in **Section 3.1** of this RFP.

## 2.5 Pre-Proposal Conference

UT System will hold a pre-proposal conference at 10:00 AM, Houston, TX time, on **May 15, 2013**. 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. Suite 11.2339, TX 77030 (located in the Texas Medical Center); or

webinar broadcast via the Internet utilizing the “Go-to-Meeting” webinar conference service.

The Pre-Proposal Conference will allow all Proposers an opportunity to ask the Alliance, the Strategic Sourcing Team, and UT System HUB representatives relevant questions and clarify provisions of this RFP. Proposer should notify the UT System Contact **by no later than 5:00 PM Houston, TX time on May 8th, 2013**, whether it will attend the Pre-Proposal Conference, by emailing the UT System Contact at [jabonnardel@mdanderson.org](mailto:jabonnardel@mdanderson.org). 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.

## SECTION 3 SUBMISSION OF PROPOSAL

### 3.1 Electronic Submission Notice

Submittal of proposals in response to this RFP will be conducted entirely electronically, utilizing the Ariba® e-sourcing tool. To register for participation in this RFP, please email or call the UT System Contact for further instruction. An original signature by an authorized officer of Proposer must appear on the Execution of Offer (ref. **Section 2** of **APPENDIX ONE**) and electronically uploaded as instructed. Proposals must be completed and received by UT System on or before the Submittal Deadline (ref. **Section 2.1** of this RFP).

### 3.2 Proposal Validity Period

Each proposal must state that it will remain valid for UT System's acceptance for a minimum of one hundred eighty (180) days after the Submittal Deadline, to allow time for evaluation, selection, and any unforeseen delays.

### 3.3 Terms and Conditions

3.3.1 Proposer must comply with the requirements and specifications contained in this RFP, the General Terms and Conditions (ref. **Section 4** of this RFP), the Notice to Proposer (ref. **Section 2** of this RFP), Proposal Requirements (ref. **APPENDIX ONE**) and the Specifications and Survey Questions (ref. **Section 5** of this RFP). If there is a conflict among the provisions in this RFP, the provision requiring Proposer to supply the better quality or greater quantity of goods and services will prevail, or if such conflict does not involve quality or quantity, then interpretation will be in the following order of precedence:

- 3.3.1.1 Specifications and Survey Questions (ref. **Section 5** of this RFP);
- 3.3.1.2 General Terms and Conditions (ref. **Section 4** of this RFP);
- 3.3.1.3. Proposal Requirements (ref. **APPENDIX ONE**); and
- 3.3.1.4 Notice to Proposer (ref. **Section 2** of this RFP).

### 3.4 Submittal Checklist

Proposer is instructed to complete, sign, and upload into the Ariba® e-Sourcing tool, 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:

- 3.4.1 Signed and Completed Execution of Offer (ref. **Section 2** of **APPENDIX ONE**).
- 3.4.2 Responses to questions and requests for information in the Specifications and Survey Questions Section (ref. **Section 5** of this RFP).

- 3.4.3 Signed and Completed Pricing Affirmation (ref. **Section 6** of this RFP) – ***to be submitted by the separate submittal deadline to be established in RFP-Step 2 (ref. Sect. 1.5.1 of this RFP).***
- 3.4.4 Signed and completed copy of the HUB Subcontracting Plan or other applicable documents (ref. **Section 2.4** of this RFP and **APPENDIX TWO**) – ***to be submitted by the separate submittal deadline to be established in RFP-Step 2 (ref. Sect. 1.5.1 of this RFP).***
- 3.4.5 Responses to Proposer’s Survey (ref. **Section 5.4** of this RFP).
- 3.4.6 Proposer’s Price Schedule (ref. **Section 6** and **Attachment A** of this RFP) – ***to be submitted by the separate submittal deadline to be established in RFP-Step 2 (ref. Sect. 1.5.1 of this RFP).***

**SECTION 4**  
**GENERAL TERMS AND CONDITIONS**

**4.1 General Information regarding Structure of Transaction and Terms and Conditions**

The structure of the transaction UT System intends to enter into as a result of this RFP will be substantially similar to the following: (1) one Preferred Supplier Agreement (“**PSA**”) between UT System and Preferred Supplier; and (2) several Institutional Participation Agreements (each an “**IPA**”) signed by participating Alliance members and affiliates (collectively, the “**Agreement**”). In the IPA, the signing Institutional Participant will agree to all of the terms and conditions set forth in the PSA and make various commitments.

UT System contemplates that, following any contract award, UT System and Preferred Supplier will negotiate and agree upon the terms and conditions of a Preferred Supplier Agreement. In RFP-Step 2 (ref. **Sect. 1.5.1** of this RFP), UT System likely will provide Proposers with UT System's standard terms and conditions and require Proposers to identify any exceptions that Proposers will require.

## SECTION 5 SPECIFICATIONS AND SURVEY QUESTIONS

### 5.1 General

The requirements and specifications for the Services, as well as certain requests for information to be provided by Proposer as part of its proposal, are set forth below.

### 5.2 Minimum Requirement

The minimum qualification requirement is that Proposer must agree to pay to the Alliance the quarterly administrative fees referred to in **Section 6.2** of this RFP.

### 5.3 Additional Questions Specific to this RFP and Service Requirements

Proposer must submit the following information as part of Proposer's proposal:

- 5.3.1 In its proposal, Proposer must indicate whether it will consent to include in the Agreement the "Access by Individuals with Disabilities" language that is set forth in **APPENDIX THREE**, Access by Individuals with Disabilities. If Proposer objects to the inclusion of the "Access by Individuals with Disabilities" language in the Agreement, Proposer must, as part of its proposal, specifically identify and describe in detail all of the reasons for Proposer's objection. NOTE THAT A GENERAL OBJECTION IS NOT AN ACCEPTABLE RESPONSE TO THIS QUESTION.
- 5.3.2 In its proposal, Proposer must respond to each item listed in **APPENDIX FOUR**, Electronic and Information Resources ("EIR") Environment Specifications. **APPENDIX FOUR** will establish specifications, representations, warranties and agreements related to the EIR that Proposer is offering to provide to UT System. Responses to **APPENDIX FOUR** will be incorporated into the Agreement and will be binding on Preferred Supplier.
- 5.3.3 In its proposal, Proposer must respond to each item listed in **APPENDIX FIVE**, Security Characteristics and Functionality of Proposer's Information Resources. **APPENDIX FIVE** will establish specifications, representations, warranties and agreements related to the EIR that Proposer is offering to provide to UT System. Responses to **APPENDIX FIVE** will be incorporated into the Agreement and will be binding on Preferred Supplier.
- 5.3.4 Proposers will provide answers to the questions listed in the Proposer's Survey ("**Proposer's Survey**") (ref. **Section 5.4** of this RFP) to the best of Proposer's knowledge, as responses may be incorporated into the Preferred Supplier Agreement. The questions in the Proposer's Survey will provide UT System with additional information about Proposer and various efficiencies and economies of scale that Proposer may provide to participating institutions.

## 5.4 Proposer's Survey

The Proposer's Survey contains a list of additional questions the Proposer will answer when responding to this RFP. If Proposer needs to submit additional supporting information, refer to the supporting information in responses to the Proposer's Survey and attach supporting materials in a logical and clear manner. Any supporting information must be included in electronic form via the Ariba® e-Sourcing tool and must follow the following naming convention: (<Proposer Name> - <Question Number> - Response - <File Name>).

### Survey Instructions:

**We recognize that not everyone uses the terminology "Managed Services." In answering the questions below, please include information about not only "Managed Services" experience that you have but also any "Business Process Outsourcing (BPO)" or similar experience. To remind you to do so, many of the questions seek information about your "Managed Services / BPO" background. Be sure your response clearly describes your capabilities and qualifications.**

#### Q.1.0 Company Profile

- Q.1.1 Provide your company's main address, telephone and fax number.
- Q.1.2 Provide your company's FEIN.
- Q.1.3 Provide your company's DUNS number.
- Q.1.4 Provide your company's main contact for this RFP including telephone number and email address.
- Q.1.5 Provide your company's corporate history (limit response to 2 pages).
- Q.1.6 What is your company's legal structure (e.g., corporation, partnership, etc.)?
- Q.1.7 What is your company's ownership structure? Is your company part of a consolidated group of companies? And, if so, how long has your company been part of the consolidated group? What proportion of total revenues does your company contribute to the consolidated group?
- Q1.8 For all individuals, groups, corporations, etc. that holds 25% or greater equity in the Company list their name and their percentage (%) held.
- Q.1.9 Within the past three years, have there been any significant developments in your organization, such as changes in ownership, restructuring, or personnel reorganizations? Do you foresee any future significant changes in your organization? If yes, please describe?
- Q.1.10 Provide any details of all past or pending litigation or claims filed against your company that would affect your company's performance under an Agreement with UT System.

- Q.1.11 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.
- Q.1.12 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.
- Q.1.13 Indicate when and why your company first began offering Managed Services/BPO or like services and identify the services that were initially offered then and the services offered today. Indicate when you first started offering Procure to Pay Managed Services. What are your annual sales for performing these services over each of the past three (3) years?
- Q.1.14 Identify in which market segments your Procure to Pay Managed Services/BPO services are offered and implemented (e.g., healthcare, banking, insurance, manufacturing, supply chain, etc.) and the annual sales per market segment over the past three (3) years.
- Q.1.15 Identify the business areas your company possesses expertise in aside from Procure to Pay Managed Services/BPO, and indicate what proportion of your business revenue comes from each?
- Q.1.16 Provide details of all instances within the past three (3) years you were cited as noncompliant during a regularity and/or audit review and provide the status of resolution/closure.

**Q.2.0 References**

- Q.2.1 Provide a listing of three (3) customers (non-healthcare or non-academic institutions) for which you currently provide Managed Services/BPO of the type and kind required by this RFP. Your customer reference list shall include the company name; contact person including telephone number; scope of services; the transaction volumes for business processes/functions/activities; annual sales volume (\$), and the period of time for which work was performed.
- Q.2.2 Provide a listing of all customer (healthcare and/or academic institutions) for which you currently provide Managed Services/BPO of the type and kind required by this RFP. Your customer reference list shall include the company name; contact person including telephone number; scope of services; the transaction volumes for business processes/functions/activities; annual sales volume (\$), and the period of time for which work was performed.
- Q.2.3 Provide a listing of all past customers you have provided Managed Services/BPO for which you have ceased to provide services within the past five (5) years. Please also indicate why you no longer provide such services. Your customer reference list shall

include the company name; contact person including telephone number; scope of services, and the period of time for which work was performed and the date services ended.

- Q.2.4 List all new customer accounts for Procure to Pay Managed Services/BPO your company established within last 12 months. Your customer reference list shall include the company name; contact person including telephone number; and scope of services.

**Q.3.0 Financial**

- Q.3.1 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.
- Q.3.2 If requested, please indicate your company's agreement to provide the company's audited financial statement for the last two (2) years.
- Q.3.3 Provide Independent Auditor's Report for each of the last 3 years.
- Q.3.4 If you did not provide your DUNS number as requested in response to question 1.3 above, please provide two financial references (1 trade reference and 1 financial institution/bank reference). List should include company name, mailing address, telephone number, FAX number, contact person and length of financial relationship.
- Q.3.5 Provide the percentage of your company's total sales revenue that is generated by Procure to Pay Managed Services/BPO.
- Q.3.6 Provide the total dollars invested over each of the past three (3) years in your Procure-to-Pay Managed Services/BPO business solution and the amounts invested in each of the following area: technology and tools; marketing; recruitment; staff development; and staff retention.
- Q.3.7 Attach a letter of intent from a surety company indicating your firm's ability to bond for \$10 million. The surety shall acknowledge that the firm may be bonded for each stage/phase of the project.

