

REQUEST FOR PROPOSAL

by

**The University of Texas System,
acting through The University of Texas System Supply Chain Alliance,**

for

selection of a

PREFERRED SUPPLIER OF TRAVEL MANAGEMENT SERVICES

RFP No. UTS/A28

**Submittal Deadline: September 5, 2012,
@ 3:00 PM, CST**

Issued: July 20, 2012

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SECTION 1

INTRODUCTION

1.1 Description of The University of Texas System

The University of Texas System is comprised of System Administration and 15 institutions of higher education with campuses across the State of Texas whose missions are devoted to world class healthcare, teaching, research, and public service (collectively, “**UT System**”). UT System currently has six health institutions and nine academic facilities, making it one of the larger education systems in the United States. With an operating budget of \$12.8 billion, UT System has a current student enrollment exceeding 211,000. UT System employs more than 87,000 faculty and staff, making UT System one of the largest employers in the State of Texas.

UT System is comprised of the following institutions:

- The University of Texas Southwestern Medical Center (UTSW)
- The University of Texas Medical Branch at Galveston (UTMB)
- The University of Texas Health Science Center at Houston (UTHSCH)
- The University of Texas Health Science Center at San Antonio (UTHSCSA)
- The University of Texas MD Anderson Cancer Center (UTMDACC)
- The University of Texas Health Science Center at Tyler (UTHSCT)
- The University of Texas at Arlington
- The University of Texas at Austin
- The University of Texas at Brownsville
- The University of Texas at Dallas
- The University of Texas at El Paso
- The University of Texas – Pan American
- The University of Texas of the Permian Basin
- The University of Texas at San Antonio
- The University of Texas at Tyler

UT System has established the University of Texas System Supply Chain Alliance (the “**Alliance**”) to conduct and coordinate strategic purchasing initiatives across UT System. Through a collaborative relationship, the Alliance seeks to combine the supply chain and contracting activities and efforts to obtain best value goods and services while reducing total acquisition costs.

The Alliance, in collaboration with the UT System Travel Council, has created a team of professionals tasked with executing purchasing initiatives for System-wide business travel services. Subject matter experts (“**SMEs**”) from each participating institution to assist in the development of each sourcing event and the evaluation of suppliers during the procurement process. SMEs are involved from the sourcing event’s inception and work with the Alliance and UT System to select the best value supplier(s).

By participating in this Request for Proposal, proposer(s) (collectively, “**Proposer**”) agrees to extend all services and pricing to UT System Administration and institution travelers as defined herein.

1.2 Objective of this Request for Proposal

UT System and the System-wide Travel Council, acting through the Alliance, are soliciting proposals in response to this Request for Proposal, UTS/A28 (this “RFP”), for selection of a Preferred Supplier to provide travel management services, excluding travel services for athletics, more specifically described in **Section 5.3 (Scope of Work)** of this RFP (collectively, the “Services”). The successful Proposer is referred to in this RFP as the “Preferred Supplier.”

The goal of this RFP is to minimize cost, while improving overall service. Proposer should provide solutions involving historically underutilized business suppliers, where possible (ref. **Section 2.5** of this RFP). UT System will work through the Alliance and System-wide Travel Council to team with a Preferred Supplier to develop a relationship that will produce a win-win for all parties and establish practical business processes and procedures that will foster a strong working relationship.

Proposer is invited to submit a proposal, including innovative and non-traditional service suggestions, to establish a strategic business alliance with UT System that will maximize the resources of both organizations to most effectively meet the requirements specified in this RFP. This RFP process should:

- provide a comprehensive and guaranteed service configuration and pricing structure for the Services;
- leverage the aggregate purchasing volumes of participants;
- achieve cost savings for participants;
- improve overall customer satisfaction; and
- enhance relationships between Preferred Supplier and participants.

1.3 Background

UT System currently works with five separate travel agencies for business travel management services. For the majority of UT System travel, agencies are paid on a per- transaction basis, *i.e.*, a travel agency will assess a charge for each transaction (such as the purchase of an airline ticket, a modification to the ticket, or a cancellation of the ticket) that the agency conducts in relation to a particular travel arrangement.

Through this RFP, UT System is exploring whether to transition to an alternative arrangement in which UT System Administration and UT System institutions would contract with a single Preferred Supplier to be the exclusive provider (subject to various exceptions referenced below) of business travel management services to UT System. This RFP contemplates that:

- (1) the Preferred Supplier would charge an all-inclusive, fixed management fee, rather than per-transaction charges, for its System-wide services;
- (2) the management fee would be charged solely to UT System Administration;
- (3) UT System Administration would pay the fee and subsequently share the cost through internal charges to the respective UT System institutions; and

- (4) UT System and the Preferred Supplier would agree upon and establish practical business processes that would foster a strong, long-term working relationship.

It is anticipated that this alternative arrangement will be pursued only if it is substantially more attractive to UT System than the arrangements currently in place. Any decision to transition to this alternative would be made collectively by UT System Administration and the Chief Business Officers of UT System institutions, in consultation with the System-wide Travel Council and the Alliance. If such a decision is made, UT System would terminate its existing travel agency agreements and transition the travel management business to Preferred Supplier in an orderly manner.

As mentioned above, this RFP contemplates that Preferred Supplier would be the exclusive provider of travel management services to UT System. This exclusivity would be subject to certain exceptions to be agreed upon, including the following situations:

- Travel paid by an entity external to UT System
- Emergency situations (flood, hurricane, etc.)
- Situations in which Preferred Supplier is unable to provide an airline fare within \$100 of a lower fare available from a travel provider other than the one identified by Preferred Supplier. (Note: this would require a documented apples-to-apples comparison, under procedures to be agreed upon by UT System and Preferred Supplier, prior to purchase of the less expensive ticket.)

If a decision is made to transition from existing arrangements with UT System's five travel agencies to an exclusive arrangement with a single Preferred Supplier:

- (1) UT System and Preferred Supplier would enter into a Preferred Supplier Agreement.
- (2) In turn, each UT System institution participating in the exclusive arrangement would sign an Institutional Participation Agreement. Among other things, this would confirm the institution's agreement with the terms and conditions in the Preferred Supplier Agreement.
- (3) Finally, an institutional participant may have unique, additional travel-related requirements that would be addressed in a supplementary agreement (a "**Local Scope of Engagement**") to be concluded between the institution and Preferred Supplier. The Local Scope of Engagement would deal with:
 - (a) institution-specific policies (hours of operation, etc.)
 - (b) more details of Services required by the institution (possibly including, for example, the need for on-site Preferred Supplier personnel);
 - (c) the frequency of account management meetings; and
 - (d) Preferred Supplier's compliance with applicable obligations under the Health Insurance Portability and Accountability Act of 1996, as amended ("**HIPAA**"), in regard to data involving the travel of patients in the care of a UT System institution. This also may require execution of an appropriate "Business Associate Agreement" between the institution and Preferred Supplier.

Further details of the contract arrangements appear in **Section 4** of this RFP.

Texas law authorizes institutions and agencies of higher education (defined by Section 61.003 Education Code) to use the group purchasing procurement method, and other state agencies also may rely on the group procurement embodied in this RFP. As a result, Texas state institutions and agencies in addition to UT System may elect to utilize any contract(s) resulting from this RFP.

1.4 Travel Volume and Data

Generally, UT System employees traveling on official business are required to utilize lowest/best value travel options, including travel contracts secured by UT System or the Texas Comptroller of Public Accounts. These contracts include airfare, car rental, hotel and credit card services. Consolidated contract management, including travel agency services, is administered by UT System Administration Travel Services, with day-to-day management and program customization handled at the institution level. Travel needs and services vary by institution. Preferred Supplier would have daily contact with travel representatives at both UT System Administration and the institutions.

