

**DATE:** November 15, 2017  
**SUBJECT:** Procurement Severance  
 Austin Peay State University  
**ACTION RECOMMENDED:** Approval

**BACKGROUND INFORMATION**

Pursuant to Tennessee Code Annotated § 49-8-101(a)(2)(C), the FOCUS Act authorizes the Tennessee Higher Education Commission (THEC) to “solicit and receive requests for state university boards to assume the performance of [data systems, capital project planning and management, and procurement]. A state university board shall not be permitted to assume the performance of these functions until November 30, 2017.” Furthermore, the law requires THEC to approve or deny the requests for independent management of the designated responsibilities, including procurement. To this end, THEC has developed processes and timelines for assessing institutional capacity in collaboration with the locally governed institutions (LGIs), Tennessee Board of Regents (TBR), and state agencies.

**SUMMARY**

Beginning in January 2017, THEC began identifying the necessary requirements for independent management of procurement activities. THEC staff provided a memo to all LGI presidents outlining four foundational requirements for procurement severance in April 2017. Austin Peay State University notified THEC in accordance with this process of their intention to sever on December 1, 2017, the first date of eligibility.

The Procurement Severance Process required all documents, actions, and a Letter of Compliance to be submitted to THEC staff for review by October 6, 2017, for consideration. The Letter of Compliance as well as links to the required documents and actions are provided in the action item. The four requirements for severance are outlined below.

**Procurement and Contract Policy Development**

Each LGI was required to provide links to policies, procedures, and guidelines associated with procurement and contracting on their website (links provided in the attachments). Each LGI indicated that these policies and procedures

comply with state and federal law.

### **Fiscal Review**

Pursuant to Tennessee Law, the Fiscal Review Committee is required to review and comment on proposed non-competitive contracts of longer than one year or payable value of more than \$250,000 and amendments to contracts with payable values equal to or exceeding \$250,000. Each LGI was required to provide a checklist outlining all proper documents that must be submitted to Fiscal Review when a contract or respective amendment is under review. Each LGI also provided the name of the institutional representative to Fiscal Review. These documents and contact information are provided in the attachments.

### **Reporting Requirements**

Each LGI was required to exhibit the ability to file the appropriate reports as required by Tennessee Statute or bylaws and policies by providing examples of the following reports: the Governor's Office of Diversity Business Enterprise Diversity Report; the Governor's Office of Diversity Business Enterprise Small, Minority, Women-Owned Business Report; the Governor's Office of Diversity Business Enterprise Goals Report; Fiscal Review Goods and Services Contract Report; and the Senate Finance, Ways and Means Committee Contract Requirements Report. Links to these reports are provided in the attachments.

### **Master Contract Severance**

As members of TBR, each LGI has participated in master, group, or statewide contracts. LGIs that are granted severance agree to continue participating in these contracts until the full-term of the contract expires. However, if they wish to exit a master contract when the full-term of the contract expires, each LGI was required to acknowledge and agree to procedures, including providing TBR with at least six months advance notice of intent to exit an expiring contract before exiting the master contract. A letter of compliance is provided in the attachment.

### **RECOMMENDATION**

#### *Action for Procurement Severance for Austin Peay State University*

Pursuant to Tennessee Code Annotated § 49-8-101(a)(2)(C), THEC staff recommend that the Commission **approve** the request of the Board of Trustees of **Austin Peay State University** to assume the performance of the **procurement** function for the university effective December 1, 2017, and declare that the Board of Regents is no longer responsible for the performance of this function for the university as of that date.

# Procurement Severance Requirements

## Austin Peay State University

### ***Procurement and Contract Policy Development***

Business & Finance Policy - [http://www.apsu.edu/policy/4s\\_business\\_and\\_finance\\_policies/](http://www.apsu.edu/policy/4s_business_and_finance_policies/)

Policies of Interest

- 4:002 Delegation of Authority for Approval of Contracts and Agreements
- 4:013 Contracts
- 4:014 Purchasing

Procurement & Contract Services Manual -

[http://www.apsu.edu/procurement/Manual\\_100617.pdf](http://www.apsu.edu/procurement/Manual_100617.pdf)

Pro Forma Contracts & Templates - <http://www.apsu.edu/procurement/forms.php>

Documents of Interest

- Request for Proposals (RFP) Template
- Request for Quotation (RFQ) Template
- Pro Forma Contract

### ***Fiscal Review Committee***

Fiscal Review Requirements - <http://www.apsu.edu/procurement/forms.php>

Fiscal Review Checklist - [http://www.apsu.edu/procurement/Fiscal\\_Review\\_Checklist2.pdf](http://www.apsu.edu/procurement/Fiscal_Review_Checklist2.pdf)

Fiscal Review Campus Representative:

- Sherry Demaray (Primary Contact)  
Associate Vice President for Finance  
PN 931-221-7884; email: [demarays@apsu.edu](mailto:demarays@apsu.edu)

### ***Reporting Requirements***

Reports - <http://www.apsu.edu/procurement/reportingrequirements.php>

### ***Master Contracts***

Provided acknowledgment of and agreement to requirements for exiting master contracts



Office of the President

October 6, 2017

Crystal L. Collins  
Director of Fiscal Policy Analysis  
Tennessee Higher Education Commission  
404 James Robertson Pkwy – Suite 1900  
Nashville, TN 37243

Re: Letter of Compliance

Dear Ms. Collins,

This Letter of Compliance is in reference to the Procurement Severance Process letter dated April 26, 2017.

The goal of the University is to create a culture of compliance that addresses and coordinates all requirements with which the Institution must comply, pursuant to laws, regulations, or institutional policy. Austin Peay State University's procurement and contract documents, forms and templates have been compared to the State of Tennessee documentation to ensure compliance with state and federal law.

Austin Peay State University's procurement and contract policies, procedures, procurement and contract forms, documents and templates are in compliance with all applicable state and federal laws.

Sincerely,

  
Alisa White  
President