



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

**PROCUREMENT PLAN AND CONTRACT
MANAGEMENT HANDBOOK**

FY 2021

**Procurement Plan and Contract Management Handbook
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OVERVIEW

The Cancer Prevention and Research Institute of Texas, or CPRIT, is charged by the Texas Legislature to:

1. Create and expedite innovation in the area of cancer research, and enhance the potential for a medical or scientific breakthrough in the prevention of cancer and cures for cancer;
2. Attract, create, or expand research capabilities of public or private institutions of higher education and other public or private entities that will promote a substantial increase in cancer research and in the creation of high-quality new jobs in this state; and
3. Develop and implement the Texas Cancer Plan.

Created by the Texas Legislature and authorized by Texas voters in 2007, CPRIT began in 2009 to award grants to Texas-based organizations and institutions for cancer-related research and product development and for the delivery of cancer prevention programs and services.

CPRIT staff utilizes the Texas Comptroller of Public Accounts (CPA) Statewide Procurement Division (SPD) Procurement and Contract Management Guide and the training provided by them to ensure that the rules and laws of the state regarding procurement and contract management are upheld.

The CPA identifies a list of governing statutes and rules that state purchasing programs must follow:

<https://comptroller.texas.gov/purchasing/publications/procurement-contract.php>.

The following internal checklists have been developed to assist with ensuring all procedures are remembered and followed during the four phases of the procurement and contract management cycles.

The four lists are:

1. Formal Solicitation Checklist
2. Contract Award Checklist
3. Contract Renewal Checklist
4. Contract Close-out Checklist

ORGANIZATION PURCHASING STRUCTURE

The Chief Operating Officer ensures that proper purchasing and contract management procedures are followed at CPRIT. The Purchaser is responsible for making sure the agency follows appropriate state purchasing and contract management guidelines. The Chief Executive Officer and Chief Operating Officer make final decisions on procurement contracts, and both have the authority to sign contracts for CPRIT.

CPRIT's Oversight Committee must approve all agency commodity or service contracts with a value of \$100,000 or more at an open meeting. The Oversight Committee meets a minimum of once every quarter of the calendar year. Contracts for commodity or service purchases with a value of less than \$100,000 are reported to the Oversight Committee by the Chief Executive Officer or the Chief Operating Officer.

TRAINING

The Purchaser must attend necessary public purchasing courses and contract management courses to maintain required state certifications to perform purchasing and contract management duties. The following training requirements have been implemented by the Comptroller in FY 2018.

PURCHASING AUTHORITY	COURSE TITLE	EXPERIENCE	CERTIFICATION	EXAM
Zero to \$25,000 (Routine Purchases)	Basic Texas Purchaser Course	None Required	None	None Required
\$25,000.01 to \$100,000 Routine, Informal and Formal Purchases	Texas Contract Developer Certification Training	None Required	CTCD Formerly CTPM	Must Score at Least 80 to Pass Exam
\$100,000 and above	Texas Contract Manager Certification Training	None Required	CTCM	Must Score at Least 80 to Pass Exam

PURCHASING AUTHORITY

SPD by rule has delegated authority to state agencies to make purchases of the following:

1. a commodity or service with an estimated purchase price not greater than \$5,000;
2. a commodity with an estimated purchase price not greater than \$50,000, except for commodities on SPD TxSmartBuy Term, SPD Managed or TXMAS Contracts;
3. a service with an estimated purchase price not greater than \$100,000; or
4. purchases of publications directly from the publisher.

Purchases for services with an estimated cost exceeding \$100,000 must be submitted to SPD Procurement Oversight & Delegation (POD) team for review and delegation prior to advertising the solicitation. Reference *34 Texas Administrative Code 20.82*.

Any agency major contract solicitation of at least \$5 million in value must be submitted to the Contract Advisory Team for review. Reference Texas Government Code, Sec. 2262.101.

ETHICS & CONFLICT OF INTEREST

Employees must comply with CPRIT's ethics and conflicts of interest found in 25 Texas Administrative Code Chapter 702, a copy of which is provided to all employees and officers of CPRIT.

In addition, CPRIT employees generally may not perform any of the following:

1. Knowingly participate in any work on a contract in which the employee or a member of the employee's immediate family has an actual or potential financial interest in the contract, including, but not limited to, prospective employment. The term "participate" includes, but is not limited to, decision making, approval, disapproval, recommendation, giving advice, investigation or similar action.
2. Knowingly disclose confidential information for personal gain or otherwise.
3. Be employed by CPRIT at a pay classification of A17 or B9, Step 1 or higher if the employee or the spouse of the employee is an officer, manager, or paid consultant of a Texas trade association of businesses that contracts with the state.
4. Solicit or accept anything of value from an actual or potential vendor.
5. Be employed by, or agree to work for, a vendor or potential vendor.

