



August 20, 2018

Doug Cox
Executive Director, Contract Management & Administration
E&I Cooperative Services
2 Jericho Plaza, Ste 309
Jericho, NY 11753

Dear Mr. Cox,

The University of Texas (“UT”) System Audit Office has completed an audit of E&I Cooperative Services’ control practices related to sourcing and management of contracts offered through its cooperative purchasing program to UT System institutions. This audit was conducted as part of the UT System Accreditation Program for Texas State Agencies and Group Purchasing Organizations (“GPO Accreditation Program”).

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

Based on interviews with staff, review of applicable documentation, and testing of a sample of E&I contracts used by UT System institutions, sourcing and contract management controls as communicated to us during the accreditation process are in place and working as intended. An opportunity to improve controls over proposal scoring was discussed with you during the site visit on August 9, but was not of such significance or impact as to impair the competitive sourcing process. We will communicate these results separately to UT System management of the GPO Accreditation Program.

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

Sincerely,

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

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