No contract resulting from this RFP will guarantee a specific volume to Preferred Supplier. For the sole purpose of providing background information, UT System notes the annual travel volume and top domestic and international destinations in **Exhibit A**.

THE FIGURES IN **EXHIBIT A** ARE ESTIMATES ONLY. SERVICES PURCHASED ON THE BASIS OF ANY AGREEMENT RESULTING FROM THIS RFP MAY INVOLVE MORE OR LESS THAN THE ESTIMATE PROVIDED. UT SYSTEM DOES NOT REPRESENT, WARRANT OR GUARANTY THAT PARTICIPANTS WILL PURCHASE ANY PARTICULAR DOLLAR VALUE OR ANY PARTICULAR QUANTITY OF SERVICES, AND UT SYSTEM SPECIFICALLY DISCLAIMS ANY SUCH REPRESENTATIONS, WARRANTIES AND GUARANTIES.

SECTION 2 **NOTICE TO PROPOSER**

2.1 Submittal Deadline

UT System will accept proposals submitted in response to this RFP until **3:00 PM**, Central Standard Time, on **September 5, 2012** (the "**Submittal Deadline**").

2.2 UT System Contact Person

Proposers will direct all questions or concerns regarding this RFP to the following UT System contact person (the "**UT System Contact**"):

Ms. Jacqui Mackel, Sourcing Specialist
UT System Supply Chain Alliance
Phone: 713.563.5656
Email: jcmackel@mdanderson.org

UT System specifically instructs all interested parties to restrict all contact and questions regarding this RFP to written communications forwarded to the UT System Contact. The UT System Contact must receive all questions or concerns no later than **August 15, 2012**. UT System will use a reasonable amount of time to respond to questions or concerns. It is UT System's intent to respond to all appropriate questions and concerns; however, UT System reserves the right to decline to respond to any question or concern.

After the Agreement with Preferred Supplier is executed (ref. **Section 4** of this RFP), the UT System Travel Program Director (the "**UT System Travel Program Director**"), whose contact information appears below, will be the primary contact in relation to the Services (ref. **Section 1.2** of this RFP) to be provided under the Agreement:

Nancy Sutherland, Travel Program Director
Office of the Controller
Phone: 512.322.3725
Email: nsutherland@utsystem.edu

2.3 Criteria for Selection

Successful Proposer, if any, selected by UT System in accordance with the requirements and specifications set forth in this RFP, will be the Proposer that submits a proposal in response to this RFP, on or before the Submittal Deadline, that is most advantageous to UT System.

Proposer is encouraged to propose terms and conditions offering the maximum benefit to UT System in terms of (1) services to be provided and (2) total overall cost to participating institutions. Proposers should describe all educational, state and local government discounts, as well as any other applicable discounts that may be available.

An evaluation team from UT System will evaluate proposals. The evaluation of proposals and the selection of Preferred Supplier will be based on the information provided by Proposer in its proposal. UT System may give consideration to additional information if UT System deems such information relevant.

The criteria to be considered by UT System in evaluating proposals and selecting Preferred Supplier, will be those factors listed below:

2.3.1 Threshold Criteria Not Scored

- 2.3.1.1 Ability of UT System to comply with laws regarding Historically Underutilized Businesses; and
- 2.3.1.2 Ability of UT System to comply with laws regarding purchases from persons with disabilities.

2.3.1 Scored Criteria

- 2.3.2.1 cost of the goods and services;
- 2.3.2.2 reputation of Proposer and of Proposer's goods or services;
- 2.3.2.3 quality of Proposer's goods or services;
- 2.3.2.4 extent to which the goods or services meet UT System's needs;

- 2.3.2.5 Proposer's past relationship with UT System;
- 2.3.2.6 the total long-term cost of acquiring Proposer's goods or services; and
- 2.3.2.7 Proposer's exceptions to the terms and conditions set forth in **Section 4** of this RFP.

2.4 Key Events Schedule

Issuance of RFP	July 20, 2012
Pre-Proposal Conference (ref. Section 2.6 of this RFP)	11:00 AM, Central Standard Time on August 9, 2012
Deadline for Questions/Concerns (ref. Section 2.2 of this RFP)	August 15, 2012
Submittal Deadline (ref. Section 2.1 of this RFP)	3:00 PM, Central Standard Time on September 5, 2012
Selection of Finalists	Early October 2012
Finalists Interviews	Late October 2012
Anticipated Contract Award(s)	Mid-November 2012

IMPORTANT NOTICE: The Key Events Schedule represents many sourcing and contracting activities occurring within a short period of time. Proposer is asked in advance to make the following resources available to expedite the selection and contracting process:

1. If selected as a finalist, Proposer may be required to attend an interview session that includes a face-to-face meeting with an advance notice of no more than one week. The anticipated location of this activity is Houston, Texas.
2. If selected for contract award, Proposer should have its chief legal and business officers available for commencement of contract negotiations with 72 hours of notice of award. Such negotiations may take place face-to-face in order to expedite the contracting phase. The anticipated location of this activity is Houston, Texas. Proposer is requested to reference **Section 5.3** of this RFP and provide any exceptions as part of Proposer's RFP response.

Proposer should not underestimate the necessity of complying with the Key Events Schedule and critical activities listed above. UT System reserves the right to revise the Key Events Schedule at any time.

2.5 Historically Underutilized Businesses

- 2.5.1 All agencies of the State of Texas are required to make a good faith effort to assist historically underutilized businesses (each a "**HUB**") in receiving contract awards. The goal of the HUB program is to promote full and equal business opportunity for all businesses in contracting with state agencies. Pursuant to the HUB program, if under

the terms of any agreement or contractual arrangement resulting from this RFP, Preferred Supplier subcontracts any of the Services, Preferred Supplier must make a good faith effort to utilize HUBs certified by the Texas Procurement and Support Services Division of the Texas Comptroller of Public Accounts or any successor agency. Proposals that fail to comply with the requirements contained in this **Section 2.5** will constitute a material failure to comply with advertised specifications and will be rejected by UT System as non-responsive. Additionally, compliance with good faith effort guidelines is a condition precedent to awarding any agreement or contractual arrangement resulting from this RFP. Proposer acknowledges that, if selected by UT System, its obligation to make a good faith effort to utilize HUBs when subcontracting any of the Services will continue throughout the term of all agreements and contractual arrangements resulting from this RFP. Furthermore, any subcontracting of the Services by Proposer is subject to review by UT System to ensure compliance with the HUB program.

2.5.2 UT System has reviewed this RFP in accordance with Title 34, *Texas Administrative Code*, Section 20.13 (a), and has determined that subcontracting opportunities are probable under this RFP.

2.5.3 A HUB Subcontracting Plan (“**HSP**”) is required as part of Proposer’s proposal. The HSP will be developed and administered in accordance with UT System’s Policy on Utilization of Historically Underutilized Businesses attached as **APPENDIX TWO** and incorporated herein for all purposes.

*Each Proposer must complete and return the HSP in accordance with the terms and conditions of this RFP, including **APPENDIX TWO**. Proposals that fail to do so will be considered non-responsive to this RFP in accordance with Section 2161.252, Texas Government Code.*

Preferred Supplier will not be permitted to change its HSP unless: (1) Preferred Supplier completes a newly modified version of the HSP in accordance with the terms of **APPENDIX TWO** that sets forth all changes requested by Preferred Supplier, (2) Preferred Supplier provides UT System with such modified version of the HSP, (3) UT System approves the modified HSP in writing, and (4) all agreements or contractual arrangements resulting from this RFP are amended in writing by UT System and Preferred Supplier to conform to the modified HSP.