A CPRIT employee who had a pay classification of A17 or B9, Step 1 or higher who ceases service or employment with the agency may not, as a former employee, represent any person or receive compensation for services rendered on behalf of any person regarding a particular matter (contract, a specific investigation, application, request for a ruling or determination, rulemaking proceeding, claim, charge or other proceeding) in which the former employee participated during the period of employment, either through personal involvement or because the matter was within the employee's official responsibility. Reference *Texas Government Code § 572.054*.

A vendor or potential vendor may not offer, give, or agree to give an employee anything of value and if such instance occurs, the employee must notify the Chief Executive Officer or Chief Operating Officer immediately.

CPRIT purchasing staff is required to sign a Conflict of Interest form annually which is retained in personnel files.

Oversight Committee members, the Chief Executive Officer, the General Counsel, the Chief Operating Officer, and the Purchaser must certify in writing that neither they nor any family member related within a second degree of affinity or consanguinity of any of those positions has a financial interest in a vendor with whom CPRIT intends to enter into a contract. If any individual listed above indicates that he or a family member has a financial interest in a vendor with whom CPRIT intends to enter into a contract, the agency may not enter into a contract with that particular vendor and will have to find another vendor who can provide the commodity or perform the service.

Other CPRIT staff directly involved in reviewing proposals to any agency solicitation (i.e., evaluating proposals or conducting vendor interviews) must also certify in writing that the individual has no financial interest in a vendor who has submitted a proposal at the time of review. Reference *Texas Government Code, Sec. 2161.251*.

CPRIT staff and Oversight Committee members involved in a procurement or contract negotiation for a commodity or service are prohibited from accepting employment from any vendor who responded to any agency solicitation (i.e., Request for Quote, Request for Offer, Request for Proposal, Invitation for Bid) before the second anniversary of the date of the officer's service or staff's employment with CPRIT ceases. Reference *Texas Government Code, Sec. 572.069*.

REPORTS

All applicable reports required by the SPD and the Legislature are completed by the Purchaser or Accountant. The reports are reviewed by the Chief Operating Officer before submission.

Examples are:

HUB Reports	Due March 15 th and September 15 th
Biennial Report	Due December 1 st
Annual Report of Non-Financial Data	Due December 31 st

STATE PAYMENT CARD PROGRAM

CPRIT participates in the State Payment Card Program. The Purchaser is the Payment Card Administrator for purchases of goods and services, with responsibility for implementation, program administration, and reporting applicable to the agency's payment card. CPRIT uses the payment card in situations in which:

1. A vendor will not accept any other form of payment.
2. A vendor requires payment in a shorter time period than the agency can have a warrant issued and mailed to the vendor.
3. A vendor offers a discount for payments made with a credit card.
4. Other circumstances approved by the Chief Operating Officer up to \$2,000, such as purchases that require a quick turnaround.

CPRIT does not use the payment card for purchases that exceed \$2,000 per charge or day. However, a one-time exception for a purchase that exceeds \$2,000 for a circumstance that may or may not be described above may be approved by the Chief Operating Officer. The extenuating circumstance must be described in the requisition entered in CAPPs.

The use of the procurement card must be authorized on a requisition in CAPPs, routed through the budget check and approved by the Chief Operating Officer. Once approved, the Purchaser shall proceed with purchasing the commodity or service with the procurement card. Each requisition is numbered and includes the NIGP Class/Item code and vendor information. When the purchased commodity or service is received, the Purchaser should mark the date of receipt on the packing slip or invoice and keep a copy of the receipt in the procurement file. Each receipt should contain a description of the good or service sufficient to support SPD's expenditure object code used for the type of items being purchased.

The Purchaser must reconcile the procurement card transactions monthly after downloading the procard statement from Citibank. All approved purchase requisitions for each monthly period must be copied into a purchase order in CAPPs with Citibank as the vendor. All transactions must be received in CAPPs. The Purchaser will provide a copy of the Citibank PO, Citibank monthly statement, and all supporting documents to the Accountant once the reconciliation is completed.

Travel Charge Card

CPRIT participates in the State Travel Charge Card program. The Accountant, who is the Travel Coordinator, is the agency's travel charge card administrator with responsibility for ensuring that all airline and hotel reservations and payments for agency employees are charged to the travel charge card for travel approved on a travel requisition form signed by the Chief Operating Officer or the Chief Executive Officer. The Travel Coordinator supervises the use of the travel charge card by the administrative staff when they book airfare and lodging for CPRIT staff.

