

## **University of Houston Procurement Process for Non-Construction and Non-Renovation Contracts Costing More than \$1 Million**

1. UH System Board of Regents (BOR) approval must be obtained for the Chancellor to negotiate and execute a non-construction or non-renovation revenue or expense contract that is anticipated to cost (or generate revenue) more than \$1 million over the life of the contract, including any extensions or renewals (BOR Policy 55.01). While BOR approval must be obtained before UH signs a contract or issues a PO, the procurement process to select a vendor may occur before or after BOR approval. The BOR must re-approve the contract if it will exceed 25% of the amount previously approved.
2. Purchasing determines the appropriate procurement process. The most common types of procurement processes for large contracts are as follows:
  - a. Request for Qualifications (RFQ) – Primarily used for professional services where the vendor is selected solely based on their qualifications. RFQs are normally posted on the Electronic State Business Daily (ESBD) for at least 21 calendar days.
  - b. Request for Proposals (RFP) – Used for consulting contracts, revenue contracts, and other contracts where a variety of criteria are used to select the best value vendor, including price or revenue, quality of product or service, vendor's experience and reputation, ability of vendor's product or service to meet the university's needs, and other factors considered important in the selection process. RFPs are usually posted on the ESBD for at least 21 calendar days.
  - c. Request for Offer (RFO) – Like a RFP, except used for information technology contracts involving hardware, software, and/or services. RFOs are usually posted on the ESBD for at least 21 calendar days.
  - d. Invitation to Bid (ITB) – Used when purchasing a specific commodity (usually furniture or equipment) and price is the only criteria used to select a vendor, assuming the vendor can deliver exactly what is needed in the timeframe indicated in the ITB. ITBs are usually posted on the ESBD for 14 calendar days.
  - e. Sole Source – The UH department requesting the commodity or service knows exactly what they need and the chosen vendor is the only vendor who can provide that commodity or service. Price is not a consideration in selecting the vendor. The requesting department must complete a Sole Source Justification Form that indicates which product feature, vendor expertise, or other reason no other vendor can provide the commodity or service needed. If there is any doubt about the sole source justification, Purchasing will require a competitive procurement process.
3. If the department submits a Sole Source Justification Form to Purchasing and Purchasing agrees with it, Purchasing will sign the Sole Source Form and submit it along with an award recommendation memo to the Vice Chancellor for Administration & Finance (A&F VC). Purchasing will copy Internal Audit on the memo to the A&F VC. If Purchasing does not agree with the Sole Source Form, Purchasing will ask the department to revise the form or tell the department that a formal solicitation process (RFQ, RFP, RFO, or ITB) is required.
4. If Purchasing recommends the Sole Source purchase to the A&F VC and the A&F VC approves it, the contract or PO can be signed or issued following Board approval. If the A&F VC does not approve the Sole Source, Purchasing will tell the requesting department that a formal solicitation (RFQ, RFP, RFO, or ITB) is required.

## **University of Houston Procurement Process for Non-Construction and Non-Renovation Contracts Costing More than \$1 Million**

5. Purchasing will work with a primary contact in the department (Project Manager) to prepare a formal solicitation (RFQ, RFP, RFO, or ITB). The Project Manager is responsible for providing a detailed description of services to be provided and/or product specifications, as well as the criteria to be used in the evaluation process for RFQs, RFPs, and RFOs. Purchasing is responsible for ensuring that the solicitation document includes all standard terms and conditions contained in university solicitations, determining if a HUB Subcontracting Plan (HSP) will be required (when subcontracting is probable), and reviewing the entire solicitation document for clarity, consistency, and reasonableness.
6. Purchasing completes a Subcontracting Probability Form to determine if a HSP will be required for the solicitation. The Form is signed by the responsible Buyer and a representative from HUB Operations and is saved in the Purchasing share drive folder for the solicitation.
7. Purchasing ensures the requirements of the solicitation are clearly stated in the solicitation document, such as the submission, content, and format of proposals, Execution of Offer, HSP, General Information Questionnaire, and/or other stated requirements of the solicitation.
8. Purchasing asks the Project Manager if they are aware of any information that was shared with a potential respondent in the past year that might give the respondent a competitive advantage in responding to the solicitation. If the Project Manager is aware that such information was shared, Purchasing will include this information in the solicitation document so that all respondents will have access to the same information.
9. Purchasing assigns a solicitation number for internal tracking purposes.
10. Purchasing posts the solicitation document on the ESD for the required period of time (at least 14 calendar days for ITBs and at least 21 calendar days for RFQs, RFPs, and RFOs).
11. Purchasing sends a broadcast email notification with a link to the solicitation to registered vendors on the CMBL, local trade organizations, and any vendors recommended by the Project Manager.
12. Purchasing sends an electronic copy of the solicitation and ESD posting (website link) to the Project Manager and Internal Audit after posting.
13. Purchasing prepares attendance sheet for pre-submittal meeting (if any), leads meeting, and collects questions at the meeting.
14. Purchasing communicates information to vendors, receives questions from vendors (if any), coordinates with Project Manager to address questions received, issues official addenda after questions deadline and prior to submittal due date. (Note: RFQs, RFPs, and RFOs normally include Q&As but ITBs usually do not because they are more straightforward. Purchasing and the Project Manager will determine if Q&As are needed for the solicitation.)
15. Purchasing receives, opens, and reads aloud the name of the respondents. The responsible Buyer completes a Bid Opening Form, which lists the responses received and opened, and the time and date of the opening. The responsible Buyer signs and dates the Bid Opening Form and scans a copy into the Purchasing share drive folder for the solicitation. (The Bid Opening Form is used for responses to ITBs, RFPs, RFO, and RFQs.)
16. If a HSP was required by the solicitation, Purchasing prepares a HSP Compliance Review Form for each response to document whether the HSP was prepared in good faith.