**Q.4.0 Staffing, Subcontractors, and Historically Underutilized Businesses**

- Q.4.1 Provide the name, title, office location, and up-to-date resume of the individual who will assume overall responsibility for the work to be performed for UT System. Include a brief description of their unique qualifications as it pertains to this project.
- Q.4.2 Provide an organization chart that identifies the proposed "key" staff members who will be assigned to this account. Your response must include their resumes, their unique qualification as it pertains to this project, and defines their role in the delivery of Managed Services to UT System health institutions.

Q.4.3 Provide the turnover rate for all Managed Services/BPO personnel, including a breakdown across appropriate categories (e.g., Management; IT Support; Process Support, etc.), and describe what employee development programs are in place to ensure employee retention and continuity of service.

Q.4.4 Partners, Affiliates, and Subcontractors

- a. List any partners or affiliates that will be part of delivering the managed services and describe the nature of your relationship with this entity. Identify the Managed Services/BPO projects where you are currently utilizing these partners or affiliates or have utilized them within the past two (2) years. Your response must also indicate the location (city & country) from which each of the partners or affiliates you listed provides their services.
- b. Describe what opportunities you foresee to utilize subcontractors to perform portions of the work contemplated under this RFP.
- c. Describe your company's process for the selection of subcontractors and process for evaluating subcontractors' performance.
- d. Identify the subcontractors resources outside of your company that you typically engage to assist in performing the Services contemplated under this RFP and the role they play in performing the services. Identify the Managed Services/BPO projects where you are currently utilizing these subcontractors or have utilized them within the past two (2) years. Your response must also indicate the location (city & country) from which each of the subcontractors you listed provides their services.

Q.4.5 Historically Underutilized Businesses

In addition to your completion of the HSP (ref. APPENDIX TWO to the RFP), please respond to the following:

- a. Provide a clear statement of your company's commitment and plan to engage, utilize and partner with Texas certified HUBs in the work under a contract between your company and UT System.
- b. Describe your current subcontracts/partnering arrangements with Texas certified HUB firms and the capacity which they are utilized in the delivery of your services.

**Q.5.0 Technology and Tools**

Each UT System health institution utilizes a variety of ERP Systems, software, ordering methods, tools, technologies and formats (e.g., PeopleSoft, SciQuest, EDI, XML, cXML).

Q.5.1 Explain how your Procure-to Pay Managed Services business process model supports integration with existing ERP systems (i.e., PeopleSoft). What have been the integration

“touch points” and what technologies were utilized to accomplish this? How will they support integrating with the multiple UT institution’s platforms and ERP Systems?

- Q.5.2 Assuming PeopleSoft is the ERP system in place for most (or all) of the UT System health institutions, please list successful past integrations with this ERP and how you managed multiple, potentially competing, PeopleSoft customizations with past customers.
- Q.5.3 Identify the tools and enabling technologies you typically provide to your customer as part of your delivery of Procure to Pay Managed Services/BPO services. Please indicate if these tools and technologies are proprietary or open architecture? Are they flexible and scalable?

**Q.6.0 Quality Management and Compliance**

- Q.6.1 How do you ensure that current quality of service provided by in house operations is not adversely impacted during the period of transition and is subsequently maintained and improved over time?
- Q.6.2 Identify the key outcome and performance measures and metrics you propose to use in delivering services to UT System. Your response should indicate the frequency of the measurement, how it will be used to continually improve performance, and how this information will be shared with UT System. Your response should include how you measure and monitor production quality and how problems are tracked, escalated (if required) both internally and with the customer; your response should include what tools are used and if they are made available to customer.
- Q.6.3 How do you measure and monitor customer satisfaction; describe the method used, frequency, and how results are reported. Include sample survey.
- Q.6.4 In addition to any tools listed in your response to Question 6.2, please indicate what tools you provide that will allow each of the UT System health institutions to monitor performance and adherence to the service levels?
- Q.6.4 Does your company have a corporate approved “Business Continuity plan to include disaster recovery?” If yes, please provide details outlining the type/severity of the disaster; recovery time; and operating functions/services.
- Q.6.5 How do you ensure compliance and adherence to state/federal/UT System guidelines/policies? How have you successfully integrated HIPAA, FERPA, PHI, and PCI compliance in delivery of your services; provide specific examples.
- Q.6.6 What is your process to ensure that customer required internal controls are integrated in your system design and delivery of services?
- Q.6.7 How will your company facilitate/participate in state/federal/UT System audits?

**Q.7.0 Services, Project Approach and Implementation Plan**

- Q.7.1 Provide a detailed description for the full range of Procure to Pay services available from your company. Provide a description of any services you plan to make available within the next eighteen (18) months.
- Q.7.2 Provide your project approach and best service delivery model to provide Managed Services for the Procure to Pay business process as described in Section 1.4.3 to the UT System health institutions. Describe how your approach and service delivery model will meet the UT System's Objectives set forth in Section 1.4.2. Your response should define:
- (i) those work activities and tasks to be migrated to the Service Provider and those that will continue to be performed by the UT System health institutions based on your experience of successful deployments;
  - (ii) how best practices and best of breed solutions will be incorporated at project inception and continue to evolve under your Managed Services' solution;
  - (iii) your process for assessing and aligning business processes and business rules across institutions considering their multiple, disparate systems and business processes; and
  - (iv) the facility locations (city and country) you propose to utilize to deliver services to UT System including the type of work activities that will be performed at each location and its percentage of the total work.
- Q.7.3 Provide a conceptual process map for the Procure to Pay business process that defines the functions and activities that will continue to be performed by the UT System health institutions and those to be performed by your company and your subcontractors. Your response should reflect the workflow and management responsibilities for these functions and activities. For the functions and activities to be performed by your company, please provide expected performance parameters (e.g., turnaround time) on the process map as well.
- Q.7.4 Provide a high-level Implementation Plan identifying the Primary Phases of Transition including key tasks, milestones, and outcomes commencing date of contract award through the initial thirty six (36) months of the contract term. Your response should highlight both your and UT System's responsibilities and resources required during each phase.
- Q.7.5 Describe the communication models used by your company to keep project personnel and internal customers informed during transition/implementation. How do you envision your model to be different or modified to support consistent communications across a multi-institution deployment?
- Q.7.6 Define the greatest implementation risks and your mitigation strategy.
- Q.7.7 Explain the ability to "scale" your service delivery solution upward or downward. What component elements of your service delivery solution are not scalable and why?

**Q.8.0 Business Relationship and Governance Model (concept)**

- Q.8.1 In Section 1.4.4, you were provided UT System's desire for a "business alliance" relationship with the selected Service Provider. Identify the prior engagements under which you operated in a "business alliance" relationship similar to that described in Section 1.4.4. Please indicate any additional characteristics to be added or characteristics to be deleted that lend themselves to best achieve the objectives and maximize the outcomes to be attained.
- Q.8.2 Section 1.3.3 describes, to some extent, the current governance model for UT Shared Services. Provide your concept for Governance of the Managed Services relation between your company, UT System health institutions and UT Shared Services. Your response should include the roles and responsibilities for each of the parties at both the integrated project/UT Shared Services' Executive level and at the day to day operational (institutional) level (e.g., trouble-shooting, managing problems, etc.).
- Q.8.3 Provide a listing of those customers (include customer name, contact person and telephone number) for whom you currently operate under a like or similar governance and business relationship structure as you discussed in Section 8.1 and 8.2, above.

**Q.9.0 Competitive Advantage**

***Note: For the following Questions 9.1-9.3, please limit your response to no more than 2 pages per question.***

- Q.9.1 Projects of this type have challenges and/or difficulties along the way. Identify the challenges and/or difficulties you typically have encountered in providing Procure to Pay Managed Services/BPO. What suggestions do you have for UT System to avoid or better position itself to manage these challenges?
- Q.9.2 Briefly describe your company's advantage in the marketplace or special benefits in UT System selecting your company not otherwise disclosed in your RFP response.
- Q.9.3 Please list any industry recognitions and/or rankings as a Procure to Pay Managed Services/BPO service provider received during the past three (3) years.
- Q.9.4 What industry certifications does your company maintain?
- Q.9.5 Please indicate any additional "value added" services or programs not otherwise asked or disclosed herein that should be considered during the evaluation process.

**SECTION 6**  
**PRICING SCHEDULE AND AFFIRMATION**

**6.1 Pricing Schedule**

Proposer must submit as part of its proposal (*but only by the separate submittal deadline to be established in RFP-Step 2 – ref. Sect. 1.5.1 of this RFP*) detailed prices for the Services described in this RFP. The rate schedule(s) will include all costs associated with providing the full Service Requirements.

**6.2 Pricing Affirmation**

**THE FOLLOWING FORM MUST BE COMPLETED, SIGNED AND SUBMITTED WITH THE PROPOSER'S PROPOSAL (*but only by the separate submittal deadline to be established in RFP-Step 2 – ref. Sect. 1.5.1 of this RFP*). FAILURE TO DO SO WILL RESULT IN THE REJECTION OF YOUR PROPOSAL.**

Proposal of: \_\_\_\_\_  
(Proposer Company Name)

To: The University of Texas System

Ref.: Preferred Supplier of Managed Services – Procure to Pay

RFP No.: UTS/A-39

Ladies and Gentlemen:

Having carefully examined all the specifications and requirements of this RFP and any attachments thereto, the undersigned proposes to furnish the Services required under the above-referenced Request for Proposal upon the pricing terms quoted below.

The prices quoted in **Attachment \_\_\_**, Price Schedule, to this RFP will be Proposer's guaranteed pricing for the Services.

Proposer agrees that if Proposer is awarded an agreement under this RFP, it will pay to UT System a quarterly administrative fee of two percent (2%) of the Total Net Sales of Services made by Preferred Supplier under the Agreement. **"Total Net Sales"** means the total dollar amount of all sales made by Preferred Supplier to Institutional Participants, less credits, returns, taxes, and unpaid invoices. The administrative fee will be used by UT System to provide support for implementation, administration, monitoring, and management of the Agreement. *[Note to Proposer: these details will be addressed in the Agreement's Service Requirements or Scope of Work.]*

Subject to the requirements of the Texas Prompt Payment Act (Chapter 2251, *Texas Government Code*), UT System's standard payment terms for services are "Net 30 days."

Proposer will provide the following prompt payment discount:

Prompt Payment Discount: \_\_\_\_\_% \_\_\_\_\_ days/net 30 days.

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

Respectfully submitted,

**Proposer:** \_\_\_\_\_

**By:** \_\_\_\_\_

(Authorized Signature for Proposer)

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## APPENDIX ONE

### PROPOSAL REQUIREMENTS

#### SECTION 1 GENERAL INFORMATION

##### **1.1 Purpose**

UT System is soliciting competitive sealed proposals from Proposers having suitable qualifications and experience providing goods and services in accordance with the terms, conditions and requirements set forth in this RFP. This RFP provides sufficient information for interested parties to prepare and submit proposals for consideration by UT System.