2.5.4 Proposer must submit one (1) signed copy of the HSP to UT System at the same time as it submits its proposal to UT System (ref. **Section 3.1** of this RFP). The signed copy of the HSP (the “**HSP Packet**”) must be submitted electronically utilizing the Ariba® e-sourcing tool as more particularly described in **Section 3.1** of this RFP. Proposer must ensure that the HSP Packet is submitted according to the electronic instructions provided in this RFP.

Any proposal submitted in response to this RFP that is not accompanied by an HSP Packet meeting the above requirements will be rejected by UT System and remain unopened, as that proposal will be considered non-responsive due to material failure to comply with advertised specifications. Furthermore, UT System will open a Proposer’s HSP Packet prior to opening the proposal submitted by Proposer, in order to ensure that Proposer has submitted a signed copy of the Proposer’s HSP Packet as required by this

RFP. A Proposer's failure to submit a signed copy of the completed HSP Packet as required by this RFP will result in UT System's rejection of the proposal submitted by that Proposer as non-responsive, due to material failure to comply with advertised specifications; such a proposal will remain unopened and will be disqualified and not reviewed by UT System (ref. **Section 1.5** of **APPENDIX ONE** to this RFP).

Note: The requirement that Proposer provide a signed and completed HSP Packet under this **Section 2.5.4** is separate from and does not affect Proposer's obligation to provide UT System with its proposal as specified in **Section 3.1** of this RFP.

2.6 Pre-Proposal Conference

UT System will hold a pre-proposal conference at 11:00 AM, Central Standard Time, on August 9th, 2012. Proposers may attend the conference in one of the following two formats:

in person attendance at the UT MD Anderson, Mid Campus One Building, 7007 Bertner Ave., Suite 10.3312/10.3313, Houston, TX 77030; or

webinar broadcast via the Internet utilizing the "Go-to-Meeting" webinar conference service.

The Pre-Proposal Conference will allow all Proposers an opportunity to ask the Alliance, Travel Council members and UT System HUB representatives relevant questions and clarify provisions of this RFP. **Proposer should notify the UT System Contact no later than Friday, August 3rd, 2012, whether it will attend the Pre-Proposal Conference, by emailing the UT System Contact at jmackel@mdanderson.org. Proposer must clearly state in which format it will attend. If the Proposer elects to attend the Pre-Proposal Conference in the webinar format, UT System will provide complete details and instructions (including personal computer requirements). If Proposer elects to attend the Pre-Proposal Conference in person, there will be a strict limit of two (2) individuals per Proposer.**

SECTION 3 SUBMISSION OF PROPOSAL

3.1 Electronic Submission Notice

Submittal of proposals in response to this RFP will be conducted entirely electronically, utilizing the Ariba® e-sourcing tool. To register for participation in this RFP, please email or call the UT System Contact for further instruction. An original signature by an authorized officer of Proposer must appear on the Execution of Offer (ref. **Section 2** of **APPENDIX ONE**) and electronically uploaded as instructed. Proposals must be completed and received by UT System on or before the Submittal Deadline (ref. **Section 2.1** of this RFP).

3.2 Proposal Validity Period

Each proposal must state that it will remain valid for UT System's acceptance for a minimum of one hundred eighty (180) days after the Submittal Deadline, to allow time for evaluation, selection, and any unforeseen delays.

3.3 Terms and Conditions

3.3.1 Proposer must comply with the requirements and specifications contained in this RFP, the General Terms and Conditions (ref. **Section 4** of this RFP), the Notice to Proposer (ref. **Section 2** of this RFP), Proposal Requirements (ref. **APPENDIX ONE**) and the Specifications, Additional Questions and Scope of Work (ref. **Section 5** of this RFP). If there is a conflict among the provisions in this RFP, the provision requiring Proposer to supply the better quality or greater quantity of goods and services will prevail, or if such conflict does not involve quality or quantity, then interpretation will be in the following order of precedence:

- 3.3.1.1 Specifications, Additional Questions and Scope of Work (ref. **Section 5** of this RFP);
- 3.3.1.2 General Terms and Conditions (ref. **Section 4** of this RFP);
- 3.3.1.3. Proposal Requirements (ref. **APPENDIX ONE**); and
- 3.3.1.4 Notice to Proposer (ref. **Section 2** of this RFP).

3.4 Submittal Checklist

Proposer is instructed to complete, sign, and upload into the Ariba® e-Sourcing tool, the following documents as a part of its proposal. If Proposer fails to return each of the following items with its proposal, UT System may reject the proposal:

- 3.4.1 Signed and Completed Execution of Offer (ref. **Section 2** of **APPENDIX ONE**).
- 3.4.2 Responses to questions and requests for information in the Specifications, Additional Questions and Scope of Work Section (ref. **Section 5** of this RFP).
- 3.4.3 Signed and Completed Pricing Affirmation (ref. **Section 6** of this RFP).
- 3.4.4 Signed and completed copy of the HUB Subcontracting Plan or other applicable documents (ref. **Section 2.5** of this RFP and **APPENDIX TWO**).
- 3.4.5 Responses to Proposer's Survey (ref. **Section 5.4** of this RFP).
- 3.4.6 Proposer's Price Schedule (ref. **Section 6** and **Attachment A** of this RFP).

SECTION 4
GENERAL TERMS AND CONDITIONS

4.1 General Information regarding Structure of Transaction and Terms and Conditions

The structure of the transaction UT System intends to enter into as a result of this RFP will be substantially similar to the following: (1) one Preferred Supplier Agreement (“**PSA**”) between UT System and Preferred Supplier; and (2) several Institutional Participation Agreements (each an “**IPA**”) signed by participating Alliance members and affiliates (collectively, the “**Agreement**”).

The expected initial term of the PSA is five (5) years, with three (3) one-year renewals, subject to earlier termination at will by UT System or Preferred Supplier, without penalty, by giving 120 days written notice to the other party. If UT System were to terminate the PSA, UT System’s sole obligation would be to pay Preferred Supplier for Services received prior to termination.

The terms and conditions contained in the attached Sample Preferred Supplier Agreement (ref. **APPENDIX THREE**) or, in the sole discretion of UT System, terms and conditions substantially similar to those contained in **APPENDIX THREE**, will constitute and govern any agreement that results from this RFP. If Proposer takes exception to any terms or conditions set forth in the Preferred Supplier Agreement, Proposer must submit a list of the exceptions as part of its proposal in accordance with **Section 5.2.2** of this RFP. Proposer’s exceptions will be reviewed by UT System and may result in disqualification of Proposer’s proposal as non-responsive to this RFP. If Proposer’s exceptions do not result in disqualification of Proposer’s proposal, UT System may consider Proposer’s exceptions when UT System evaluates the Proposer’s proposal.

SECTION 5
SPECIFICATIONS, ADDITIONAL QUESTIONS AND SCOPE OF WORK

5.1 General

The specifications for the Services, as well as certain requests for information to be provided by Proposer as part of its proposal, are set forth below.

5.2 Additional Questions Specific to this RFP and Scope of Work

Proposer must submit the following information as part of Proposer’s proposal:

5.2.1 In its proposal, Proposer must indicate whether it will consent to include in the Agreement the “Access by Individuals with Disabilities” language that is set forth in **APPENDIX FOUR**, Access by Individuals with Disabilities. If Proposer objects to the inclusion of the “Access by Individuals with Disabilities” language in the Agreement, Proposer must, as part of its proposal, specifically identify and describe in detail all of the reasons for Proposer’s objection. **NOTE THAT A GENERAL OBJECTION IS NOT AN ACCEPTABLE RESPONSE TO THIS QUESTION.**

5.2.2 If Proposer takes exception to any terms or conditions set forth in **Section 4** of this RFP, Proposer must submit a list of the exceptions.