With an approved travel requisition, the administrative staff may book airfare and lodging for employee travel and make any related hotel reservations. The administrative staff may complete a credit card authorization using the Travel Coordinator's name for each hotel reservation to authorize a hotel to charge the agency's travel charge card for those lodging expenses.

Upon completion of an employee's travel, the Travel Coordinator should receive the airline receipts, hotel lodging folios, and approved Purchase Requisition for the travel from administrative staff completing the traveler's payment voucher. The Travel Coordinator must reconcile the receipts and folios to the monthly travel charge card statement.

Prohibited Uses of the Payment Card

CPRIT does not use the payment card or reimburse an officer or employee for the use of a payment card for:

1. A purchase of a personal nature or any other purchase not connected with official state business.
2. A cash advance.
3. A purchase of a consulting service.
4. A purchase of a good or a service that may not be purchased without the prior approval of another state agency.
5. A purchase that the CPA audits before payment.
6. A purchase from a vendor if a payment to the vendor is prohibited by
 - a) Government Code §403.055 or §2107.008,
 - b) Education Code §57.48, or §57.482, or
 - c) Family Code §231.007.

Furthermore, CPRIT will not reimburse an officer or employee for the use of a payment card for a purchase that violates any provision of the General Appropriations Act. Reference 34 *Texas Administrative Code* 5.57(g).

Payment Card Holder Responsibilities

A CPRIT payment card cardholder whose name is on the card is the only individual authorized to use that card. A cardholder may not loan their card to anyone. The exception to this requirement is the use of the travel charge card by the administrative staff to book agency staff travel under the supervision of the Travel Coordinator.

A payment card cardholder must secure the payment card used for travel expenses in a locked location when not in use. In the event of the card being lost or stolen, the payment card cardholder should immediately notify the credit card administrator to stop payment on further purchases on the card and notify the Chief Operating Officer of the situation.

General Procedures

The CPRIT payment card cardholder may not accept a cash refund for a purchase if the agency paid for the purchase with the payment card.

The cardholder is responsible for advising the vendor that CPRIT is exempt from state or federal taxes when using the payment card. The Texas Sales Tax Exemption Certificate shall be provided to the vendor upon request. Reference 34 *Texas Administrative Code* § 20.308.

PURCHASING PROCEDURES

The purchase process begins when purchase request for a commodity or service is submitted to the Purchaser with any necessary background information. The Purchaser determines if the commodity or service is available through the Department of Information Resources (DIR) cooperative contracts, WorkQuest, Texas Correction Industries (TCI), SPD Managed Contracts, TxSmartBuy Term Contracts, or Texas Multiple Award Schedule (TXMAS) contracts. If the good or service is available through one of the above purchasing methods, that method must be given priority in the purchasing process. The Purchaser must initiate a purchase requisition in CAPPs for budget and executive approval of the purchase. Once approved, the Purchaser must follow the procurement procedures established for the purchasing method. Reference SPD Procurement and Contract Management Guide.

If the commodity or service is not available through a purchasing method listed above, CPRIT may proceed with a competitive open market purchase. If the commodity or service has an estimated purchase price not greater than \$50,000, an informal bid process can be utilized to obtain the commodity or service. The informal bid process is used for procurements which, because of the relatively low amount of money involved, do not require the agency to follow a formal bidding process. Purchases that do not exceed \$5,000 do not have to be competitively bid.

If a commodity or service has an estimated purchase price greater than \$50,000, then the formal competitive solicitation process must be used to obtain the commodity or service depending on the projected value of the commodity or service. The formal solicitation process is used for procurements greater than \$50,000 for which a written bid must be submitted in a sealed envelope in accordance with a prescribed format or transmitted electronically to CPRIT in accordance with procedures established by CPRIT.

For all open market solicitations, CPRIT utilizes the Centralized Master Bidders List (CMBL) maintained by the Comptroller's Office to notify vendors about the agency's solicitations for commodities or services. The solicitations are also posted on the agency website.

When contracting for services or using contracted workforce, CPRIT staff should consider the: goals and objectives; current staff skills and expertise; availability of staff positions (i.e., legislative "FTE cap"); costs and productivity; type and nature of services needed; and volume and timeframe needed. Employee productivity, expertise and skills should be analyzed to determine the cost effectiveness of hiring a contractor to perform a service.

Best Value Determination

CPRIT uses the purchase price and needed specifications for a service or commodity as the primary factors to determine best value. CPRIT may also consider other relevant factors including but not limited to:

1. The quality and reliability of a good or service;
2. The delivery terms;
3. Indicators of probable vendor performance under the contract such as past vendor performance, the vendor's experience or demonstrated capability and responsibility, and the vendor's ability to provide reliable maintenance agreements and support; and
4. The effect of a purchase on agency productivity.