By submitting a proposal, Proposer certifies that it understands this RFP and has full knowledge of the scope, nature, quality, and quantity of the goods and services to be performed, the detailed requirements of the goods and services to be provided, and the conditions under which such goods and services are to be performed. Proposer also certifies that it understands that all costs relating to preparing a response to this RFP will be the sole responsibility of Proposer.

PROPOSER IS CAUTIONED TO READ THE INFORMATION CONTAINED IN THIS RFP CAREFULLY AND TO SUBMIT A COMPLETE RESPONSE TO ALL REQUIREMENTS AND QUESTIONS AS DIRECTED.

##### **1.2 Inquiries and Interpretations**

UT System may in its sole discretion respond in writing to written inquiries concerning this RFP and post its response as an Addendum to all parties recorded by UT System as participating in this RFP. Only UT System's responses that are made by formal written Addenda will be binding on UT System. Any verbal responses, written interpretations or clarifications other than Addenda to this RFP will be without legal effect. All Addenda issued by UT System prior to the Submittal Deadline will be and are hereby incorporated as a part of this RFP for all purposes.

Proposers are required to acknowledge receipt of each Addendum by selecting "acknowledge" in the Addendum section of the RFP in Ariba. Each Addendum must be acknowledged by Proposer prior to the Submittal Deadline and should accompany Proposer's proposal.

##### **1.3 Public Information**

Proposer is hereby notified that UT System strictly adheres to all statutes, court decisions and the opinions of the Texas Attorney General with respect to disclosure of public information.

UT System may seek to protect from disclosure all information submitted in response to this RFP until such time as a final agreement is executed.

Upon execution of a final agreement, UT System will consider all information, documentation, and other materials requested to be submitted in response to this RFP, to be of a non-confidential and non-

proprietary nature and, therefore, subject to public disclosure under the *Texas Public Information Act* (*Government Code*, Chapter 552.001, et seq.). Proposer will be advised of a request for public information that implicates their materials and will have the opportunity to raise any objections to disclosure to the Texas Attorney General. Certain information may be protected from release under Sections 552.101, 552.110, 552.113, and 552.131, *Government Code*.

#### 1.4 Type of Agreement

Preferred Supplier, if any, will be required to enter into an agreement with UT System in a form that (i) includes terms and conditions substantially similar to those set forth in **Section 4** of this RFP, and (ii) is otherwise acceptable to UT System in all respects.

#### 1.5 Proposal Evaluation Process

UT System will select Preferred Supplier by using the competitive sealed proposal process described in this Section. In RFP-Step 2, UT System will open the HSP Packet submitted by a Proposer prior to opening Proposer's proposal in order to ensure that Proposer has submitted the completed and signed HUB Subcontracting Plan (also called the HSP) that is required by this RFP (ref. **Section 2.4.4** of the RFP). All proposals submitted by the separate submittal deadline to be established in RFP-Step 2 (ref. **Section 1.5.1** of this RFP), accompanied by the completed and signed HSP required by this RFP, will be opened. Any proposals that are not submitted by such separate submittal deadline or that are not accompanied by the completed and signed HSP required by this RFP will be rejected by UT System as non-responsive due to material failure to comply with advertised specifications. After the opening of the proposals and upon completion of the initial review and evaluation of the proposals, UT System may invite one or more selected Proposers to participate in oral presentations. UT System will use commercially reasonable efforts to avoid public disclosure of the contents of a proposal prior to selection of Preferred Supplier.

UT System may make the selection of Preferred Supplier on the basis of the proposals initially submitted, without discussion, clarification or modification. In the alternative, UT System may make the selection of Preferred Supplier on the basis of negotiation with any of Proposers. In conducting such negotiations, UT System will avoid disclosing the contents of competing proposals.

At UT System's sole option and discretion, UT System may discuss and negotiate all elements of the proposals submitted by selected Proposers within a specified competitive range. For purposes of negotiation, UT System may establish, after an initial review of the proposals, a competitive range of acceptable or potentially acceptable proposals composed of the highest rated proposal(s). In that event, UT System will defer further action on proposals not included within the competitive range pending the selection of Preferred Supplier; provided, however, UT System reserves the right to include additional proposals in the competitive range if deemed to be in the best interests of UT System.

After submission of a proposal but before final selection of Preferred Supplier is made, UT System may permit a Proposer to revise its proposal in order to obtain Proposer's best and final offer. In that event, representations made by Proposer in its revised proposal, including price and fee quotes, will be binding on Proposer. UT System will provide each Proposer within the competitive range with an equal opportunity for discussion and revision of its proposal. UT System is not obligated to select Proposer

offering the most attractive economic terms if that Proposer is not the most advantageous to UT System overall, as determined by UT System.

UT System reserves the right to (a) enter into an agreement for all or any portion of the requirements and specifications set forth in this RFP with one or more Proposers, (b) reject any and all proposals and re-solicit proposals, or (c) reject any and all proposals and temporarily or permanently abandon this selection process, if deemed to be in the best interests of UT System. Proposer is hereby notified that UT System will maintain in its files concerning this RFP a written record of the basis upon which a selection, if any, is made by UT System.

## **1.6 Proposer's Acceptance of Evaluation Methodology**

By submitting a proposal, Proposer acknowledges (1) Proposer's acceptance of [a] the Proposal Evaluation Process (ref. **Section 1.5** of **APPENDIX ONE**), [b] the Criteria for Selection (ref. **2.3** of this RFP), [c] the Specifications and Survey Questions (ref. **Section 5** of this RFP), [d] the terms and conditions set forth in **Section 4** of this RFP, and [e] all other requirements and specifications set forth in this RFP; and (2) Proposer's recognition that some subjective judgments must be made by UT System during this RFP process.

## **1.7 Solicitation for Proposal and Proposal Preparation Costs**

Proposer understands and agrees that (1) this RFP is a solicitation for proposals and UT System has made no representation written or oral that one or more agreements with UT System will be awarded under this RFP; (2) UT System issues this RFP predicated on UT System's anticipated requirements for the Services, and UT System has made no representation, written or oral, that any particular scope of services will actually be required by UT System; and (3) Proposer will bear, as its sole risk and responsibility, any cost that arises from Proposer's preparation of a proposal in response to this RFP.

## **1.8 Proposal Requirements and General Instructions**

- 1.8.1 Proposer should carefully read the information contained herein and submit a complete proposal in response to all requirements and questions as directed.
- 1.8.2 Proposals and any other information submitted by Proposer in response to this RFP will become the property of UT System.
- 1.8.3 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.
- 1.8.4 Proposals that (i) are qualified with conditional clauses; (ii) alter, modify, or revise this RFP in any way; or (iii) contain irregularities of any kind, are subject to disqualification by UT System, at UT System's sole discretion.
- 1.8.5 Proposals should be prepared simply and economically, providing a straightforward, concise description of Proposer's ability to meet the requirements and specifications of this RFP.

Emphasis should be on completeness, clarity of content, and responsiveness to the requirements and specifications of this RFP.

- 1.8.6 UT System makes no warranty or guarantee that an award will be made as a result of this RFP. UT System reserves the right to accept or reject any or all proposals, waive any formalities, procedural requirements, or minor technical inconsistencies, and delete any requirement or specification from this RFP when deemed to be in UT System's best interest. UT System reserves the right to seek clarification from any Proposer concerning any item contained in its proposal prior to final selection. Such clarification may be provided by telephone conference or personal meeting with or writing to UT System, at UT System's sole discretion. Representations made by Proposer within its proposal will be binding on Proposer.
- 1.8.7 Any proposal that fails to comply with the requirements contained in this RFP may be rejected by UT System, in UT System's sole discretion.

## 1.9 Preparation and Submittal Instructions

### 1.9.1 Specifications and Additional Questions

Proposals must include responses to the questions referenced in Specifications and Survey Questions (ref. **Section 5** of this RFP).

### 1.9.2 Execution of Offer

Proposer must complete, sign and return the attached Execution of Offer (ref. **Section 2 of APPENDIX ONE**) as part of its proposal. The Execution of Offer must be signed by a representative of Proposer duly authorized to bind Proposer to its proposal. Any proposal received without a completed and signed Execution of Offer may be rejected by UT System, in its sole discretion.

### 1.9.3 Pricing Affirmation

Proposer must complete and return the Pricing Affirmation (ref. **Section 6** of this RFP), as part of its proposal.

UT System will not recognize or accept any charges or fees that are not specifically stated in the Pricing Affirmation.

### 1.9.4 Submission

Proposer should submit all proposal materials via the Ariba® e-sourcing tool. Proposer should ensure that all documents are submitted electronically in accordance with the instructions in **Section 3.1** of this RFP.

Proposer must also submit the HUB Subcontracting Plan (also called the HSP) as required by this RFP (ref. **Section 2.4** of the RFP.)

UT System will not, under any circumstances, consider a proposal that is received after the Submittal Deadline or which is not accompanied by the completed and signed HSP that is required by this RFP.

UT System will not accept proposals submitted by telephone, proposals submitted by Facsimile (“**FAX**”) transmission, or proposals submitted by hard copy (i.e., paper form) in response to this RFP.

Except as otherwise provided in this RFP, no proposal may be changed, amended, or modified after it has been submitted to UT System. However, a proposal may be withdrawn and resubmitted at any time prior to the Submittal Deadline. No proposal may be withdrawn after the Submittal Deadline without UT System’s consent, which will be based on Proposer’s submittal of a written explanation and documentation evidencing a reason acceptable to UT System, in UT System’s sole discretion.

By signing the Execution of Offer (ref. **Section 2** of **APPENDIX ONE**) and submitting a proposal, Proposer certifies that any terms, conditions, or documents attached to or referenced in its proposal are applicable to this procurement only to the extent that they (a) do not conflict with the laws of the State of Texas or this RFP and (b) do not place any requirements on UT System that are not set forth in this RFP or in the Appendices to this RFP. Proposer further certifies that the submission of a proposal is Proposer’s good faith intent to enter into the Agreement with UT System as specified herein and that such intent is not contingent upon UT System’s acceptance or execution of any terms, conditions, or other documents attached to or referenced in Proposer’s proposal.

