

**DATE:** November 15, 2017

**SUBJECT:** Procurement Severance  
Tennessee Technological University

**ACTION RECOMMENDED:** Approval

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**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. Tennessee Technological 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 Tennessee Technological 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 **Tennessee Technological 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

## Tennessee Technological University

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

TTU Purchasing & Contracts – <https://www.tntech.edu/planning-and-finance/purchasing/ttu-purchasing-and-contracts>

Policies of Interest

- Policy 570: Contracts and Agreements
- Policy 571: Methods and Processes of Procurement
- Procurement Manual

Template Agreements & Forms - <https://www.tntech.edu/planning-and-finance/purchasing/ttu-purchasing-and-contracts>

Documents of Interest

- Template Request for Proposal (RFP)
- Template Request for Quotation (RFQ)
- Personal, Professional, Consultant Services (non-grant and grant)

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

Fiscal Review Forms (<https://www.tntech.edu/planning-and-finance/purchasing/ttu-purchasing-and-contracts>)

Documents of Interest

- Fiscal Review Summary Sheet
- Fiscal Review Checklist
- Fiscal Review Non-Competitive Contract and Amendment Form

Fiscal Review Campus Representative:

- Dr. Claire Stinson (Primary Contact)  
Vice President for Planning and Finance  
PN 931-372-3311; email: [cstinson@tntech.edu](mailto:cstinson@tntech.edu)

### ***Reporting Requirements***

Report - <https://www.tntech.edu/planning-and-finance/purchasing/ttu-purchasing-and-contracts>

### ***Master Contracts***


Provided acknowledgment of and agreement to requirements for exiting master contracts



## Office of the President

TENNESSEE TECH

### MEMORANDUM

TO: Mike Krause, THEC Executive Director  
FROM: Philip B. Oldham, President   
DATE: October 5, 2017  
RE: Procurement Severance Process Requirements

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Tennessee Tech's temporary website at <https://www.tntech.edu/planning-and-finance/purchasing/ttu-purchasing-and-contracts> has been established that contains links to documentation as required for the procurement severance process.

1. Procurement and Contract Policy Development
    - a. Links to policies and procedures for procurement and contracting
    - b. Pro forma contracts and templates
    - c. Indication that these documents meet at minimum the requirements of state and federal law (see attached memo and attestation from Dr. Claire Stinson)
  2. Fiscal Review Committee
    - a. Checklist outlining all proper documents that must be submitted to Fiscal Review when a contract or amendment is under review
    - b. Fiscal Review forms required to address non-competitive contracts and amendments
    - c. Dr. Claire Stinson, Vice President for Planning and Finance (Phone: 931-372-3311, [cstinson@tntech.edu](mailto:cstinson@tntech.edu)) and Ms. Judy Hull, Director of Purchasing and Contracts (Phone: 931-372-3452, [jmhull@tntech.edu](mailto:jmhull@tntech.edu)) will represent Tennessee Tech in front of the Fiscal Review Committee.
  3. Reporting Requirements
    - a. Campus liaison responsible for meeting reporting requirements: Dr. Claire Stinson, Vice President for Planning and Finance (Phone: 931-372-3311, [cstinson@tntech.edu](mailto:cstinson@tntech.edu))
    - b. Examples of most recent versions of reports
  4. Master Contract Severance:
    - a. Tennessee Tech agrees to work with TBR and THEC on a case-by-case basis to identify the terms under which Tennessee Tech may exit a master contract before its full term is completed.
    - b. Tennessee Tech further agrees to notify the TBR Assistant Vice Chancellor for Purchasing and Contracts which master contract(s) that we intend to exit at the end of its full contract term at least six months in advance of the contract expiration date.
- c. Claire Stinson, TTU Vice President for Planning and Finance  
Judy Hull, TTU Director of Purchasing and Contracts



# Memo

**To:** Dr. Mike Krause, THEC Executive Director  
**Via:** Dr. Philip Oldham, President  
**From:** Claire Stinson, Vice President for Planning and Finance  
**Date:** October 5, 2017  
**Re:** Certification of Policies and Procedures

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In your memorandum dated April 26, 2017, related to the procurement severance process, you indicated that an "LGI's governing board shall certify that the policies and procedures approved by them meet at minimum all requirements of state and federal law."

Tennessee Tech's Board of Trustees does not, as a matter of course, approve contracting and procurement policies. Pursuant to TTU Policy 003 (attached), Section III.D., the Board has delegated "to the President full authority over the administration of all affairs and operations of Tennessee Tech, subject to any authority retained by the Board or specifically delegated by the Board to other Tennessee Tech officers." Included in this delegation is the administration of contracts.

Because the President has delegated authority over contracts and purchasing to me (see attached Delegation of Authority), Tennessee Tech respectfully requests that you accept my attached attestation instead of the Board's.

Tennessee Tech's Board of Trustees Audit and Business Committee will be apprised of the status of our procurement severance process at their December, 2017 Board Meeting. The Board of Trustees will be provided electronic links to our procurement policies and Procurement Manual for their convenience in assessing these documents.

CS/jh

c: Judy Hull, Director of Purchasing and Contracts, TTU