In a competitive bid, the relevant factors used to evaluate a services or commodity for best value will be specified in the solicitation document. For other purchases, a best value statement will be included in the Purchase Order if factors other than price are used to evaluate the service or commodity.

System for Award Management, CPA Vendor Hold, Debarred Vendor List and Divestment List

CPRIT does not conduct business with any vendor who has an Active Exclusion in the System for Award Management (SAM), is listed on the SPD Debarred Vendor List, is identified on the CPA Vendor Hold List for delinquent tax payments, or is listed on the Divestment List for doing business with foreign terrorists. SAM identifies vendors excluded throughout the U.S. Government (unless otherwise noted) from receiving federal contracts or certain subcontracts and from certain types of federal financial and nonfinancial assistance and benefits. All vendors must be checked prior to any initial contract or renewal being made by CPRIT. SAM is maintained by the General Services Administration.

Printing Services

For printing projects with an estimated value of \$2,500 or more, the Purchaser must submit a request for bid on the Print Shop Job Request Form through the State Print Shop Portal. The Purchaser must complete the SPD Print Bid Tabulation Template for all bids submitted by the state print shops to identify the lowest bid that meets the needed print project specifications. If the TCI print shop submits a bid and it is not the lowest, the TCI print shop must be given the opportunity to lower its bid before the Purchaser may proceed with finalizing the evaluation of the bids for the print project. When the tabulation of bids is finalized, the Purchaser must notify the Chief Operating Officer of the results. The agency will award the contract to the state print shop with the lowest bid that can meet the print project specifications. The Purchaser will initiate a Purchase Order for the print project services with the successful state print shop for approval in CAPPs.

Print Services of less than \$2,500 or No Bids Received from State Print Shops

For print and print-related service requests of less than \$2,500, the Purchaser may source services directly from any of the contracted state print shops through the web form.

If none of the State Print Shops respond to the Print Job Request, CPRIT will solicit competitive bids from commercial vendors and TCI.

ESBD posting requirements apply to printing services contracts.

Informal Solicitation Process

For a commodity or service with a dollar threshold between \$5,000.01 and \$50,000, the informal bid process outlined below must be followed.

1. Initiating the Purchase Process for Commodities and Services of \$50,000 or less
 - a. The purchase process begins when the need for a commodity or service is identified and notice of the needed purchase is made to the Purchaser.
 - b. The requestor becomes the assigned End User for the commodity or service.
2. Obtaining Bids
 - a. The Purchaser consults with the End User and Chief Operating Officer to determine the best approach to meet the agency's needs.
 - b. The Purchaser will contact at least three (3) CMBL or DIR vendors in the appropriate

category to allow them the opportunity to bid on the commodity or service. At least two (2) of the vendors must be HUB vendors. The Purchaser may contact additional HUB vendors to show good faith effort.

The Purchaser selects the proper procurement method for commodity or service.

3. Bid Review

- a. The Purchaser consults with the End User to evaluate bids submitted in response to the informal bid request, determines the selection of a vendor for the commodity or service, and documents the decision.
- b. The Purchaser must notify the Chief Operating Officer (if different from the End User) of the decision with the name of the successful vendor and purchase amount.
- c. The Chief Operating Officer must obtain written certifications of no financial interest from Oversight Committee members, the Chief Executive Officer, the General Counsel, the Chief Operating Officer, the Purchaser, and all other staff who participated in the procurement process before the agency can proceed with finalizing a contract.

4. Issuing a Purchase Order or Contract

- a. The Purchaser must verify that the selected vendor is not restricted from conducting business with the federal government on SAM and with the state on the CPA Vendor Hold Search and SPD's Debarred Vendors List.
- b. The Purchaser must initiate a Purchase Requisition in CAPPs for formal approval of the commodity or service purchase, and, if the contract amount is \$14,000 or more, must provide the required information about the purchase through CAPPs to the Legislative Budget Board. With approval of the Requisition, the Purchaser can generate a Purchase Order (PO). The PO provided to the vendor must reference and include the Statement of Work (SOW), Scope of Services (SOS), or detailed specifications that were provided to the vendors for their bid prices.
- c. The Purchaser should provide a copy of the signed PO to the End User and post the contract information on the agency website if the amount exceeds \$15,000.
- d. A PO for leased equipment will be extended by POCN on an annual basis if the equipment is retained after the lease term expires.