**SECTION 2**  
**EXECUTION OF OFFER**

**THIS EXECUTION OF OFFER MUST BE COMPLETED, SIGNED AND RETURNED WITH PROPOSER'S PROPOSAL. FAILURE TO COMPLETE, SIGN AND RETURN THIS EXECUTION OF OFFER WITH PROPOSER'S PROPOSAL MAY RESULT IN THE REJECTION OF THE PROPOSAL.**

- 2.1** By signature hereon, Proposer represents and warrants the following:
- 2.1.1 Proposer acknowledges and agrees that (1) this RFP is a solicitation for a proposal and is not a contract or an offer to contract; (2) the submission of a proposal by Proposer in response to this RFP will not create a contract between UT System and Proposer; (3) UT System has made no representation or warranty, written or oral, that one or more contracts with UT System will be awarded under this RFP; and (4) Proposer will bear, as its sole risk and responsibility, any cost arising from Proposer's preparation of a response to this RFP.
  - 2.1.2 Proposer is a reputable company that is lawfully and regularly engaged in providing the Services.
  - 2.1.3 Proposer has the necessary experience, knowledge, abilities, skills, and resources to perform the Services.
  - 2.1.4 Proposer is aware of, is fully informed about, and is in full compliance with all applicable federal, state and local laws, rules, regulations and ordinances.
  - 2.1.5 Proposer understands (i) the requirements and specifications set forth in this RFP and (ii) the terms and conditions set forth in Section 4 of this RFP, under which Proposer will be required to operate.
  - 2.1.6 If selected by UT System, Proposer will not delegate any of its duties or responsibilities under this RFP or the Agreement to any sub-contractor, except as expressly provided in the Agreement.
  - 2.1.7 If selected by UT System, Proposer will maintain any insurance coverage as required by the Agreement during the term thereof.
  - 2.1.8 All statements, information and representations prepared and submitted in response to this RFP are current, complete, true and accurate. Proposer acknowledges that UT System will rely on such statements, information and representations in selecting Preferred Supplier. If selected by UT System, Proposer will notify UT System immediately of any material change in any matters with regard to which Proposer has made a statement or representation or provided information.
  - 2.1.9 PROPOSER WILL DEFEND WITH COUNSEL APPROVED BY UT SYSTEM, INDEMNIFY, AND HOLD HARMLESS UT SYSTEM, THE STATE OF TEXAS, AND ALL OF THEIR REGENTS, OFFICERS, AGENTS AND EMPLOYEES, FROM AND AGAINST ALL ACTIONS, SUITS, DEMANDS, COSTS, DAMAGES, LIABILITIES AND OTHER CLAIMS OF ANY NATURE, KIND OR DESCRIPTION, INCLUDING REASONABLE ATTORNEYS' FEES INCURRED IN INVESTIGATING, DEFENDING OR

SETTLING ANY OF THE FOREGOING, ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF PROPOSER OR ANY AGENT, EMPLOYEE, SUBCONTRACTOR, OR SUPPLIER OF PROPOSER IN THE EXECUTION OR PERFORMANCE OF ANY CONTRACT OR AGREEMENT RESULTING FROM THIS RFP.

2.1.10 Pursuant to Sections 2107.008 and 2252.903, *Government Code*, any payments owing to Proposer under any contract or agreement resulting from this RFP may be applied directly to any debt or delinquency that Proposer owes the State of Texas or any agency of the State of Texas regardless of when it arises, until such debt or delinquency is paid in full.

2.2 By signature hereon, Proposer offers and agrees to comply with all terms, conditions, requirements and specifications set forth in this RFP.

2.3 By signature hereon, Proposer affirms that it has not given or offered to give, nor does Proposer intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to a public servant in connection with its submitted proposal. Failure to sign this Execution of Offer, or signing with a false statement, may void the submitted proposal or any resulting contracts, and Proposer may be removed from all proposal lists at UT System.

2.4 By signature hereon, Proposer certifies that it is not currently delinquent in the payment of any taxes due under Chapter 171, *Tax Code*, or that Proposer is exempt from the payment of those taxes, or that Proposer is an out-of-state taxable entity that is not subject to those taxes, whichever is applicable. A false certification will be deemed a material breach of any resulting contract or agreement and, at UT System's option, may result in termination of any resulting contract or agreement.

2.5 By signature hereon, Proposer hereby certifies that neither Proposer nor any firm, corporation, partnership or institution represented by Proposer, or anyone acting for such firm, corporation or institution, has violated the antitrust laws of the State of Texas, codified in Section 15.01, et seq., *Business and Commerce Code*, or the Federal antitrust laws, nor communicated directly or indirectly the proposal made to any competitor or any other person engaged in such line of business.

2.6 By signature hereon, Proposer certifies that the individual signing this document and the documents made a part of this RFP, is authorized to sign such documents on behalf of Proposer and to bind Proposer under any agreements and other contractual arrangements that may result from the submission of Proposer's proposal.

2.7 By signature hereon, Proposer certifies as follows:

"Under Section 231.006, *Family Code*, relating to child support, Proposer certifies that the individual or business entity named in Proposer's proposal is not ineligible to receive the specified contract award and acknowledges that any agreements or other contractual arrangements resulting from this RFP may be terminated if this certification is inaccurate."

2.8 By signature hereon, Proposer certifies that (i) no relationship, whether by blood, marriage, business association, capital funding agreement or by any other such kinship or connection exists between the owner of any Proposer that is a sole proprietorship, the officers or directors of any Proposer that is a corporation, the partners of any Proposer that is a partnership, the joint venturers of any Proposer that

is a joint venture or the members or managers of any Proposer that is a limited liability company, on one hand, and any member of the Board of Regents of the University of Texas System or an employee of any component of The University of Texas System, on the other hand, other than the relationships which have been previously disclosed to UT System in writing; (ii) Proposer has not been an employee of any component institution of The University of Texas System within the immediate twelve (12) months prior to the Submittal Deadline; and (iii) no person who, in the past four (4) years served as an executive of a state agency was involved with or has any interest in Proposer's proposal or any contract resulting from this RFP (ref. Section 669.003, *Government Code*). All disclosures by Proposer in connection with this certification will be subject to administrative review and approval before UT System enters into a contract or agreement with Proposer.

- 2.9** By signature hereon, Proposer certifies that in accordance with Section 2155.004, *Government Code*, no compensation has been received for its participation in the preparation of the requirements or specifications for this RFP. In addition, Proposer certifies that an award of a contract to Proposer will not violate Section 2155.006, *Government Code*, prohibiting UT System from entering into a contract that involves financial participation by a person who, during the previous five years, has been convicted of violating federal law or assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, Hurricane Katrina, or any other disaster occurring after September 24, 2005. Pursuant to Sections 2155.004 and 2155.006, *Government Code*, Proposer certifies that Proposer is not ineligible to receive the award of or payments under the Agreement and acknowledges that the Agreement may be terminated and payment withheld if these certifications are inaccurate.
- 2.10** By signature hereon, Proposer certifies its compliance with all federal laws and regulations pertaining to Equal Employment Opportunities and Affirmative Action.
- 2.11** By signature hereon, Proposer represents and warrants that all products and services offered to UT System in response to this RFP meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health Law (Public Law 91-596) and the *Texas Hazard Communication Act*, Chapter 502, *Health and Safety Code*, and all related regulations in effect or proposed as of the date of this RFP.
- 2.12** Proposer will and has disclosed, as part of its proposal, any exceptions to the certifications stated in this Execution of Offer. All such disclosures will be subject to administrative review and approval prior to the time UT System makes an award or enters into any contract or agreement with Proposer.
- 2.13** If Proposer will sell or lease computer equipment to UT System under any agreements or other contractual arrangements that may result from the submission of Proposer's proposal then, pursuant to Section 361.965(c), *Health & Safety Code*, Proposer certifies that it is in compliance with the Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act set forth in Chapter 361, Subchapter Y, *Health & 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*. Section 361.952(2), *Health & Safety Code* states that, for purposes of the Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act, the term "computer equipment" means a desktop or notebook computer and includes a computer monitor or other display device that does not contain a tuner.

**2.14 Proposer should complete the following information:**

If Proposer is a Corporation, then State of Incorporation: \_\_\_\_\_

If Proposer is a Corporation then Proposer's Corporate Charter Number: \_\_\_\_\_

RFP No.: UTS/A21

**NOTICE:** WITH FEW EXCEPTIONS, INDIVIDUALS ARE ENTITLED ON REQUEST TO BE INFORMED ABOUT THE INFORMATION THAT GOVERNMENTAL BODIES OF THE STATE OF TEXAS COLLECT ABOUT SUCH INDIVIDUALS. UNDER SECTIONS 552.021 AND 552.023, *GOVERNMENT CODE*, INDIVIDUALS ARE ENTITLED TO RECEIVE AND REVIEW SUCH INFORMATION. UNDER SECTION 559.004, *GOVERNMENT CODE*, INDIVIDUALS ARE ENTITLED TO HAVE GOVERNMENTAL BODIES OF THE STATE OF TEXAS CORRECT INFORMATION ABOUT SUCH INDIVIDUALS THAT IS INCORRECT.

**THIS EXECUTION OF OFFER MUST BE COMPLETED, SIGNED AND RETURNED WITH PROPOSER'S PROPOSAL. FAILURE TO COMPLETE, SIGN AND RETURN THIS EXECUTION OF OFFER WITH PROPOSER'S PROPOSAL MAY RESULT IN THE REJECTION OF THE PROPOSAL.**

**Submitted and Certified By:**

\_\_\_\_\_  
(Proposer Institution's Name)

\_\_\_\_\_  
(Signature of Duly Authorized Representative)

\_\_\_\_\_  
(Printed Name/Title)

\_\_\_\_\_  
(Date Signed)

\_\_\_\_\_  
(Proposer's Street Address)

\_\_\_\_\_  
(City, State, Zip Code)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(FAX Number)

## APPENDIX TWO

### **UT SYSTEM POLICY ON UTILIZATION OF HISTORICALLY UNDERUTILIZED BUSINESSES**

*[Note: the Alliance should include the most recent edition, obtained from the UT System HUB Office, of the System's Policy on Utilization of Historically Underutilized Businesses.]*

## APPENDIX THREE

### ACCESS BY INDIVIDUALS WITH DISABILITIES

Preferred Supplier represents and warrants (“**EIR Accessibility Warranty**”) that the electronic and information resources and all associated information, documentation, and support that it provides to UT Party under this Agreement (collectively, the “**EIRs**”) comply with the applicable requirements set forth in Title 1, Chapter 213 of the *Texas Administrative Code* and Title 1, Chapter 206, Rule §206.70 of the *Texas Administrative Code* (as authorized by Chapter 2054, Subchapter M of the *Texas Government Code*). To the extent Preferred Supplier becomes aware that the EIRs, or any portion thereof, do not comply with the EIR Accessibility Warranty, then Preferred Supplier represents and warrants that it will, at no cost to UT Party, either (1) perform all necessary remediation to make the EIRs satisfy the EIR Accessibility Warranty, or (2) replace the EIRs with new EIRs that satisfy the EIR Accessibility Warranty. In the event that Preferred Supplier is unable to do so, then UT System may terminate this Agreement and Preferred Supplier will refund to UT System all amounts UT System has paid under this Agreement within thirty (30) days after the termination date.

## APPENDIX FOUR

### ELECTRONIC AND INFORMATION RESOURCES ENVIRONMENT SPECIFICATIONS

The specifications, representations, warranties and agreements set forth in Proposer's responses to this **APPENDIX FOUR** will be incorporated into the Agreement.

#### Basic Specifications

If the EIR will be hosted by a UT System institution, please describe the overall environment requirements for the EIR (size the requirements to support the number of concurrent users, the number of licenses and the input/output generated by the application as requested in the application requirements).

- A. Hardware: If Proposer will provide hardware, does the hardware have multiple hard drives utilizing a redundant RAID configuration for fault tolerance? Are redundant servers included as well?
- B. Operating System and Version:
- C. Web Server: Is a web server required? If so, what web application is required (Apache or IIS)? What version? Are add-ins required?
- D. Application Server:
- E. Database:
- F. Other Requirements: Are any other hardware or software components required?
- G. Assumptions: List any assumptions made as part of the identification of these environment requirements.
- H. Storage: What are the space/storage requirements of this implementation?
- I. Users: What is the maximum number of users this configuration will support?
- J. Clustering: How does the EIR handle clustering over multiple servers?
- K. Virtual Server Environment: Can the EIR be run in a virtual server environment?