## **University of Houston Procurement Process for Non-Construction and Non-Renovation Contracts Costing More than \$1 Million**

Respondents may be asked to clarify or correct information in the HSP or provide missing documentation. However, if the responsible Buyer and a HUB Operations representative agree that the HSP was not created in good faith, the HSP will be rejected and the respondent's response will be considered non-responsive. Both Purchasing and HUB Operations sign and date the HSP Compliance Review Form and scan a copy to the solicitation folder of the Purchasing share drive.

17. Purchasing prepares a Solicitation Requirements Checklist for the solicitation that includes all of the mandatory requirements (e.g., HSP, Execution of Offer, and any other stated requirements), lists all of the respondents, and indicates whether each respondent complied with each requirement. The responsible Buyer will sign and date the Solicitation Requirements Checklist. Purchasing will consider all responses that are not in compliance with any of those requirements to be nonresponsive. The Purchasing Director (or higher authority) will also sign and date the Solicitation Requirements Checklist to verify they agree with the Buyer's decision. Purchasing will scan a copy of the Solicitation Requirements Checklist in the solicitation folder of the Purchasing share drive.
18. Purchasing emails Internal Audit a copy of the Subcontracting Probability Form, Bid Opening Form, HSP Compliance Review Forms, and the Solicitation Requirements Checklist for their review.
19. Purchasing requests Finance System Operations to create a folder on SharePoint and to grant SharePoint access to evaluation committee members. (Note: Evaluation committees consist of at least seven employees who independently evaluate and score each qualified response and sends their evaluations directly to Purchasing. Committee members may not discuss vendor proposals with anyone or collaborate with each other.)
20. Purchasing uploads original solicitation, addenda, pre-qualified responses, evaluation matrix, and evaluation instruction sheet into SharePoint. Prior to uploading the evaluation matrix to SharePoint, another Purchasing staff member will review the formulas in the matrix for accuracy, in addition to the person in Purchasing who prepared the matrix. Both the preparer and reviewer will initial the matrix indicating their review.
21. Purchasing delivers one (1) set of original hard copies of responses to Project Manager and another set of originals are kept within Purchasing for open records requests and to comply with record retention procedures.
22. Purchasing sends SharePoint logon instructions and instructions on completing evaluation documents to committee members.
23. Purchasing requests clarification from respondents on their submittal, if needed.
24. Purchasing collects and receives completed evaluations from committee on or before the specified evaluation due date.
25. Purchasing compiles individual committee evaluation score sheets and prepares evaluation summary. Another Purchasing staff member will review the calculation of all technical and non-technical scores and the combined committee evaluation scores for accuracy, in addition to the person in Purchasing who prepared the evaluation summary. Both the preparer and reviewer will initial the evaluation summary to indicate their review.

## **University of Houston Procurement Process for Non-Construction and Non-Renovation Contracts Costing More than \$1 Million**

26. Purchasing coordinates with Project Manager for shortlist interview recommendation, if needed. (Note: The Project Manager will determine if vendor interviews are needed. If not needed, go to step 36.)
27. Purchasing sends shortlist selection recommendation memo to Internal Audit for review and approval. Additional documents to include with the memo are the official solicitation, interview questionnaire, team evaluation summary after interview, and emails from the committee members with their scores attached.
28. Shortlist recommendation memo is sent to A&F VC for review and approval. Additional documents to include with the memo are the official solicitation and team evaluation summary. Internal Audit is copied on this email.
29. A&F VC copies Internal Audit on email reply to Purchasing regarding the shortlist recommendation.
30. Purchasing sends shortlist notification emails to respondents for interview, and regret notifications to non-shortlist respondents after receiving approval from A&F VC.
31. Project Manager creates interview questionnaire, coordinates internal scheduling of committee members to attend shortlist interviews, and notifies Purchasing of available interview time, date, and location. If Project Manager revises the evaluation criteria for shortlist interviews to be more specific, Purchasing will notify the shortlisted vendors, evaluation committee, and Internal Audit in writing before the interviews begin.
32. Purchasing releases interview schedule and questionnaire to shortlist respondents.
33. Purchasing attends all shortlist interviews to ensure the integrity of the interview selection process (i.e., only committee members and one or more representatives from Purchasing will be allowed to attend the interviews).
34. Purchasing receives completed evaluations from committee members after interviews and on or before the evaluation deadline.
35. Purchasing compiles individual committee evaluation score sheets and prepares the interview evaluation summary. Another Purchasing staff member will review the calculation of all technical and non-technical scores and the combined committee evaluation scores for accuracy, in addition to the person in Purchasing who prepared the evaluation summary. Both the preparer and reviewer will initial the evaluation summary to indicate their review.
36. Purchasing coordinates with Project Manager for final selection recommendation.
37. Purchasing sends final selection recommendation memo to Internal Audit for review and approval. Additional documents to include with the memo are the official solicitation, interview questionnaire, team evaluation summary after interview, and emails from the committee members with their scores attached.
38. Purchasing sends final selection recommendation memo to A&F VC for review and approval. Additional documents to include with the memo are the official solicitation, interview questionnaire, and team evaluation summary after interview. Internal Audit is copied on this email.
39. A&F VC copies Internal Audit on reply email to Purchasing's final selection recommendation memo.
40. Purchasing sends notification email to finalist for contract negotiation, and regret notifications to non-finalists after receiving approval from A&F VC.

**University of Houston Procurement Process for Non-Construction and Non-Renovation Contracts Costing More than \$1 Million**

41. Purchasing prepares for open records requests, if any.