5. Administering the Contract

- a. After the PO is issued or contract is executed, the End User should contact the vendor to discuss the contract requirements, including reporting.
- b. The vendor should be notified that all invoices must be sent directly to the agency Accountant at invoices@cpriti.texas.gov. Invoices received by the Accountant will be date and timestamped.
- c. The Accountant will provide a copy of the invoice to the End User or Purchaser to approve the payment. The End User or Purchaser must return the signed invoice approving the payment along with any documents submitted to CPRIT reflecting the vendor's work during that period within 15 days of the date stamped on the invoice or notify the Accountant that there are questions related to the invoice that have to be addressed before it can be approved.
- d. Payment terms shall comply with the Prompt Payment Act, Chapter 2251, Texas Government Code, in invoicing and making payments. Payments for goods and services are due within thirty (30) days after the goods are provided, the services are

completed, or a correct invoice is received, whichever is later. Payment under the contract shall not foreclose the right to recover wrongful payments. Invoices paid after 30 days are subject to the interest payments.

Formal Solicitation Process

For a commodity or service with a dollar threshold that is estimated to exceed \$50,000, the formal bid process outlined below must be followed.

1. Initiating the Purchasing Process for commodities and services for more than \$50,000:
 - a. The purchase process begins when the need for the purchase of a commodity or service is identified and a draft Statement of Work for that commodity or service is submitted to the Chief Operating Officer and Purchaser with any recommended vendor information.
 - b. The Purchaser determines the best procurement method to use after considering the requirements of the commodity or service. The Purchaser will consult with the End User and the Chief Operating Officer during the preparation of the solicitation. This includes the timeline of the procurement process.
 - c. The Purchaser must assign a control number to identify the formal solicitation.
 - d. Drafts of the solicitation document must be provided to the End User and the Chief Operating Officer for review and needed revisions. The Chief Operating Officer must give final approval for the solicitation to proceed in the procurement process and be distributed or advertised outside of the agency.
 - e. All terms, conditions, and specifications shall be submitted to Legal when legal interpretation is required to minimize any perceived risk to the procurement process or agency.
 - f. For commodities estimated to exceed \$50,000 and services estimated to exceed \$100,000, the Purchaser must upload all solicitation documents to the SPD Procurement Oversight & Delegation (POD) portal to obtain delegated authority for the agency to proceed with advertising the solicitation on its own.
 - g. The Purchaser must attempt to comply with all recommendations received from POD. The Purchaser must reply and provide explanations for the recommendations the agency does not intend to comply with. If purchasing authority is not delegated to the agency on a particular procurement, the agency's responsibilities continue from Step 3, Solicitation Review.

2. Posting Solicitation and Bid Receipt
 - a. Upon approval, the Purchaser must post the solicitation to the Electronic State Business Daily (ESBD) and ensure it is posted on CPRIT's website (Procurement landing page - Current Solicitation Opportunities table).
 - b. The Purchaser will obtain the solicitation email notification list from the CMBL for the vendors under the respective class/item code(s) of the commodity or service being advertised. A copy of the list shall be maintained in the procurement file.
 - c. Bids may be submitted by a parcel courier or email. Agency administrative staff must date and time stamp receipt of bids that are hand delivered. All bids, whether hand delivered or emailed, received after the due date or time deadline will be disqualified and will not be considered for the award. Hard copy deliveries received late will be returned to the Respondent unopened. Respondents will be notified after the award if their bid submitted by email was received after the due date or time deadline.

- d. The Purchaser conducts an initial review of all bids to determine the responsiveness of each bid and prepares the responsive bids for evaluation.

3. Solicitation Review

- a. The End User (who will become the Contract Administrator) in consultation with the Chief Operating Officer, if a different individual, will determine the members of the evaluation team from the CPRIT staff. Each evaluation team must have at least three (3) members. The evaluation team should be comprised of individuals who are stakeholders in the final product or service and/or individuals who have the necessary technical or program expertise.
- b. The evaluation team members must complete a written evaluation of each bid submitted in response to the solicitation. The evaluations shall be based on the best value for the state while conforming to the specifications or statement of work required.
- c. Each evaluation team member must return their completed evaluations to the Purchaser. The Purchaser reviews the evaluations to verify whether one or more respondents are competitive based on the evaluation criteria.
- d. The Contract Administrator in consultation with the Chief Operating Officer will inform the Purchaser if a second round, in-person presentation should be conducted for the respondents in the competitive price range, or to proceed with negotiations for a best and final offer.
- e. If a second-round evaluation is conducted, each evaluation team member must complete and return another evaluation document to the Purchaser. The Purchaser reviews the evaluations to confirm which respondent is successful based on the second-round evaluation.