If the EIR will be hosted by Proposer, describe in detail what the hosted solution includes, and address, specifically, the following issues:

- A. Describe the audit standards of the physical security of the facility; and
- B. Indicate whether Proposer is willing to allow an audit by University or its representative.

If the user and administrative interfaces for the EIR are web-based, do the interfaces support Firefox on Mac as well as Windows and Safari on the Macintosh?

If the EIR requires special client software, what are the environment requirements for that client software?

**Manpower Requirements:** Who will operate and maintain the EIR? Will additional UT System full time employees (FTEs) be required? Will special training on the EIR be required by Proposer's technical staff? What is the estimated cost of required training?

**Upgrades and Patches:** Describe Proposer's strategy regarding EIR upgrades and patches for both the server and, if applicable, the client software. Include Proposer's typical release schedule, recommended processes, estimated outage and plans for next version/major upgrade.

### Security

1. Has the EIR been tested for application security vulnerabilities? For example, has the EIR been evaluated against the Open Web Application Security Project ("**OWASP**") Top 10 list that includes flaws like cross site scripting and SQL injection? If so, please provide the scan results and specify the tool used. UT System will not take final delivery of the EIR if University determines there are serious vulnerabilities within the EIR.
2. Which party, Proposer or UT System, will be responsible for maintaining critical EIR application security updates?
3. If the EIR is hosted, indicate whether Proposer's will permit UT System to conduct a penetration test on UT System's instance of the EIR.
4. If confidential data, including HIPAA or FERPA data, is stored in the EIR, will the data be encrypted at rest and in transmittal?

### Integration

1. Is the EIR authentication Security Assertion Markup Language ("**SAML**") compliant? Has Proposer ever implemented the EIR with Shibboleth authentication? If not, does the EIR integrate with Active Directory? Does the EIR support SSL connections to this directory service?
2. Does the EIR rely on Active Directory for group management and authorization or does the EIR maintain a local authorization/group database?
3. What logging capabilities does the EIR have? If this is a hosted EIR solution, will University have access to implement logging with University's standard logging and monitoring tools, RSA's Envision?
4. Does the EIR have an application programming interface ("**API**") that enables us to incorporate it with other applications run by UT System? If so, is the API .Net based? Web Services-based? Other?
5. Will UT System have access to the EIR source code? If so, will the EIR license permit UT System to make modifications to the source code? Will UT System's modifications be protected in future upgrades?

6. Will Proposer place the EIR source code in escrow with an escrow agent so that if Proposer is no longer in business or Proposer has discontinued support, the EIR source code will be available to UT System?

**Accessibility Information**

1. Please complete the Voluntary Product Accessibility Template (“VPAT”) found at <http://www.itic.org:8080/dotAsset/5644ecd2-5024-417f-bc23-a52650f47ef8.doc> and submit the VPAT with Proposer’s proposal.

## APPENDIX FIVE

### SECURITY CHARACTERISTICS AND FUNCTIONALITY OF PROPOSER'S INFORMATION RESOURCES

The specifications, representations, warranties and agreements set forth in Proposer's responses to this **APPENDIX FIVE** will be incorporated into the Agreement.

**"Information Resources"** means any and all computer printouts, online display devices, mass storage media, and all computer-related activities involving any device capable of receiving email, browsing Web sites, or otherwise capable of receiving, storing, managing, or transmitting Data including, but not limited to, mainframes, servers, Network Infrastructure, personal computers, notebook computers, hand-held computers, personal digital assistant (PDA), pagers, distributed processing systems, network attached and computer controlled medical and laboratory equipment (i.e. embedded technology), telecommunication resources, network environments, telephones, fax machines, printers and service bureaus. Additionally, it is the procedures, equipment, facilities, software, and Data that are designed, built, operated, and maintained to create, collect, record, process, store, retrieve, display, and transmit information.

**"UT System Records"** means records or record systems that Proposer (1) creates, (2) receives from or on behalf of UT System (or any of its institutions), or (3) has access, and which may contain confidential information (including credit card information, social security numbers, and private health information ("**PHI**") subject to Health Insurance Portability and Accountability Act ("**HIPAA**") of 1996 (Public Law 104-191), or education records subject to the Family Educational Rights and Privacy Act ("**FERPA**").

#### General Protection of University Records

1. Describe the security features incorporated into Information Resources to be provided or used by Proposer pursuant to this RFP.
2. List all products, including imbedded products that are a part of Information Resources and the corresponding owner of each product.
3. Describe any assumptions made by Proposer in its proposal regarding information security outside those already listed in the proposal.

*Complete the following additional questions if the Information Resources will be hosted by Proposer:*

4. Describe the monitoring procedures and tools used for monitoring the integrity and availability of all products interacting with Information Resources, including procedures and tools used to, detect security incidents and to ensure timely remediation.
5. Describe the physical access controls used to limit access to Proposer's data center and network components.

6. What procedures and best practices does Proposer follow to harden all systems that would interact with Information Resources, including any systems that would hold or process UT System Records, or from which UT System Records may be accessed?
7. What technical security measures does the Proposer take to detect and prevent unintentional, accidental and intentional corruption or loss of UT System Records?
8. Will the Proposer agree to a vulnerability scan by UT System of the web portal application that would interact with Information Resources, including any systems that would hold or process UT System Records, or from which UT System Records may be accessed? If Proposer objects, explain basis for the objection to a vulnerability scan.
9. Describe processes Proposer will use to provide UT System assurance that the web portal and all systems that would hold or process UT System Records can provide adequate security of UT System Records.
10. Does Proposer have a data backup and recovery plan supported by policies and procedures, in place for Information Resources? If yes, briefly describe the plan, including scope and frequency of backups, and how often the plan is updated. If no, describe what alternative methodology Proposer uses to ensure the restoration and availability of UT System Records.
11. Does Proposer encrypt backups of UT System Records? If yes, describe the methods used by Proposer to encrypt backup data. If no, what alternative safeguards does Proposer use to protect backups against unauthorized access?
12. Describe the security features incorporated into Information Resources to safeguard UT System Records containing confidential information.

*Complete the following additional question if Information Resources will create, receive, or access UT System Records containing PHI subject to HIPAA:*

13. Does Proposer monitor the safeguards required by the HIPAA Security Rule (45 C.F.R. § 164 subpts. A, E (2002)) and Proposer's own information security practices, to ensure continued compliance? If yes, provide a copy of or link to the Proposer's HIPAA Privacy & Security policies and describe the Proposer's monitoring activities and the frequency of those activities with regard to PHI.

#### **Access Control**

1. How will users gain access (i.e., log in) to Information Resources?
2. Do Information Resources provide the capability to use local credentials (i.e., federated authentication) for user authentication and login? If yes, describe how Information Resources provide that capability.
3. Do Information Resources allow for multiple security levels of access based on affiliation (e.g., staff, faculty, and student) and roles (e.g., system administrators, analysts, and information consumers), and organizational unit (e.g., college, school, or department)? If yes, describe how Information Resources provide for multiple security levels of access.

4. Do Information Resources provide the capability to limit user activity based on user affiliation, role, and/or organizational unit (i.e., who can create records, delete records, create and save reports, run reports only, etc.)? If yes, describe how Information Resources provide that capability. If no, describe what alternative functionality is provided to ensure that users have need-to-know based access to Information Resources.
5. Do Information Resources manage administrator access permissions at the virtual system level? If yes, describe how this is done.
6. Describe Proposer's password policy including password strength, password generation procedures, password storage specifications, and frequency of password changes. If passwords are not used for authentication or if multi-factor authentication is used to Information Resources, describe what alternative or additional controls are used to manage user access.

*Complete the following additional questions if Information Resources will be hosted by Proposer:*

7. What administrative safeguards and best practices does Proposer have in place to vet Proposer's and third-parties' staff members that would have access to the environment hosting UT System Records to ensure need-to-know-based access?
8. What procedures and best practices does Proposer have in place to ensure that user credentials are updated and terminated as required by changes in role and employment status?
9. Describe Proposer's password policy including password strength, password generation procedures, and frequency of password changes. If passwords are not used for authentication or if multi-factor authentication is used to Information Resources, describe what alternative or additional controls are used to manage user access.

#### **Use of Data**

*Complete the following additional questions if Information Resources will be hosted by Proposer:*

1. What administrative safeguards and best practices does Proposer have in place to vet Proposer's and third-parties' staff members that have access to the environment hosting all systems that would hold or process UT System Records, or from which UT System Records may be accessed, to ensure that UT System Records will not be accessed or used in an unauthorized manner?
2. What safeguards does Proposer have in place to segregate UT System Records from system data and other customer data and/or as applicable, to separate specific UT System data, such as HIPAA and FERPA protected data, from UT System Records that are not subject to such protection, to prevent accidental and unauthorized access to UT System Records ?
3. What safeguards does Proposer have in place to prevent the unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access, or disclosure of UT System Records?
4. What procedures and safeguards does Proposer have in place for sanitizing and disposing of UT System Records according to prescribed retention schedules or following the conclusion of a project or termination of a contract to render UT System Records unrecoverable and prevent accidental and unauthorized access to UT System Records? Describe the degree to which sanitizing and disposal processes addresses UT System data

that may be contained within backup systems. If UT System data contained in backup systems is not fully sanitized, describe processes in place that would prevent subsequent restoration of backed-up UT System data.

### **Data Transmission**

1. Do Information Resources encrypt all UT System Records in transit and at rest? If yes, describe how Information Resources provide that security. If no, what alternative methods are used to safeguard UT System Records in transit and at rest?

*Complete the following additional questions if Information Resources will be hosted by Proposer:*

2. How does data flow between UT System and Information Resources? If connecting via a private circuit, describe what security features are incorporated into the private circuit. If connecting via a public network (e.g., the Internet), describe the way Proposer will safeguard UT System Records.

3. Do Information Resources secure data transmission between UT System and Proposer? If yes, describe how Proposer provides that security. If no, what alternative safeguards are used to protect UT System Records in transit?

### **Notification of Security Incidents**

*Complete the following additional questions if Information Resources will be hosted by Proposer:*

1. Describe Proposer's procedures to isolate or disable all systems that interact with Information Resources in the event a security breach is identified, including any systems that would hold or process UT System Records, or from which UT System Records may be accessed.

2. What procedures, methodology, and timetables does Proposer have in place to detect information security breaches and notify UT System and other customers? Include Proposer's definition of security breach.

3. Describe the procedures and methodology Proposer has in place to detect information security breaches, including unauthorized access by Proposer's and subcontractor's own employees and agents and provide required notifications in a manner that meets the requirements of the state breach notification law.

### **Compliance with Applicable Legal & Regulatory Requirements**

*Complete the following additional questions if Information Resources will be hosted by Proposer:*

1. Describe the procedures and methodology Proposer has in place to retain, preserve, backup, delete, and search data in a manner that meets the requirements of state and federal electronic discovery rules, including how and in what format UT System Records are kept and what tools are available to UT System to access UT System Records.

2. Describe the safeguards Proposer has in place to ensure that systems (including any systems that would hold or process UT System Records, or from which UT System Records may be accessed) that interact with Information Resources reside within the United States of America. If no such controls, describe Proposer's

processes for ensuring that data is protected in compliance with all applicable US federal and state requirements, including export control.