- 5.2.3 Proposers will provide answers to the questions listed in the Proposer's Survey ("**Proposer's Survey**") (ref. **Section 5.4** of this RFP) to the best of Proposer's knowledge, as responses may be incorporated into the Preferred Supplier Agreement. The questions in the Proposer's Survey will provide UT System with additional information about Proposer and various efficiencies and economies of scale that Proposer may provide to participating institutions.
- 5.2.4 Although Proposer may offer only a portion of the Services listed in **Section 5.3** (Scope of Work), Proposer should submit prices for as many of the identified items as possible.

5.3 Scope of Work

- 5.3.1 General. The details noted below will form the basis for the scope of work to be included in any Agreement concluded between UT System and Preferred Supplier.

Unless specifically noted by Proposer in its response to this RFP, all costs pertaining to the requirements, technology, services and products listed in this RFP will be considered to be included in the Proposer's quoted management fee. Separate costs to be borne by UT System will be only those expressly identified by Proposer in its response.

As a minimum requirement for any award of business under this RFP, in addition to the fixed management fee, Proposer would agree to pay to the Alliance, on a quarterly basis, an administrative fee of two percent (2%) of the management fee. This administrative fee will be used to support Alliance activities or returned to the institutions at the direction of UT System chief business officers.

Services to be provided under the Agreement will be for employees of UT System and The University of Texas Investment Management Company, as well as students, guests and consultants travelling on behalf of UT System and patients in the care of a UT System institution (collectively, "**Travelers**"). Services will not, however, include travel services for athletics (refer to Proposer's Survey for supplemental information on this subject).

- 5.3.2 UT System/State Negotiated Contract Rates. Travelers will utilize UT System or State government rates. UT System will give Preferred Supplier full access to all UT System eligible or UT System-negotiated contract rates. Copies of applicable contracts will be provided to Preferred Supplier prior to implementation of the Agreement. UT System will provide updated contracts to Preferred Supplier's account manager as they become available.
- 5.3.3 UT System Travel Policy. Each UT System institution will provide Preferred Supplier with a copy of its written travel policy, procedures and guidelines prior to implementation. Preferred Supplier will secure travel reservations according to the institution's policy. Institutions may have multiple funding sources for travel: state guidelines must be met for all State-funded travel; institution guidelines must be met when internal funds are used; and Fly America/Open Skies requirements must be met for all federally funded travel.

- 5.3.4 Form of Payment and Miscellaneous Accounting. UT System uses several different forms of payment for travel purchases. Preferred Supplier must accept any form of payment identified by UT System.
- 5.3.4.1 Administered Ghost Card. In order for a UT System Traveler to purchase a UT System or State Contracted Airfare, the purchase must be made using either the administered ghost card or the administered individual-liability card (plastic) or other special use card as designated by the institution.
- 5.3.4.2 Changes in Corporate Charge Card Vendor. At no cost to UT System, Preferred Supplier agrees to accept any other major bank payment system selected by UT System, should UT System change or add to their corporate charge card vendors during the course of the Agreement.
- 5.3.4.3 Personal Credit Cards. UT System Travelers may use personal credit cards for non-State-Contracted Airfare Rates and en route travel expenses.
- 5.3.4.4 Direct Supplier Billing. Preferred Supplier will assist UT System with direct bill card and direct bill hotel programs as applicable.
- 5.3.4.5 Traveler's Checks, Money Orders, and Cash. Traveler's checks, money orders, or cash will be accepted by Preferred Supplier from UT System Travelers when in U.S. currency drawn on a U.S. bank.
- 5.3.4.6 Personal Checks. Preferred Supplier may reserve the right to decline personal checks. UT System is not responsible for dishonored checks for either business or personal transactions.
- 5.3.4.7 Ghost Card Processing. Preferred Supplier agrees to process all charges to ghost account according to designated billing procedures and/or UT System and institution guidelines.
- 5.3.4.8 Liability. Preferred Supplier will be financially liable for all tickets issued against UT System's ghost account or billed to accounts payable that did not follow UT System approval and/or billing procedures.
- 5.3.4.9 Ghost Card Reconciliation. Preferred Supplier agrees to provide monthly electronic reconciliation of ghost card account to UT System at no cost. System processes may include encrypted transactions, file sharing, data transmission and reports based on specific institution travel volume.
- 5.4.4.10 Non-UT System Paid Travel. Billing for non-UT System-paid travel will be kept separate from UT System-paid transactions. UT System is not responsible for any non-UT System-paid travel expenses. Non-UT System paid travel refers to non-business travel that is affiliated with UT System but is neither paid nor reimbursed by UT System, including spousal and patient travel.
- 5.3.4.11 Preferred Supplier Accounting and Records Management. Preferred Supplier will maintain complete and accurate records in accordance with standard accounting practices. Preferred Supplier will maintain records for

a period of three (3) complete fiscal years (using the UT System fiscal year calendar) plus current fiscal year from the date of final payment. Preferred Supplier acknowledges that UT System has exclusive rights to all data relating to reservations, ticketing and billing of business travel arrangements and all such data will be the exclusive property of UT System. If, within the record retention schedule noted above, UT System files a request for documentation, Preferred Supplier will respond within 24 hours, providing copies of itineraries and e-ticket receipts and other information as applicable for past travel.

- 5.3.4.12 Refunds and Exchanges. UT System policy requires use of e-tickets whenever allowed. Paper tickets (non-electronic tickets) returned to Preferred Supplier for refund, reissue, or exchange become the responsibility of Preferred Supplier once received. Preferred Supplier agrees to process refunds within one week of refund receipt. UT System acknowledges that Preferred Supplier must possess the paper ticket when applicable in order to refund or exchange a ticket. On the UT System Traveler's behalf, Preferred Supplier agrees to follow up with direct suppliers regarding the status of pending refunds.

For all unused tickets, both paper and electronic, returned to Preferred Supplier, Preferred Supplier will be responsible for maintaining a log and file of tickets for future travel. During the course of the Agreement, the UT System Travel Program Director will communicate in writing the procedures for handling returned tickets.

- 5.3.4.13 Lower Fare Tickets. UT System acknowledges that lower fare tickets may not be refundable or may involve a penalty to refund or change. UT System acknowledges that once a ticket is issued it is immediately charged to the applicable credit card. Preferred Supplier agrees to make clear to the Traveler during the reservation process, and again on all pending and issued itineraries, all restrictions regarding penalty fares. This information will also be documented in the history of the reservation.

- 5.3.4.14 Access to Facilities and Information. Preferred Supplier, upon reasonable prior notice, will provide UT System's designated representative(s) reasonable access during regular business hours to all facilities that contain information, documentation, or equipment, including without limitation all traveler profiles, customer records, financial records and other documents relating to UT System or the Services provided to UT System. Such access will include the right to inspect all such facilities and equipment, and review and make copies of all such information and documentation. UT System will not have access rights to proprietary agreements between Preferred Supplier and its direct travel suppliers. UT System will make an effort to give Preferred Supplier three (3) days' notice of such an access request. However, Preferred Supplier agrees to provide UT System's designated representative access the next business day following the request, if UT System deems such a timeline necessary.

5.3.5 Implementation, Operations, and Automation

5.3.5.1 Implementation Schedule. Preferred Supplier will work closely with UT System to develop and implement a seamless transition strategy. The transition strategy must be approved by UT System and be in place at least fifteen (15) days prior to the commencement of an Agreement resulting from this RFP. Formal transition processes (including working with outgoing agencies and institution travel contacts) will begin no later than ninety (90) days prior to the actual implementation date of Preferred Supplier's Services.

Preferred Supplier agrees to work with UT System to develop a communication strategy including, but not limited to, websites, periodic newsletters, co-development of broadcast emails and participation in operational and procedural meetings. Preferred Supplier agrees to develop and print a tailored booklet outlining Preferred Supplier's Services and value added benefits.