4. Awarding a Contract

- a. The Purchaser must verify that the selected vendor is not restricted from conducting business with the federal government on SAM and with the state on the CPA Vendor Hold Search, and SPD's Debarred Vendors List and Divestment List.
- b. The Chief Operating Officer must obtain written certifications of no financial interest with the selected vendor from Oversight Committee members, the Chief Executive Officer, the General Counsel, the Chief Operating Officer, the Purchaser, and all other staff who participated in the procurement process before the agency can proceed with finalizing a contract.
- c. The Purchaser notifies vendors, acknowledges and obtains signed Form 1295, which must be filed with the Texas Ethics Commission by the selected vendor, to certify there are no controlling or intermediary interested parties to the contract associated with the vendor.
- d. The Purchaser prepares a notice of award for the Chief Executive Officer's signature if a contract is to be awarded. Contract acceptance is acknowledged by the vendor's signature on the notice of contract award and makes the contract active.
- e. The Purchaser shall provide a copy of the signed notice of award, approvals from governing bodies, and the executed contract to the Chief Operating Officer and respective Contract Administrator.
- f. The Purchaser must process a Purchase Requisition, PO, and Contract in CAPPs based on the contract award and provide the required information about the contract through CAPPs to the LBB.
- g. The Purchaser ensures the award and vendor information is posted to the ESBD and all respondents are notified by email that an award has been made. The contract

information, such as the vendor name and contract amount, is posted on the agency's website until the contract expires or is terminated and closed out.

5. Contract Administration

- a. After award, the Contract Administrator communicates and coordinates with the vendor for contract deliverables. Contract modifications agreed to by both parties that alter the original terms and conditions, must be brought to the attention of the Purchaser for the contract administration requirements to be completed if allowed and approved.
- b. If a change is needed to a contract, the change must be within the scope, or range of what was provided in the solicitation. A significant difference would be a material or substantial change in the scope of services and would not be allowed because it had not been originally subject to fair competition.
- c. The vendor shall be notified that all invoices must be sent directly to the agency Accountant at invoices@cpriti.texas.gov. Invoices received by the Accountant must be date and time stamped.
- d. The Accountant will provide a copy of the invoice to the Contract Administrator for approval. The Contract Administrator must return the signed invoice approving the payment along with any documents submitted to CPRIT reflecting the vendor's work during that period within 15 days of the date stamped on the invoice or notify the Accountant that there are questions related to the invoice that have to be addressed before it can be approved.
- e. Payment terms shall comply with the Prompt Payment Act, Chapter 2251, Texas Government Code, in invoicing and making payments. Payments for goods and services are due within thirty (30) days after the goods are provided, the services are completed, or a correct invoice is received, whichever is later. Payment under the contract shall not foreclose the right to recover wrongful payments. Invoices paid after 30 days are subject to the interest payments.

Purchasing from DIR Cooperative Contracts

DIR cooperative contracts offer streamlined purchasing and cover a wide variety of information technology products and services including hardware, software, staffing services, maintenance, managed services, technology training, DBITS and telecom services including wireless, conferencing, and specific information security products and services.

Purchase orders are prepared and emailed directly to vendors to purchase products and services from DIR cooperative contracts.

State agencies are granted an exemption from the requirement to purchase IT commodities through a DIR contract for procurements not to exceed \$1,000.

DIR Statement of Work (SOW) Review Process for Contracts that Exceed \$50,000

CPRIT follows DIR's SOW review and approval process for an IT service or commodity that exceeds \$50,000.

Draft Submission: Submit draft SOW to DIR for review before offering a SOW to vendor(s). DIR reviews the SOW and consults with the agency as necessary to ensure the scope of the SOW aligns with the Master Contract being solicited. Comments, findings, and determination

(approval/rejection) will be by email for record keeping purposes.

Preliminary: Submit the approved draft SOW to vendors. Evaluate responses and negotiate the final version of the SOW. CPRIT and the vendor execute their portions of the final SOW. CPRIT sends the signed version of the SOW to DIR for review and execution.

Final Review: DIR reviews the final negotiated SOW to ensure it is still within the scope of the original SOW and, when so, will execute the SOW and return to CPRIT.

Execution: Once executed, CPRIT may issue a purchase order to the vendor. The SOW must be posted to the agency website.

Commodity Purchasing Thresholds and Exemptions

CPRIT follows these thresholds when requesting pricing from vendors with DIR contracts:

Contract Value	Requirement
\$50,000 or less	May award directly to vendor of choice
More than \$50,000 – up to \$1 million	Three (3) Vendors or all Vendors in a category with less than three Vendors
More than \$1 million – up to \$5 million	Six (6) Vendors or all Vendors in a category with less than six Vendors
More than \$5 million	CPRIT is required to prepare its own solicitation

The executed SOW will be posted to the agency website through the final term of the contract.