3. List and describe any regulatory or legal actions taken against Proposer for security or privacy violations or security breaches or incidents, including the final outcome.



RFP Submittal Deadline: **June 3rd** at **3:00 PM** (CDT)

Addendum Issue Date: **May 10th, 2013**

**ADDENDUM 1**  
REQUEST FOR PROPOSAL  
UTS/A-39  
Managed Services-Procure to Pay

DIRECT QUESTIONS TO: Jeffery Bonnardel, Telephone (713) 745-0899 or via the Ariba 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-39** AND IS NOT A CONTRACT OR OFFER TO CONTRACT.

**Item One:**

Section 5, Specifications and Survey Questions:

1. Under Section 5.1 (Instructions) the Reference document is deleted and replaced by the Reference document contained in this Addendum 1 titled, "Section 5 Specs & Survey Questions UTS\_A-39, rev.1 (5.10.13)"
2. Under Section 5.2 ( Proposer's Survey) the Reference documents are deleted and replaced by the Reference document contained in this Addendum 1 titled, "Section 5.4 Proposer Survey UTS\_A-39, rev.1 (5.10.13)". This document is provided in both PDF and Word format.

**All other terms, conditions and requirements set forth in RFP UTS/A-39 remain unchanged and in effect.**

**END OF ADDENDUM 1**



RFP Submittal Deadline: **June 3rd** at **3:00 PM** (CDT)

Addendum Issue Date: **May 16th, 2013**

**ADDENDUM 2**  
REQUEST FOR PROPOSAL  
UTS/A-39  
Managed Services-Procure to Pay

DIRECT QUESTIONS TO: Jeffery Bonnardel, Telephone (713) 745-0899 or via the Ariba System

ACKNOWLEDGEMENT OF THIS ADDENDUM 2 IS REQUIRED IN ACCORDANCE WITH **SECTION 1.2 OF APPENDIX ONE** TO THE RFP. THIS RFP ADDENDUM IS A FURTHERANCE OF RFP **UTS/A-39** AND IS NOT A CONTRACT OR OFFER TO CONTRACT.

**Item One:**

The following documents are attached hereto and are made a part of this Addendum 2

1. Pre-Proposal Conference Presentation
2. Pre-Proposal Conference Attendees List (in person and via webinar)

**All other terms, conditions and requirements set forth in RFP UTS/A-39 remain unchanged and in effect.**

**END OF ADDENDUM 2**



RFP Submittal Deadline: **June 3rd** at **3:00 PM** (CDT)

Addendum Issue Date: **May 24th, 2013**

**ADDENDUM 3**  
REQUEST FOR PROPOSAL  
UTS/A-39  
Managed Services-Procure to Pay

DIRECT QUESTIONS TO: Jeffery Bonnardel, Telephone (713) 745-0899 or via the Ariba System

ACKNOWLEDGEMENT OF THIS ADDENDUM 3 IS REQUIRED IN ACCORDANCE WITH **SECTION 1.2 OF APPENDIX ONE**, TO THE RFP. THIS RFP ADDENDUM IS A FURTHERANCE OF RFP **UTS/A-39** AND IS NOT A CONTRACT OR OFFER TO CONTRACT.

**Item One:** Ariba Section 7, **APPENDIX ONE-Proposal Requirements**

Delete subsection 7.1 Instructions in its entirety and replace with:

- 1) Click on the *References* link, download and print the **APPENDIX ONE - Proposal Requirements** PDF document.
- 2) Read the document and acknowledge

**Item Two:**

**The following Documents are attached hereto and made a part of this Addendum 3.**

- 1) Attachment 1 to Addendum 3, Responses to Supplier Questions, dated 5.24.2013

**All other terms, conditions and requirements set forth in RFP UTS/A-39 remain unchanged and in effect.**

**END OF ADDENDUM 3**

## Attachment 1 to Addendum 3

### Responses to Supplier Questions, dated 5.24.2013

#### **Introduction:**

Over 100 questions were submitted by the May 22, 2013 deadline. UT System appreciates your efforts in preparing and submitting these thoughtful and insightful questions. The questions and answers documented below in this Attachment 1 to Addendum 3 were selected based on their relevance and appropriateness in order for Proposers to prepare and submit a response to the RFP-Step 1 (Qualifications).

UT System has determined that questions submitted that are not being answered at this time, in general, were primarily oriented toward operating metrics, process workflow, and technical aspects relevant to RFP-Step 2 (Technical), of the RFP process. These questions will be reserved and responded to, as appropriate, during RFP-Step 2 and will serve a valuable purpose as we move through the procurement process.

Please remember, that the RFP-Step 1 (Qualifications) is for proposers to present their qualifications, experience, capabilities, and range of products and services that meet the Project Objectives set forth in the RFP. In other words, RFP-Step 1 is an opportunity for Proposers to present to UT System, their unique solutions to Managed Services-Procure to Pay. **RFP-Step 1 is not a submittal of a firm and definitive technical proposal.**

#### **Questions and Answers:**

**Q.1** Is offshoring allowed for any components of the solution? If so, define which components and any boundaries around offshoring.

**Answer:** No decision has been made at this time regarding offshoring. UT System is seeking the most qualified Proposer that offers the most cost effective and efficient outsourcing solution.

**Q.2** Is workflow within PeopleSoft currently used? If so, will you plan to continue with that process?

**Answer:** Workflow is used within PeopleSoft today. However, to what extent and how it is used within each module at each institution varies. What plans we have for the future use of workflow within PeopleSoft will depend on the solutions offered by the Proposers in response to the RFP.

**Q.3** Is UT only considering full outsourced processing or will they consider an automation solution that would require internal resources to manage the processes?

**Answer:** UT System is seeking the most qualified Proposer that offers the most cost effective and efficient Managed Services-Procure to Pay solution. Depending on the specific solution that emerges from Step 2 of this RFP; it may or may not require UT System to internally support the outsourced business process.

**Q.4** Please define what role ARIBA has with UT. What services are being utilized?

**Answer:** Ariba is an UTMDACC licensed software tool used exclusively for “e-sourcing” at UTMDACC and by the Strategic Sourcing Team of the Supply Chain Alliance. There is no other use of Ariba at UT System health institutions.

**Q.5** For areas where you request financials or other financial information to be provided are you ok with retrieving the information via links provided?

**Answer:** Yes.

**Q.6** Will the selected Managed Services-Procure to Pay vendor be responsible for selecting and contracting with the subcontracted vendors for related services or will the Healthcare entity provide input? For example, accounts payable processes include check issuances, ACH payments, wire transfers typically handled by a financial institution. Who will select the bank?

**Answer:** UT System will provide input and approve any subcontractors proposed as part of a Managed Services-Procure to Pay solution. In reference to your example provided, final determination of the bank, if applicable, will be made by UT System.

**Q.7** The RFP specifically mentions procurement card services. How does the system intend to contract for the procurement card services and will this business be awarded outside of the state contract?

**Answer:** If the proposer provides a credit card offering as a component part of its proposed Managed Services-Procure to Pay solution, it will be evaluated and considered accordingly. An award, if any, for such an offering will be made as permitted per State of Texas rules and regulations. Within your proposed solution, Proposers may want to consider how utilization of the State’s procurement card will complement their solution. Also, UT System would welcome ideas for how proposer might support through other means (electronic funds transfers, for example) payments to suppliers that presently are made via procurement cards.

**Q.8** Clarify Section 6 – administration fee of 2% of total net sales.

**Answer:** If, for example, the total amount of net service fees (less credits, returns, taxes, and unpaid invoices) paid by the UT System health institutions to the Managed Services-Procure to Pay provider is \$1M per calendar quarter, then the service provider will pay an administration fee to the UT System of 2% or \$20K. Administrative fee only apply to fees paid by UT System institutions to the service provider.

**Q.9** Since the bid states the business may be split, will a bid be considered if the response is only on one specific portion of the entire procure to pay process, example, handling patient refunds. If so, how should the bidder respond?

**Answer:** Yes. Proposer’s response should clearly define their service offering and qualifications, etc. to provide that specific scope of service consistent with the requirements of the Managed Services-Procure to Pay RFP.

**Q.10** To prevent disclosure of our confidential information submitted as part of our RFP response, are you agreeable to signing a Non-Disclosure Agreement (NDA)?

**Answer:** We do not execute NDAs related to a Proposer's RFP response. Please mark any sensitive or proprietary information in your proposal as 'confidential.' This will help us preserve its confidentiality. Please note, however, that any information submitted to us in response to the RFP is subject to the Texas Public Information Act (reference Section 1.3 of Appendix One to the RFP). It is our practice to respond to all requests for vendor information received in relation to a pending procurement by sending a brief to the Attorney General. In the brief, we request permission to withhold the vendor information from disclosure, as permitted under Section 552.104 of the Public Information Act, until the procurement process is completed, either by awarding the contract or terminating the procurement proceeding. Proposers will be advised of any request for public information that implicates their materials and will have the opportunity to raise objections to disclosure to the Texas Attorney General, who makes the final decision as to whether information possessed by a state agency can be released. The Attorney General routinely grants us the ability to withhold confidential information during the pendency of a procurement process. We cannot agree to non-disclosure terms that are more restrictive than this described process.

**Q.11** Appendix One, Section 1.8.4: Financial institutions often can comply with most RFP requirements but do need to clarify what our servicing capabilities are and which terms and conditions we can comply with in full or in part in order for UT to understand what we can offer. Are there specific issues/sections that are of particular concern to UT?

**Answer:** There are no specific issues/sections that are of a particular concern to UT at this time. Proposers are to submit proposed Terms and Conditions relevant to their product/service offering as part of their response to Section 5.4, Proposer Survey, Q.11.2.

**Q.12** Section 1.9.4: Financial institutions typically include their treasury terms and conditions agreement which includes protections for both the client and bank and specific service agreements as part of the final contract. Please advise if UT, for its financial institution clients, is willing to include these documents in the final contract.

**Answer:** Refer to RFP Section 4, General Terms and Conditions and answer to Question Q.11 herein.

**Q.13** Appendix One, Section 2, Execution of Offer

Question: Are we to submit an original copy of this document with a "wet" signature via mail? Or will an electronic signature and submission via Ariba be sufficient?

**Answer:** An electronic signed version submitted via Ariba is required and sufficient.

**Q.14** Section 5.4 (survey), Q.3.7: Would it be possible to provide you with information around our various insurance policies currently in place in lieu of providing a surety bond? This is typically how we handle this type of inquiry since we are a financial institution vs. a service provider.

**Answer:** The performance bond is required to provide financial guarantee against any loss UT System may suffer as a consequence of the supplier failing to perform all requirements and obligations (inclusive of service levels) set forth in an agreement and whereby UT System would have cause to

terminate the agreement for supplier's non-performance. If an insurance policy with this type coverage exists, we will review and consider.

**Q.15** Appendix 1 – Section 1: Can the UT System please confirm what should be submitted for Appendix 1 - Section 1 for the Step 1 response? The Ariba tool specifies that the Section needs to be signed and submitted in Ariba but there is no location to sign the document like other documents that require signature.