Preferred Supplier will work with UT System personnel to develop a comprehensive travel policy and procedure manual to be co-authored by UT System and Preferred Supplier, printed by Preferred Supplier, and distributed to Preferred Supplier staff associated with the UT System account and UT System travel arrangers as applicable. The content of the manual or manuals will be agreed to prior to distribution. Manual(s) will focus on what Travelers can and cannot do, how they can accomplish their objectives, booking policies and why certain restrictions exist.

Preferred Supplier will assist UT System with the development, facilitation, and staffing of periodic travel fairs at the institution level upon request.

5.3.5.2 Travel Costs. UT System and Preferred Supplier are each responsible for its own travel costs when travel is required to fulfill the obligations stated in the Agreement.

5.3.5.3 Profiles. Preferred Supplier will build and maintain travel profiles for the Traveler population. All travel profiles created by Preferred Supplier will be the sole and exclusive property of UT System and all profiles, together with all copies thereof, will be delivered to UT System upon the expiration or termination of this Agreement. Preferred Supplier will not use or distribute the profiles for purposes other than to fulfill the terms of the Agreement, without the prior written consent of UT System. In addition, Preferred Supplier will work with outgoing agency or agencies as applicable to electronically transmit applicable profiles during the transition/implementation process.

5.3.5.4 Telephone System. Preferred Supplier agrees to make available a telephone system for Travelers that, at a minimum, includes the following: (a) direct/local and toll-free reservations phone number accessible by all UT institution locations; (b) individual phone extensions that connect to each individual agent; , (c) voicemail for each individual agent, (d) the option of pressing "0" to exit voicemail and/or return to the next available agent (e) the option of exiting to access a receptionist or individual for immediate contact, and (f) on-hold messaging that is professional, business (not leisure) focused and provides

after hours contact information. The telephone system must provide call data reporting by agent with reports available for review on a weekly or as requested basis.

5.3.5.5 Risk Management.

Redundant Systems: In the event of an unavoidable failure of normal operations from those Preferred Supplier locations servicing UT System, essential services will be provided through one of the Preferred Supplier's other locations. Contact will be made with UT System's travel representatives, giving relevant telephone numbers and a regular update on the ongoing situation. All Preferred Supplier offices will be fully equipped to function in an emergency support capacity if required, with full access to UT System policies and procedures.

Traveler Safety and Security: Preferred Supplier will queue all Traveler reservations (domestic and international) to International SOS (or applicable UT System safety/security provider) based on UT System and security provider specifications. Preferred Supplier will notate the existence of the International SOS program on each international itinerary, either referring to it by name or URL or noting that the Traveler may refer to a UT System-specific website for additional information. Upon request, Preferred Supplier will coordinate and share international travel reservations with the applicable UT System travel representative in a format provided by the respective institution. Refer to Supplier Survey Question 14.5.1 in Section 14.

5.3.5.6 Office Hours. Unless expressly stated otherwise in a Local Scope of Engagement initiated by a specific institution, office hours at Preferred Supplier's UT System locations will be at a minimum 8:00 A.M. to 6:00 P.M. (CST), Monday through Friday. Changes may be made to the hours of operation during the course of this Agreement if mutually agreed upon in writing between UT System and Preferred Supplier. High volume coverage should be noted for the hours of 8:00 A.M. to 9:00 A.M.; 11:30 A.M. to 1:00 P.M.; 4:30 P.M. to 6:00 P.M.

Preferred Supplier is required to be open and properly staffed in accordance with UT System work schedules. A listing of holidays (which varies by institution) will be provided to the Preferred Supplier.

5.3.5.7 Correspondence and Materials. Preferred Supplier's correspondence and materials including envelopes, letterhead and email will be distributed to Travelers identifying the name of Preferred Supplier.

5.3.5.8 Emergency and After –Hours Service. A comprehensive emergency and after-hours service will be provided through Preferred Supplier. Preferred Supplier will make clear on its itineraries how to access the service. Preferred Supplier will disclose all details and working requirements of the service to UT System, and updates will be provided to UT System as they arise.

5.3.5.9 Global Distribution. Preferred Supplier agrees to identify its use of specific Global Distribution Systems (“GDS”) as well as additional systems and/or third party tools. Preferred Supplier will use and implement all systems/tools based on mutual consent when deemed advantageous to UT System in order to secure business travel needs. Preferred Supplier is required to have the ability to confirm all Southwest Airlines fares (including web only fares).

Preferred Supplier may use GDS of choice for its employees, however, Preferred Supplier will provide UT Austin Applied Research Labs (ARL) with PC based Sabre or alternate GDS equivalent for two ARL staff members. If GDS equivalent is provided, Preferred Supplier will assist with training for ARL staff. UT Austin staff will confirm travel reservations using PC based GDS; quality control and ticketing will be handled by Preferred Supplier. If applicable, outline additional costs for this service as a direct expense line item in price schedule as noted in Section 6.1.1.

5.3.5.10 Supporting Reservation Tools. Preferred Supplier may be required to provide an alternate airline direct booking tool or support tool (e.g. Booking Builder, etc.).

5.3.5.11 Dedicated Airline Reporting Corporation (“ARC”) Number. UT System requires that Preferred Supplier maintain a dedicated (unique) ARC number for the UT System account. Preferred Supplier is responsible for ARC application(s), installation and maintenance. Preferred Supplier should be aware that the UT System account, while consolidated, will require reporting collectively as well as by institution and department within an institution.

5.3.5.12 Passenger Name Record (“PNR”) Documentation Requirement. Preferred Supplier agrees to require those agents dedicated to UT System’s account to follow a script that requires agents to introduce themselves by name, offer low fare options as applicable, explain fare rules/regulations, ask Travelers whether they need a hotel and/or rental car reservation, explain applicable passport/visa requirement and follow specific reservation requirements including payment responsibility. Script and requirements will vary per UT System institution. When applicable, Preferred Supplier is required to call Southwest Airlines and provide the travelers Rapid Rewards number for a confirmed reservation.

5.3.5.13 Fares and Quality Control. Preferred Supplier will offer the lowest available, UT System, State and other contracted airfares in accordance with UT System’s established travel policy. Preferred Supplier will continually check for lower fares, monitor wait listed fares, and ensure correct and complete PNRs.

5.3.6 Online Booking Tools

5.3.6.1 Online Booking Product. Preferred Supplier agrees to assist UT System with the integration of an online booking tool or tools, including a dedicated e-commerce/on-line tool implementation team. Preferred Supplier’s assistance will include, but not be limited to, the development of: financial and operational analysis of online tool options, risk assessment and mitigation reports;

transition plan (including a pilot program); a communication strategy; and all aspects of support and administration of the online booking tool.

Preferred Supplier will provide e-fulfillment and access to e-fulfillment staff during normal business hours. Preferred Supplier will provide technical support, fulfillment support and an emergency help desk for the online booking tool as outlined below. Should UT System elect to change online vendors at any time during the Agreement, UT System will provide Preferred Supplier with ninety (90) days written notice of such a decision. Preferred Supplier agrees to support existing booking tools Concur and GetThere.

5.3.6.2 Online Booking Product Selection and Consultation. UT System may request Preferred Supplier to assist in (a) the evaluation of online booking products, (b) negotiating agreements, (c) writing the Statement of Work and/or operational guidelines, and (d) establishing an implementation schedule. Terms of service and cost will be mutually agreed upon by both parties in advance of terms referenced above.

5.3.6.3 Online Booking Product Agency of Record. As the agency of record, Preferred Supplier agrees to provide the necessary operational resources (e.g. GDS data lines), personnel training, and quality control software to support UT System's online booking tool(s).