HISTORICALLY UNDERUTILIZED BUSINESS PROGRAM

CPRIT makes a good faith effort to purchase from certified HUBs to achieve the goals established for the agency. The Purchaser's duties include the role of HUB Coordinator with the responsibility to perform outreach. Outreach activities include attending HUB small business trainings and forums to increase awareness of CPRIT procurement opportunities among HUB vendors and participating in available meetings with HUB vendors at other agencies. The Purchaser contacts all appropriate certified HUBs listed on the CMBL about CPRIT bidding opportunities. Outreach efforts include responding to all email and hard copy communication received from HUB vendors.

CONTRACT MANAGEMENT

To ensure that appropriated funds are spent effectively and efficiently, the Contract Administrator monitors the services performed or commodity procured on a continuing basis. Contracts are managed throughout the terms of the contract using the language in the signed contract. As work is completed and before payment can be processed for services rendered, delivery or time is verified, and quality of work is confirmed by the Contract Administrator of the service or commodity.

If a Contract Administrator has questions or concerns about any issues related to the contract, the Contract Administrator should consult with the Purchaser. If the question or concern cannot be resolved by the Purchaser, it should be escalated to the Chief Operating Officer, General Counsel, and/or Chief Executive Officer.

Contract Risk Management

CPRIT has developed and complies with a purchasing accountability and risk analysis procedure that provides for: assessing the risk of fraud, abuse or waste in the contractor selection process, contract provisions, and payment and reimbursement rates; identifying contracts that require enhanced contract monitoring or immediate attention of the contract management staff; and establishing clear levels of purchasing accountability and staff responsibilities related to purchasing.

Risks to the contract must be reviewed and evaluated by the Purchaser working with the Contract Administrator on a continual basis until the contract is fully performed and final payment has been rendered.

CPRIT has a contract with Red Flag Reporting that provides confidential phone and web-based fraud, waste, and abuse reporting options (Hotline Services) 24 hours a day, 365 days a year. Reports may be made anonymously at www.redflagreporting.com or 1-877-64redflag (1-877-647-3335).

Change Management

Throughout the term of the contract it may become necessary to make changes to the contract. These changes can be minor administrative changes such as a change of address or substantial changes that affect the price and delivery. Contract amendments may be made bilaterally when all parties to the contract agree that a modification is necessary because the scope of work, the term of the contract, or some other provision of the contract needs to be altered; or unilaterally when the agency may exercise a right to modify the contract without the contractor's consent.

Contract Changes and Contract Scope

Contract amendments must be within the scope of the original contract and made according to the competitive process underlying the original contract.

Administrative Changes

Administrative changes are within the scope of the contract and do not affect or alter the rights of the parties. These changes are typically executed via a unilateral amendment. Examples of administrative changes include:

1. Changes in billing instructions or address;
2. Corrections of typographical errors not affecting the substance of the contract;
3. Changes as permitted by the specific contract language.

Substantive Changes

These are contractual changes that affect the rights of both parties. Such changes generally require bilateral amendments (agreement by both parties). Examples of substantive changes include:

1. Change in the price of the contract;
2. Change in the delivery schedule;
3. Change in the quantity;

4. Change in the nature of deliverables (i.e., the specifications);
5. Change of key personnel; or
6. Change of any terms and conditions.

Constructive Changes

If a vendor perceives that work beyond the scope of the contract was ordered by the agency, the vendor may claim that the contract was “constructively” changed, and, in this circumstance, the vendor may be entitled to additional compensation for the changes. Generally, a constructive change will require a bilateral amendment. Constructive changes may occur when agency personnel:

1. Provide suggestions to a vendor;
2. Accelerate the delivery schedule;
3. Direct the work to be performed differently;
4. Change the sequencing of the work;
5. Delay accepting or rejecting deliverables;
6. Delay reviewing invoices and approving payment; or
7. Interfere with or hinders performance.

Contract Close-out

A contract is completed when all goods or services have been received and accepted; all reports have been delivered and accepted; all administrative actions have been accomplished; all agency furnished equipment and material have been returned; and final payment has been made to the vendor.

To initiate the close-out process, CPRIT determines that the vendor has satisfactorily performed all required contractual obligations. A contract is ready for close out when:

1. All deliverables, including reports have been delivered and accepted by the agency. Contract Administrators should compare actual performance against performance measures, goals and objectives to determine whether all required work has been completed;
2. All monitoring issues have been resolved;
3. All property inventory and ownership issues are resolved including disposition of any equipment or licenses purchased under the contract;
4. Final acceptance from the Contract Administrator has been received (if applicable);
5. Vendor is aware of and in compliance with records retention requirements and a plan has been developed for contract file maintenance; and
6. Any deficiencies found as part of the closeout process are documented and communicated to all appropriate parties.