**Answer:** The Ariba instructions have been updated and are indicated per Section 14, Addendum 3.

**Q.16** Appendix 1 – Section 2: Within Appendix 1-Section 2, it states that exceptions to the Execution of Offer must be submitted as an exception but there is no location to submit exceptions. Given the 2-Step procurement process, can UT System confirm that an acknowledgement of Appendix 1-Section 2 is acceptable at this Step and any potential exceptions would be captured and discussed in future stages of the procurement?

**Answer:** No. Acknowledgement of the Execution of Offer by itself without an executed signature is not acceptable. Any and all exceptions to the Execution of Offer are to be submitted as part of your response in Step-1. To indicate your exceptions, please redline your changes on the word version contained within Ariba, sign it and upload the document as part of your RFP response.

**Q.17** Appendix 1 – Section 1.9: Within Section 1.9 of Appendix 1-Section 1, the Submittal Instructions include Pricing Affirmation and HSP plan, can the UT System please confirm that the Submission Checklist in Section 3.4 which accounts for the 2-Step procurement process is the definitive list of what must be submitted in each Step of the procurement?

**Answer:** Section 3.4 represents the “minimum” submission requirements for Step 1 and those items that do not require submission for Step 1. Step 2 submittal requirements will be defined in the Step 2 of the RFP process.

**Q.18** Survey Responses – General Question: For responses where 2 pages will not provide enough space for the requested content, is it acceptable to refer to attachments greater than 2 pages with the requested information (potential examples include the “T&C Template”, “Resumes”, and “Company References”)?

**Answer:** Only specific questions have a two page limit and that limit must be maintained. For questions that do not specify a limit we request that Proposers be concise and provide only necessary, relevant information to respond to the question.

**Q.19** Please confirm if the Service provider will be provided an opportunity at the RFP 2 stage to ask questions or undertake a Mutual value discussion session to get a more detailed view of the current process landscape which helps in providing a detailed solution:

**Answer:** Yes.

**Q.20** Section 1.4.3. What are the activities that are part of the

\* Transactional sourcing & procurement?

\* Inventory control & Materials Management

**Answer:** Please refer to the procure to pay functions and activities set forth in RFP Section 1.4.3

**Q.21** What is the preference of UT in terms of the delivery location? Are you looking for 100% onsite or partially onsite in delivering the In-Scope services?

**Answer:** UT System is seeking the most qualified Proposer that offers the most cost effective and efficient outsourcing solution.

**Q.22** SECTION 1, UTS\_A-39: Scope of services suggests highly transactional activities to be outsourced. We appreciate if you can clarify the following:

- a. **Sourcing:** Native Category Management to be retained by UT Systems while all the support activities including generic category support, market research, TCO model creation, RFX (I/P/Q) creation, data collection, eSourcing, comparative analysis, contract execution support etc., will be outsourced to a partner?
- b. **Purchasing:** We expect the entire "Request to Fill including goods / services receipt" to be part of scope for the partner?
- c. **Inventory Control:** Is the service provider expected to do physical cycle count of the current inventory?
- d. **Supplier Support and historically underutilized business program:** Is the partner expected to track the spend pertaining to HUB suppliers and follow the UT System policy in RFX process?
- e. **Materials Management:** Is physical handling of material also part of the scope? Or does the scope involve master data management including item, service, price, catalogue master, please clarify?
- f. **Spend Analysis:** Is the provider expected to provide this service including deployment of required tool for the same or will UT Systems provides a BI / Spend analytics tools which can be leverage? Also appreciate if you can provide additional information on the coding schema being leverage for maintaining the Material / Item / Service Master Data? In addition please clarify if the process also involves 1. Data Extraction 2. Validation 3. Classification / Enrichment 4. Opportunity Assessment, 5. Sourcing road map creation etc.
- g. **Accounts payable** (purchase orders, procurement cards, travel and entertainment reimbursements) - Does the scope involve scanning, mail room activities, invoice process, payment processing, P-Card management - Tracking / Reconciliation, End to End Travel and Entertainment reimbursement management.
- h. **Patient Refunds** - Does the scope involve 1. Claims validation and process, 2. Refund, 3. Payment tracking and handling check returns, 4. Help Desk, 5. Reporting, 6. Escheatment for unclaimed funds. Appreciate if you can clarify the actual scope for the partner?
- i. **Contract Administration** - Please clarify if this will comprise of support in contract authoring, reporting, repository maintenance.

**Answer:** UT System is seeking the most qualified Proposer that offers the most cost effective and efficient outsourcing solution.

**Q.23** Has UT Systems outsourced their IT or any other functions to providers with presence in low cost countries like India, Mexico, etc., to take advantage of the labor arbitrage?

**Answer: Yes.**

**Q.24** Except for section 10 and section 11, Section 5 Specs & Survey Questions, UTS\_A-39, rev.1 (5.10.13) and Section 5 Specs & Survey Questions, UTS\_A-39, rev.1 (5.10.13) are similar. Please confirm if we need to respond to both or provide reference to the responses in one of the section

**Answer: Please respond only to the questions contained in Section 5.4 Proposer Survey, UTS\_A-39, rev.1 (5.10.13) contained in Ariba Section 12-Addendum 1.**

**Q.25** We believe APPENDIX FOUR-EIR Environ Specs needs to be submitted if the provider proposes any specific technology deployment only, Please confirm?

**Answer: Yes.**

**Q.26** We work with some of the other hospital GPOs as their IT partner. Would UT System be open to exploring partnerships with other GPO to leverage the contracts negotiated by these GPOs?

**Answer: No.**

**Q.27** Please confirm, Does Section 6 only need to be acknowledged for the purpose in this RFP-Step 1? And a signature will not be required until RFP Step-2.

**Answer: Yes. Section 6-Pricing Schedule and Affirmation only needs to be acknowledged in RFP-Step 1. Execution and submittal will be required in Step 2.**

**Q.28** In Section 6, 6.2, "Proposer agrees that if Proposer is awarded an agreement under this RFP, it will pay to UT system a quarterly administrative fee of two percent (2%) of the Total Net Sales of Services made by Preferred Supplier under the Agreement. "Total Net Sales" means the total dollar amount of all sales made by Preferred Supplier to Institutional Participants, less credits, returns, taxes and unpaid Invoices".

- o Please confirm if this applies only to actual dollars paid by UT System and Institutional Participants for sales and services to a Preferred Supplier?
- o Please provide clarification in the event that Services made by Preferred Supplier under the Agreement do not incur sales charges to Institutional Participants, then the administrative fee would not apply?
- o Please provide clarification to application of this section in the event Preferred Supplier pays an incentive or rebate credits to UT system and Institutional Participants, would 2% of any potentially paid incentive dollars or rebate credit be paid to the UT System administration or would the fee not apply?
- o Please provide clarification to "service charges" that could incur to UT System and Institutional Participants such as may apply to late fees or service fees vs. "sales".

**Answer: Please see answer to Q8. Administrative fees are only applicable to fees paid by UT System institutions to a service provider for services performed to such UT System institution.**

## **UTS/A39 Managed Services –Procure to Pay** **RFP – Step 2 (Technical)**

### **Section A – Background**

- This document is being distributed under a pending Request for Proposal (RFP No. UTS/A-39) that was issued by The University of Texas System (UT System) on May 1, 2013, concerning selection of a Preferred Supplier of Managed Services – Procure to Pay.
- RFP No. UTS/A-39 is referred to in this document as “the RFP,” and all terms used in this document have the same meaning given to them in the RFP.
- UT System has determined that the RFP responses from Proposers deal with two distinct categories of Managed Services – Procure to Pay activities:
  - those that involve sourcing, purchasing, inventory control, supplier support and a historically underutilized business program, materials management, spend analysis, contract administration and accounts payable (payment processing and approval); and
  - those that involve payment disbursement services (including patient refunds).
- As a priority, UT System is first proceeding to RFP – Step 2 with regard to payment disbursement services. These activities are further described below in Section B (Scope of Work).
- The instructions set forth below are directed at only those RFP Proposers notified that, with regard to payment disbursements, they have been determined by UT System to be top-rated Proposers following RFP – Step 1 (Qualifications).
- UT System simultaneously will be working toward determining the final technical proposal aspects with respect to the other category of Managed Services – Procure to Pay activities mentioned above (sourcing, purchasing, inventory control, etc.). Once these determinations are made, those Proposers will be invited to participate in a separate RFP – Step 2 (Technical) portion of the procurement, with respect to the other category of activities only.

### **Section B – Scope of Work**

This Scope of Work is for each Proposer that has been invited to participate in the second part (RFP – Step 2: Technical) of this procurement process, dealing with payment disbursements.

This Scope of Work, and the responses provided by the Proposers, will form the basis for the description of services to be included in any agreement made as a result of this RFP.

Each Proposer is asked to:

- Make available for purchase a broad range of specific payment services including supporting technologies and tools, with separately specified pricing, involving the remittance of payments on behalf of UT System health institutions to:
  - suppliers
  - employees (with respect to reimbursements only – not payroll)
  - patients

- students

Proposer should understand that:

- (a) UT System and its health institutions would decide throughout the term of any resulting contract which particular remittance services they may wish to purchase; and
  - (b) UT System wishes to procure payment services from only a single Proposer, *i.e.*, UT System does not wish to procure some payment services from one source, and other payment services from another source.
- Describe and provide pricing and other business terms for a mechanism that would allow UT System and its health institutions to take advantage of discounts for the payment of invoices earlier than the legally prescribed “Net 30 Days” due date, even if such discounts are not established in advance in the formal supply agreement.
  - Describe in detail the process requirements that UT System and its health institutions would have to meet in order for the Proposer to provide its services.
  - Provide analytics to UT System, commenting on what patterns the Proposer may see in the data provided by UT System in response to requests received from the Proposers. UT System is looking for strategic advice, such as what opportunities Proposer may see to make payments more efficiently than they are made at present by UT System and its health institutions; what opportunities there may be to save additional costs; and whether particular payment solutions may depend on sizes of the payments to be made.
  - Identify any changes to Proposer’s earlier submissions under the RFP that may be appropriate. In particular, Proposer is asked to clarify whether, in view of Proposer’s need to make available for purchase a broad range of payment services, Proposer will want to apply additional terms and conditions beyond those already furnished to UT System under the RFP.

**Section C – Key Events Schedule for RFP – Step 2 (Technical)**

- Issue this RFP – Step 2 (Technical).....Sept. 06, 2013
- Submittal Deadline for Technical Proposal .....Sept. 24, 2013 (3:00 pm, Houston, TX time)
- Review & Evaluation of Technical Proposals (Select Finalists).....Sept/Oct, 2013
- Discussions & Clarification with Finalists.....Oct. 2013
- Final Selection / Contract Award.....Oct. 2013
- Finalize Contract .....Nov./December 2013
- Begin Implementation.....January 2014

IMPORTANT NOTICE: The above 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. If selected as a finalist, 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 is Houston, Texas.

2. If selected for contract award, Proposer should have its chief legal and business officers available for commencement of contract negotiations with 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 is Houston, Texas.

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

#### **Section D – Submission of Materials for RFP – Step 2 (Technical)**

In submitting materials under this RFP – Step 2 (Technical) portion of the procurement process, **Proposers must conform to all applicable requirements detailed in the RFP, such as using the Ariba® e-Sourcing tool. Proposers are urged to ensure their careful compliance with all RFP instructions.**

Proposers should note that, pursuant to Section 3.4 of the RFP, the following documents must be submitted with their responses by the submittal deadline established above.