5.3.6.4 Online Booking Product Help Desk. Preferred Supplier will offer online booking tool help desk services during normal business hours to UT System as outlined below:

- A toll free number and email address will be provided for users. Requests for assistance requiring email correspondence or voice messages will be answered on average within two (2) business hours.
 - Individual user support includes: Assistance with the use of and navigation within the online tool, assistance with retrieving forgotten passwords, establishing profiles, setting travel arranger privileges to authorize or delegate travel permissions and other assistance as appropriate.
- Contact/Online site administrator support includes: assistance with changes to site configuration, wording and messaging; site use and navigation issues, assistance with documentation and training guides, liaison with online booking tool vendor technical support representatives and other assistance as appropriate. Site configuration changes require a written request and/or approval between the UT System Travel Program Director and Preferred Supplier.
- Preferred Supplier may propose 24/7 online help desk services at additional cost.

5.3.7 Staffing, General Services, Contract Rate Issuance.

5.3.7.1 Personnel Employed by/Subcontracts Used by Preferred Supplier. Unless expressly stated otherwise in a Local Scope of Engagement, all agents, managers, and other operational personnel involved in Preferred Supplier's performance of an Agreement resulting from this RFP will be directly employed and supervised by Preferred Supplier. Preferred Supplier will indemnify UT System, its regents, officers, agents and employees from and against any and all contributions, taxes, and assessments which may be required to be paid under any so called unemployment compensation, disability, advanced age pension, social security, or any similar laws by reason of the employment of Preferred Supplier employees, and Preferred Supplier will in all other respects comply with such laws. Preferred Supplier is fully responsible for costs associated with replacing or recruiting qualified Preferred Supplier personnel. Preferred Supplier will provide a corresponding indemnity against any claims arising out of its possible use of subcontractors in connection with the performance of its Services under the Agreement.

5.3.7.2 Personnel Changes. Preferred Supplier agrees to remove or transfer the employment of any of its employees upon request by UT System for any reason, provided that such request is in writing and does not violate any applicable federal, state or local employment laws. UT System will have no obligation to disclose to Preferred Supplier the reasons for any such request, unless such disclosure is required by applicable federal, state or local employment laws. All personnel changes, including account management and reductions in force (RIF) due to an economic downturn, will be mutually agreed upon. Additionally, upon mutual agreement, UT System and Preferred Supplier can reduce personnel dedicated solely to UT System due to a reduction in UT System's travel volume and/or an increase in online travel bookings. Conversely, UT System will have the right to request additional staffing at any time. Changes may require a mutually agreed amendment to the management fee.

5.3.7.3 Staffing Plan. Preferred Supplier agrees to provide dedicated agents to the UT System account with minimum 5 years' experience booking corporate travel. The number of dedicated agents will be at the mutual agreement of UT System and Preferred Supplier; however, Preferred Supplier is obligated to perform according to the service standards identified in the Agreement. No agent will be assigned to UT System's account that has not completed full training and testing as described in Preferred Supplier's proposal in response to this RFP or as outlined by UT System.

In addition to the dedicated agents and team that reside at Preferred Supplier's off-site location, UT System will require on-site agents in Houston for UT MD Anderson Cancer Center patient travel services. Office space will be provided by UT MD Anderson Cancer Center without charge to Preferred Supplier.

Among the dedicated agents required for the entire account, Preferred Supplier will have specialists in the following areas:

- Executive/ VIP travel agents
- Domestic travel agents

- International travel agents
- Patient travel agents (Spanish speaking agents upon request)

Note: All must have designated backup to accommodate vacation and personal leave

In addition to reservations' staffing, Preferred Supplier agrees to provide the UT System account with the following dedicated staff:

- Account Manager (dedicated, minimum of twenty-four hours per week)
- Branch Managers
- Branch Supervisors
- Quality Control Representative
- MIS/Reporting Contact
- Accounting Contact
- Online Tool / Technology Representative (head of e-commerce team)

Note: All must have designated backup to accommodate business travel, vacation and personal leave

5.3.7.4 Overflow and Floating Agents. Preferred Supplier agrees to provide UT System with trained relief agents who can provide adequate coverage during peak travel periods or when dedicated agents are absent due to illness, vacation or other reasons.

5.3.7.5 Ticketless and Electronic Tickets. Preferred Supplier will make clear on all itineraries (faxed or electronically transmitted) the difference between a pending electronic ticket and an issued electronic tickets in order to alleviate traveler confusion. Preferred Supplier agrees to include mutually agreeable language on itineraries.

5.3.7.6 Flight Schedule Changes. If during normal business hours, when Preferred Supplier is informed of a flight schedule change, Preferred Supplier will undertake its best efforts to inform the applicable Traveler/travel arranger. Preferred Supplier agrees to exert its best effort to ensure that home telephone and/or mobile phone numbers are in Traveler profiles and reservations so that airlines can contact passengers after hours. Should a Traveler decline to provide contact information, Preferred Supplier will note this in the PNR history for reference.

5.3.7.7 Electronic Itinerary. Preferred Supplier will offer electronic itineraries and e-ticket receipts to travelers. E-ticket receipts will include:

- Name of Traveler
- Name of airline
- Ticket number
- Class of service
- Fare basis code
- Travel dates

- Origin and destination
- Amount of airfare (base fare, tax, surcharges, total as separate line items)
- Form of payment

5.3.7.8 Visas and Passports. For those Travelers who purchase tickets through Preferred Supplier, Preferred Supplier will inform the Traveler/arranger of passport and visa requirements. At additional cost, Preferred Supplier will provide the necessary resources or refer to a third-party service for any and all passport/visa needs. Such requirements will be provided verbally during the reservation process, noted on the Traveler's itinerary and noted in the history of the record.

5.3.7.9 Late Arrival Guarantees/Cancellations. Cancellation/guarantee policies will be fully explained to the Traveler/arranger and documented by Preferred Supplier's agents upon making a reservation on behalf of a Traveler. It is the responsibility of the Traveler to provide adequate notice and to speak directly to Preferred Supplier's agent whenever canceling a guaranteed reservation in order to avoid no-show fees. Preferred Supplier will promptly notify direct supplier of cancellations and changes whenever the Traveler provides adequate notice to Preferred Supplier. The Traveler will be responsible for all no-show or cancellation fees. If Preferred Supplier/Agency fails to cancel a reservation when the Traveler has provided adequate notice, Preferred Supplier is responsible for the no-show or cancellation fee.

5.3.7.10 Sale and Proper Use of Negotiated Airline Contract Rates. Preferred Supplier agrees to issue airline tickets for eligible Travelers in compliance with UT System or State of Texas contract rates as applicable. Eligible passengers are defined in each airline contract, which will be provided to Preferred Supplier prior to implementation. Preferred Supplier will assist UT System in directing eligible Travelers/travel arrangers to purchase from UT System or State of Texas preferred vendors. Preferred Supplier will be responsible for complying with the applicable airline contract ticketing and issuance instructions. Should Preferred Supplier issue an eligible passenger a ticket without the appropriate contract rate code, Preferred Supplier will be financially responsible for the difference between the issued rate and the applicable rate. Preferred Supplier may offer consolidator tickets based on institution travel policy.

Preferred Supplier will not be in violation of the Agreement, nor will Preferred Supplier be responsible for reservations made contrary to UT System or State of Texas policy, where Preferred Supplier was not informed in writing of such policy prior to the making of the reservation. Preferred Supplier will be responsible for debit memos, add collects and fees incurred as a result of agent error.