PROTEST PROCEDURES

Policies and procedures for resolving written protests relating to the solicitation or award of a service or commodity contract by CPRIT.

An actual or prospective bidder, respondent, offeror, or vendor who believes he has been aggrieved in connection with the agency's solicitation, evaluation, or award of a contract may formally protest to CPRIT's purchaser. The protest must be made in writing and be received by the Purchaser within ten (10) business days after the protesting party knows, or should have known, of the occurrence of the action

that is being protested. Protests must conform to requirements outlined in this policy.

Stay of Contract Award

In the event of a timely protest being received, the agency shall not proceed further with the solicitation or award of the contract unless the Chief Executive Officer, after consultation with the Purchaser and General Counsel, makes a written determination that the contract must be awarded without delay to protect the best interests of the agency.

Protest Requirements

The written protest should be addressed to the Purchaser. The protesting party must mail or deliver copies of the protest to the agency and other identifiable interested parties. A formal protest must be sworn and contain the following:

1. Name and address of the protester;
2. Identification of the solicitation (i.e., solicitation number);
3. A statement of the relevant facts being protested;
4. Identification of the statutory or regulatory provision(s) that the protesting party alleges has been violated;
5. A description of each action by the agency that the protesting party alleges to be a violation of law or fact, citing the specific statute(s), rule(s), or other legal authority alleged to have been violated, and that must be resolved; and
6. A statement that copies of the protest have been mailed or delivered to the agency and all other identifiable interested parties.

The Purchaser shall conduct a review of issues raised by the protesting party. If the protest cannot be resolved by mutual agreement, the Purchaser must issue a written determination on the protest within ten (10) business days of receipt of the formal protest.

The protesting party may appeal the determination of a protest by the Purchaser to the General Counsel by submitting a written appeal no later than ten (10) business days after the date on which the Purchaser sent the written notice of determination. The General Counsel must issue a written decision on the appealed protest within ten (10) business days of its receipt.

The General Counsel's written decision shall be the final administrative action of CPRIT.

A protest or appeal that is not filed timely based on the specifications outlined below shall not be considered unless good cause for delay is shown or the General Counsel determines that an appeal raises issues that are significant to agency procurement practices or procedures in general.

Procurement Protest Determination

The Purchaser shall have the following responsibilities in resolving the protest issues:

1. The Purchaser may request additional information from the protesting party to complete the review of the issues.
2. The Purchaser may solicit written responses to the protest from other interested parties in the solicitation or contract in question.
3. If the protest is not resolved by mutual agreement, the Purchaser will issue a written determination on the protest.

4. If the Purchaser determines that no violations has occurred, then the Purchaser shall inform the protesting party and other interested parties by letter that states the reasons for the determination.
5. If the Purchaser determines that a violation may have occurred in a situation in which a contract has not been awarded, then the Purchaser shall inform the protesting party and the other interested parties of that determination by letter that states the reasons for the determination and the appropriate remedy.
6. If the Purchaser determines that a violation may have occurred in a situation in which a contract has been awarded, then the Purchaser shall inform the protesting party and other interested parties of that determination by letter that states the reasons for the determination. This letter may include a declaration that the contract is void.

Appeal of Protest Determination

The protesting party may appeal a determination of a protest by the Purchaser to the General Counsel of CPRIT. An appeal of the Purchaser's determination must be in writing and received by the General Counsel no later than ten (10) business days after the date on which the Purchaser has sent written notice of his determination. The scope of the appeal shall be limited to a review of the Purchaser's determination. The protesting party shall mail or deliver to the agency and all other interested parties a copy of the appeal, which must contain a certified statement that such copies have been provided.

The General Counsel may consider any documents that the agency staff or interested parties have submitted.

The General Counsel must issue a written decision on the appealed protest within ten (10) business days of its receipt.

VENDOR PERFORMANCE

CPRIT documents and advises SPD of exceptional and unsatisfactory vendor performance for contracts that exceed \$25,000 through the Vendor Performance Tracking System (VPTS). Access to the CPA Portal requires a log in and password assigned by SPD. Due to restricted access, the CPRIT Purchaser is responsible for obtaining the required information from Contract Administrators and reporting this information in the VPTS.

The vendor performance report will be completed within 30 days of the completion of the contract. For performance that is unsatisfactory, CPRIT will provide explanation and documentation regarding the goods or services and will retain the documents in the vendor's contract file. The documentation will include correspondence with the vendor and any other items relating to the vendor's performance.