- 3.4.3 Signed and Completed Pricing Affirmation
- 3.4.4 Signed and completed copy of the HUB Subcontracting Plan or other applicable documents (ref. Section 2.4 of the RFP and its APPENDIX TWO)
- 3.4.5 Responses to Proposer’s Survey-Additional Questions (ref. Section E, below)
- 3.4.6 Proposer’s Price Schedule (ref. Section 6 and Attachment A of the RFP). ***Note: Proposer’s answers to the questions in Section E.3 of this document will be treated as Attachment A, Price Schedule.***

#### **Section E- Proposer’s Survey-Additional Questions**

This Section E contains a set of additional questions the Proposer will answer when responding to this RFP. If Proposer needs to submit additional supporting information, refer to the supporting information in your response to the Proposer’s Survey and attach supporting materials in a logical and clear manner. Any supporting information must be included in electronic form via the Ariba® e-Sourcing tool and must follow the following naming convention: (<Proposer Name> - <Question Number> - Response - <File Name>).

#### **E.1 PROCESS (e.g., activities/tasks to be performed by UTS Health Institutions and those performed by proposer; staffing and subcontractors, etc.)**

E.1.1 Describe the key benefits under your program that could be achieved beyond those that can be accomplished internally through self -managed E Payables and ACH payment processes? What efficiencies can UT health institutions gain under your service programs?

E.1.2 How will the following processes/concerns be handled, and what level of involvement is required by the UT health institutions? Returned payment, check cancellations, reissues, positive pay exceptions, stale dating checks, escheatment, fraudulent transactions, lost checks, etc.

E.1.3 Whose bank account is the payment issued from?

- a. Who would be responsible for confirming that ACH/EFT file had been received by the bank?

b. With regard to ACH processing, who would be responsible for transmitting the prenotes and following up on exceptions? Who would address ACH errors and reversals, and how are these accomplished?

c. Who would be responsible for the process of sending the positive pay check issues file to the bank and receiving the acknowledgement?

E.1.4 Describe the post-implementation steps taken by you and by a UT health institution to enroll a new supplier for electronic payment?

E.1.5 Does your proposal include payments to individuals or DBA's?

E.1.6 How will requests for payment verification from the supplier be handled with the proposed process?

E.1.7 How will the solution handle payment from more than one bank account? We have multiple business units and multiple paycycles. Will that be done on the PeopleSoft end? Please give an example?

E.1.8 How will the solution handle needed payment file changes on a 1099 reportable payment already transmitted via this payment method? How will the solution handle 1042 reporting and disbursement requirements?

E.1.9 Provide examples of what electronic remittance advices look like. Give examples of how payment remittance advices (attachment detail) will be handled in this process, i.e. paper, email, application, CTX etc.

E.1.10 Provide a flow sheet of which proposed activities will be performed by the Payment Solution Provider and which will be performed by the AP departments of each UT Health institution; map communication process in regard to these activities; Map process of reconciliation between Payment Solution Provider and UT health institution. Are there additional process activities that will fall to UT health institutions?

E.1.11 Who does supplier call with payment related questions?

E.1.12 Under your proposed solution are payments from each UT health institutions aggregated? If yes, what benefits are assumed from this approach?

E.1.13 Does your proposed solution accommodate "special handling payments", and if so, describe the process in detail. Examples include emergency payments, express check, requests to hand deliver/pick-up, overnighted checks, checks that necessitate backup documentation or attachments such as registrations or garnishments, and replacement payroll checks. Also, employee reimbursement and student financial aid checks for individuals who have not elected direct deposit are sent to the Bursar's Office for pick up by an authorized individual from each department.

E.1.14 We require 2 manual signatures on high dollar checks (> \$25,000). How will this be accommodated if we outsource payment processing?

E.1.15 How would your company address protected health information (PHI) information processing?

E.1.16 Provide a list of suppliers that have signed on under your program and have pre-negotiated payment discounts in place.

E.1.17 Does your proposed solution grant access to UT health institutions to on-line banking software? For example, we need to determine if a check has cleared the bank before we can cancel/reissue a lost check, at the same time we need to be able to manually cancel the check on the bank side.

E.1.18 Please describe how your early payment discount process is controlled and managed?

E.1.19 Please provide details of your quality program to measure and report process accuracy, timeliness and compliance. How and at what frequency is this information reported to the customer?

E.1.20 Describe your protocols and processes to ensure payment integrity (e.g., duplicate payments, fraud detection, etc.)

## **E.2 TECHNOLOGY AND TOOLS (e.g., interfaces, data transfer, software, etc.)**

### **E.2.1 SOFTWARE ARCHITECTURE/PLATFORM**

E.2.1.1 Describe your solution's computing platform. Is it windows-based, cloud-based?

E.2.1.2 Provide the hardware and software specifications required for UT health institution users to access your solution.

E.2.1.3 Provide a detailed process flow showing, from a systems perspective, where your solution fits into the payment process.

E.2.1.4 Please indicate if the systems you are proposing as part of your payment solution are in-house, proposer owned and operated systems or if these systems are 3rd party owned and/or operated systems. If they are 3rd party owned or operated systems, please explain how support will be delivered to the UT health institutions; e.g., who will UT health institutions contact for system issues and questions?

### **E.2.2 INTEGRATION WITH PEOPLESOFT FMS**

E.2.2.1 If your product specifically integrates with PeopleSoft Financial Management System (FMS), please answer questions 4a through 4e.

- a. Which versions/releases of FMS?
- b. What method does your software use to integrate with PeopleSoft FMS?
- c. Describe in detail the user processes and/or automated processes that are used to manage this integration.
- d. Will there be any real time integrations? If yes, specify.
- e. What is your process for ensuring your product is compatible with new PeopleSoft updates?

### **E.2.3 DATA TRANSMISSION**

E.2.3.1 What approach is used to transfer/interface data? Will UT health institutions push data to you, or will you pull the data?

E.2.3.2 Describe the method of file transfer, including security protocol. Does the system utilize SSL technology?

E.2.3.3 How many import/export processes will be required, and with what frequency?

E.2.3.4 Provide file specifications for inbound/outbound interfaces. If NACHA file types are utilized, which ones (CCD, CCD+, PPD, CTX, etc.)?

E.2.3.5 Will there be an interface for ACH banking data? Whose system, Proposer's or UT health institutions', will be the primary repository for the supplier's banking data?

E.2.3.6 Will there be an interface to transfer any payment data back to UT health institutions for reconciliation purposes? If yes, how often and what will the interface provide?

E.2.3.7 Please provide details on notification options and electronic communication options

#### **E.2.4 USER AND SYSTEM SECURITY**

E.2.4.1 Describe the system's physical security and connectivity.

E.2.4.2 Does your solution provide a user interface? If yes, describe the user authentication process (password, PIN, hardware key, etc.).

E.2.4.3 Assuming a password would be needed to access payment information, how does your system address the issue of forgotten passwords?

E.2.4.4 Does the system assign unique user IDs to users?

E.2.4.5 Does your solution support LDAP or SAML integration?

E.2.4.6 Does the system protect customer data using proper encryption during transmission and at rest?

E.2.4.7 What level of encryption (particularly for passwords) is available in your system?

E.2.4.8 Can role-based security profiles be configured?

E.2.4.9 Does your system have an audit trail/log to show the Who, What, When, and Where of user activities, and can audit and system logs be sent to a central syslog server in a syslog format?

E.2.4.10 Does your system provide a session time out/alert before a user's session is disconnected?

#### **E.2.5 BUSINESS CONTINUITY, DISASTER RECOVERY, AND RECORDS RETENTION**

E.2.5.1 What level of system availability do you guarantee? What is your average monthly/annual down-time?

E.2.5.2 Explain how you monitor system performance. Do you utilize intrusion detection?

E.2.5.3 Can you provide the customer with a third party Security Audit report, e.g. SAS 70 Type II, annually?

E.2.5.4 Describe your security protocols to ensure data security and integrity.

E.2.5.5 Describe your policies regarding system access controls.

E.2.5.6 Is customer data routinely backed up? How often? Where are backups stored?

E.2.5.7 Please describe if, and how, your system archives its data. What is the defined period that data is archived?

E.2.5.8 How long will the UT institutions' archived data be retained in your system?

## **E.2.6 REPORTING**

E.2.6.1 What reporting tools will be available to the UT health institutions in order to view their data in the provider's system?

E.2.6.2 List the specific types of information/reports your solution provides.

E.2.6.3 Please explain in detail if your product provides for access to create dynamic reports.

E.2.6.4 How quickly would payment information be available to the UT health institutions?

E.2.6.5 Does the system interface with third party applications and reporting tools (e.g. Microsoft Excel, Crystal Reports, etc.)?

E.2.6.6 Describe the capabilities of your product to allow for downloads into external databases and lists (specifically to/from MS Access, SQL tables, Excel spreadsheets).

## **E.2.7 IMPLEMENTATION AND UPGRADES**

E.2.7.1 Provide an overview of your system testing and quality assurance processes. Do you provide for System Acceptance testing? Will this include Application testing, System Testing, and Integration Testing? Do you have a dedicated testing environment?

E.2.7.2 Discuss your change management policies and procedures. What input or participation does the customer have in their development?

E.2.7.3 Describe any applicable cycle for new product releases. How often are new versions released and implemented?

E.2.7.4 What costs are associated with implementation and maintenance?

## **E.2.8 TRAINING AND SUPPORT**

E.2.8.1 What training do you offer and how is the training delivered?

E.2.8.2 How do you resolve customer's support issues of a technical nature?

E.2.8.3 Please describe your problem resolution and escalation process?

E.2.8.4 Do you offer a customer support portal? Please describe.

E.2.8.5 Is your problem resolution and escalation process well documented? Provide examples of priority 1, 2 and 3 issues and the time to resolve each.

E.2.8.6 What costs are associated with training and support?

### **E.3 FINANCIAL (e.g., cost and Rebates)**

**When responding to the questions below, prepare your response based on the payment history and payer mix information submitted to you by each UT health institution. If applicable, your response should indicate any exceptions or assumptions you have made based on the data either collectively or for any specific UT health institution.**

E.3.1 Tell us what it would cost us for ACH transactions; what is included in this payment process (e.g., attachments, stop pay, reissue, domestic vs. international, etc.) and what is excluded. Provide details of any other related fees. How would charges be impacted by shift in volumes and payment types?

E.3.2 Tell us what it would cost us for Check transactions; what is included in this payment process (e.g., check stock, envelopes, postage, etc.) and what is excluded. Provide details of any other related fees. How would charges be impacted by shift in volumes and payment types?

E.3.3 Tell us what would it cost us for wire transactions, indicate cut off times and any other related and associated fees (i.e., researching & tracing; expedited processing, etc.). Your response should address domestic and international wire transfers.

E.3.4 Explain to us the advantages of ACH processing under your program. What new and improved service will you bring to this process?

E.3.5 How will this model streamline the payment process and reduce costs/improve revenue?

E.3.6 What are the different types of rebates available and being offered to the UT health institutions? What is the frequency for rebate distribution to the UT health institutions?

E.3.7 If your business model includes charges or fees to the suppliers, please describe the types of charges and fees that apply. Also, explain how these charges and fees would be adjusted over the life of the contract.

E.3.8 Based on the UT health institutions' payment history what are the anticipated savings to be achieved through dynamic discounting at each UT health institution.