5.3.7.11 Sale and Proper Use of Negotiated Rental Car and Hotel Contract Rates. Preferred Supplier agrees to reserve rental cars for eligible Travelers in compliance with UT System or State of Texas contract rates. Eligible Travelers are defined in each contract, which will be provided in writing to Preferred Supplier. Preferred Supplier will assist UT System in directing eligible Travelers/travel arrangers to purchase from the contract vendors. Use of

preferred rental car vendors by UT System personnel is required unless contract vendors are sold out of all car categories or when lower cost can be obtained inclusive of applicable fees and insurance. Preferred Supplier will make use of UT System or State of Texas contract hotel rates when applicable/available. Preferred Supplier will not be in violation of the Agreement, nor will Preferred Supplier be responsible for reservations made contrary to State or UT System policy where Preferred Supplier was not informed in writing of such policy prior to the making of the reservation.

5.3.7.12 Fly America Act/Open Skies Agreement. It is the Traveler's/arranger's responsibility to know whether a contract or grant requires the use of the Fly America Act or Open Skies Agreement for business travel. If the Traveler/arranger informs the Preferred Supplier of the requirement, the Preferred Supplier will comply with such a requirement. Preferred Supplier agrees to be familiar with the current terms of the Fly America Act/Open Skies Agreement and to convey all available travel options and ticket reservations to achieve compliance. It is the Traveler's responsibility to obtain and document permission from the granting/contracting Federal agency in order to deviate from requirements.

Preferred Supplier will not be in violation, nor will Preferred Supplier be responsible for reservations made contrary to UT System policy, where Preferred Supplier was not informed of requirements.

5.3.7.13 Frequent Flier Reservations. To the extent allowed by the applicable carrier, Preferred Supplier will assist Travelers with frequent flier reservations.

5.3.7.14 Invoices/Data On Demand. Preferred Supplier will provide an online data retrieval tool allowing access to itineraries and e-ticket receipts for current and past travel (as per records retention schedule noted in this RFP). Access will be linked to the travel contact or designated personnel approved by UT System.

5.3.8 Reporting

5.3.8.1 Travel Management Reports. Preferred Supplier will provide UT System, on an ongoing basis, with the reports identified in **Exhibit B**.

5.3.8.2 Fiscal Year. UT System's fiscal year runs September 1 through August 31. UT System requires year-end, quarterly and monthly reports according to UT System's fiscal year.

1 st Quarter	September 1 - November 30
2 nd Quarter	December 1 - February 28
3 rd Quarter	March 1 - May 31
4 th Quarter	June 1 - August 31

5.3.9 Service Standards and Metrics

5.3.9.1 ACD Phone Reports. Preferred Supplier locations will utilize an Automatic Call Distribution (“**ACD**”) phone system. Preferred Supplier will provide UT System with weekly, monthly or quarterly telephone reports as requested (by location). These reports will be reviewed jointly by the UT System travel manager(s) and Preferred Supplier so that any necessary staffing and/or telephone procedural changes can be made in a timely fashion.

5.3.9.2 Agent/Service Performance Criteria. Preferred Supplier agrees to dedicate the necessary resources to achieve the below identified Service criteria:

- Phones, when agents are immediately available, will be answered by a human voice within 30 seconds or no more than four rings
- The average length of time on hold for incoming calls when an agent is not immediately available will be less than 3 minutes
- Number of calls requiring a call-back (because an agent was not available when call was initiated and the caller left a message) will be less than 15% of total daily call volume. Return calls will take place within 30 minutes of voice message.
- Provide a return response noting receipt of an email or fax inquiry received within 1 business hour
- Provide a complete itinerary within 4 business hours for all email or fax inquiries received
- Provide VirtuallyThere itinerary confirmation (including Southwest Airlines air fare confirmation) within 1 business hour of completing an online booking tool reservation
- Provide a response within 2 business hours for all online help-desk calls or email requests pertaining to online booking assistance

5.3.9.3 Account Management Services. Preferred Supplier agrees to assign an account manager who will act as Preferred Supplier’s liaison with UT System travel manager(s). The account manager will also provide management reports as outlined in this Agreement. On an annual basis, UT System will review overall account management services using the performance standards below:

- Accessibility of Account Manager
 - For all requests, respond to UT System travel manager(s) via phone, page or email within 2 working hours of initial request
 - Issue/Resolution to UT System travel manager/customer within 1 business day (taking into consideration time needed to work with airline, hotel, etc.)
- Customer Comment Notification (“**CCN**”) Process or equivalent
 - Customer service issues will be reported to UT System using Preferred Supplier’s CCN process or equivalent
 - Customer service issues will be logged into a spreadsheet and assigned an identification number. Customer service issue will be distributed to the appropriate recipients (Preferred Supplier, System Administration, institution) via email.
 - Email contains details of issue and all information needed for resolution.

- All customer service issues require closure. Resolution of the problem must include the specific action taken to resolve the problem for the client and what was done internally by Preferred Supplier (if applicable) to prevent the problem from recurring. The problem must be resolved to UT System's satisfaction.
- Negotiating Assistance
 - Provide information and guidance to help improve UT System direct supplier partnerships (if requested by and in conjunction with UT System representatives)
- Senior Management Accessibility
 - Available for meetings at UT System with reasonable notice provided by UT System. Travel expenses for Preferred Supplier personnel are the responsibility of the Preferred Supplier.
- Accuracy and Timeliness of Reporting
 - Provide reports absent of errors in timeframe noted

5.4 Proposer's Survey

The Proposer's Survey contains a list of additional questions the Proposer will answer when responding to this RFP. If Proposer needs to submit additional supporting information, refer to the supporting information in responses to the Proposer's Survey and attach supporting materials in a logical and clear manner. Any supporting information must be included in electronic form via the Ariba® e-Sourcing tool and must follow the following naming convention: (<Proposer Name> - <Question Number> - Response - <File Name>).

SECTION 6 PRICING SCHEDULE AND AFFIRMATION

6.1 Pricing Schedule

Proposer must submit as Attachment A, as part of its proposal, detailed management fee schedules (e.g., fixed flat fee, tiered fee, percentage of sales, etc.) for the Services listed in Section 5.3 of this RFP. The management fee schedules will include all costs associated with providing the full scope of work. UT System desires an innovative approach to the management fee that maximizes cost savings and eliminates transactional-based fees.

- 6.1.1 Please provide a management fee schedule for all UT System Institutions, ***excluding UT MD Anderson Cancer Center Patient Travel Services.***
- 6.1.2 Please provide a management fee schedule for all UT System Institutions, ***excluding UT MD Anderson Cancer Center Patient Travel Services and UT Medical Branch at Galveston.***
- 6.1.3 Please provide a management fee for schedule for ***UT MD Anderson Cancer Center Patient Travel on-site requirements.***
- 6.1.4 Please provide an operating statement that details estimated sales, revenues (commissions/rebates), and each expense item in providing these services to UT

System, **excluding UT MD Anderson Cancer Center Patient Travel Services**. For example the schedule may include, but is not limited to, the following:

Estimated Operating Statement

Sales:

Domestic Air
International Air
Hotel
Car
Total Projected Sales

Revenues:

Base Air Commissions
Override Commissions
Hotel Commissions
Car Commissions
Other Commissions (identify)
Total Projected Commission

Direct Expenses:

Number of agents/Base Salaries
Benefits – Core Team
Account Management
After-hours service:
ARC accounting and associated fees
Dues, fees, subscriptions
GDS fees
International rate desk:
Credit card reconciliation processes
MIS Reporting
Miscellaneous Operating Expenses (identify)
Supplies
Technology
Online Booking Tool
Telecommunications
Travel

6.1.5 Please provide an operating statement that details estimated sales, revenues (commissions/rebates), and each expense item in providing these services to UT System, **excluding UT MD Anderson Cancer Center Patient Travel Services and UT Medical Branch at Galveston**. The schedule may include, but is not limited to, the applicable items noted in 6.1.4 above.

6.1.6 Please provide an operating statement that details estimated sales, revenues (commissions/rebates), and each expense item in providing **on-site services for UT MD Anderson Cancer Center Patient Travel On-Site Services**. The schedule may include, but is not limited to, the applicable items noted in 6.1.4 above.

6.2. Management Fee Adjustments

The management fee will be fixed, without adjustment, for the first three years of the Agreement. At least 120 days prior to the end of the third and/or fourth anniversary of the effective date of the Agreement (and thereafter at least 120 days prior to the annual anniversary of the effective date), Preferred Supplier may request an increase in the management fee for the succeeding 12 months of the Agreement's term. Any such adjustment would be made only by written agreement of UT System and Preferred Supplier, following good-faith discussion of documented cost justifications presented by Preferred Supplier. In no event would any increase exceed the amount of an appropriate price index (to be agreed upon by the parties in advance and specified in the Agreement) as applied to Preferred Supplier's costs incurred since the effective date of the Agreement or the last agreed-upon adjustment, as applicable.

Upon request of either party at any time during the Agreement, the parties will discuss a possible adjustment to the management fee to account for significant changes to Preferred Supplier's costs resulting from changes to the volume of travel management services supplied under the Agreement. Any such adjustment would be made only by written agreement of UT System and Preferred Supplier, following good-faith discussion of documented cost justifications presented by Preferred Supplier.

6.3. Pricing Affirmation

THE FOLLOWING FORM MUST BE COMPLETED, SIGNED AND SUBMITTED WITH THE PROPOSER'S PROPOSAL. FAILURE TO DO SO WILL RESULT IN THE REJECTION OF YOUR PROPOSAL.

Proposal of: _____
(Proposer Company Name)

To: The University of Texas System

Ref.: Preferred Supplier of Travel Management Services

RFP No.: UTS/A28

Ladies and Gentlemen:

Having carefully examined all the specifications and requirements of this RFP and any attachments thereto, the undersigned proposes to furnish the Services required pursuant to the above-referenced Request for Proposal upon the pricing terms quoted below.

The prices quoted in **Attachment A**, Price Schedule, to this RFP will be Proposer's guaranteed pricing for the Services.

Proposer agrees that if Proposer is awarded an Agreement under this RFP, in addition to the fixed management fee, it will provide to UT System a quarterly administrative fee of two percent (2%) of the management fee payable under the Agreement. The administrative fee will be used to support Alliance activities or returned to the institutions at the direction of UT System chief business officers.

Proposer certifies and agrees that all prices proposed in Proposer's proposal have been reviewed and approved by Proposer's executive management.

Respectfully submitted,

Proposer: _____

By: _____
(Authorized Signature for Proposer)

Name: _____

Title: _____

Date: _____

APPENDIX ONE

PROPOSAL REQUIREMENTS

SECTION 1 GENERAL INFORMATION

1.1 Purpose

UT System is soliciting competitive sealed proposals from Proposers having suitable qualifications and experience providing goods and services in accordance with the terms, conditions and requirements set forth in this RFP. This RFP provides sufficient information for interested parties to prepare and submit proposals for consideration by UT System.

By submitting a proposal, Proposer certifies that it understands this RFP and has full knowledge of the scope, nature, quality, and quantity of the goods and services to be performed, the detailed requirements of the goods and services to be provided, and the conditions under which such goods and services are to be performed. Proposer also certifies that it understands that all costs relating to preparing a response to this RFP will be the sole responsibility of Proposer.

PROPOSER IS CAUTIONED TO READ THE INFORMATION CONTAINED IN THIS RFP CAREFULLY AND TO SUBMIT A COMPLETE RESPONSE TO ALL REQUIREMENTS AND QUESTIONS AS DIRECTED.

1.2 Inquiries and Interpretations

UT System may in its sole discretion respond in writing to written inquiries concerning this RFP and post its response as an Addendum to all parties recorded by UT System as participating in this RFP. Only UT System's responses that are made by formal written Addenda will be binding on UT System. Any verbal responses, written interpretations or clarifications other than Addenda to this RFP will be without legal effect. All Addenda issued by UT System prior to the Submittal Deadline will be and are hereby incorporated as a part of this RFP for all purposes.

Proposers are required to acknowledge receipt of each Addendum by selecting "acknowledge" in the Addendum section of the RFP in Ariba. Each Addendum must be acknowledged by Proposer prior to the Submittal Deadline and should accompany Proposer's proposal.

1.3 Public Information

Proposer is hereby notified that UT System strictly adheres to all statutes, court decisions and the opinions of the Texas Attorney General with respect to disclosure of public information.

UT System may seek to protect from disclosure all information submitted in response to this RFP until such time as a final agreement is executed.

Upon execution of a final agreement, UT System will consider all information, documentation, and other materials requested to be submitted in response to this RFP, to be of a non-confidential and non-proprietary nature and, therefore, subject to public disclosure under the *Texas Public Information Act (Government Code, Chapter 552.001, et seq.)*. Proposer will be

advised of a request for public information that implicates their materials and will have the opportunity to raise any objections to disclosure to the Texas Attorney General. Certain information may be protected from release under Sections 552.101, 552.110, 552.113, and 552.131, *Government Code*.

1.4 Type of Agreement

Preferred Supplier, if any, will be required to enter into an agreement with UT System in a form that (i) includes terms and conditions substantially similar to those set forth in **Section 4** of this RFP, and (ii) is otherwise acceptable to UT System in all respects.

1.5 Proposal Evaluation Process

UT System will select Preferred Supplier by using the competitive sealed proposal process described in this Section. UT System will open the HSP Packet submitted by a Proposer prior to opening Proposer's proposal in order to ensure that Proposer has submitted the completed and signed HUB Subcontracting Plan (also called the HSP) that is required by this RFP (ref. **Section 2.5.4** of the RFP). All proposals submitted by the Submittal Deadline accompanied by the completed and signed HSP required by this RFP will be opened. Any proposals that are not submitted by the Submittal Date or that are not accompanied by the completed and signed HSP required by this RFP will be rejected by UT System as non-responsive due to material failure to comply with advertised specifications. After the opening of the proposals and upon completion of the initial review and evaluation of the proposals, UT System may invite one or more selected Proposers to participate in oral presentations. UT System will use commercially reasonable efforts to avoid public disclosure of the contents of a proposal prior to selection of Preferred Supplier.

UT System may make the selection of Preferred Supplier on the basis of the proposals initially submitted, without discussion, clarification or modification. In the alternative, UT System may make the selection of Preferred Supplier on the basis of negotiation with any of Proposers. In conducting such negotiations, UT System will avoid disclosing the contents of competing proposals.

At UT System's sole option and discretion, UT System may discuss and negotiate all elements of the proposals submitted by selected Proposers within a specified competitive range. For purposes of negotiation, UT System may establish, after an initial review of the proposals, a competitive range of acceptable or potentially acceptable proposals composed of the highest rated proposal(s). In that event, UT System will defer further action on proposals not included within the competitive range pending the selection of Preferred Supplier; provided, however, UT System reserves the right to include additional proposals in the competitive range if deemed to be in the best interests of UT System.

After submission of a proposal but before final selection of Preferred Supplier is made, UT System may permit a Proposer to revise its proposal in order to obtain Proposer's best and final offer. In that event, representations made by Proposer in its revised proposal, including price and fee quotes, will be binding on Proposer. UT System will provide each Proposer within the competitive range with an equal opportunity for discussion and revision of its proposal. UT System is not obligated to select Proposer offering the most attractive economic terms if that Proposer is not the most advantageous to UT System overall, as determined by UT System.

UT System reserves the right to (a) enter into an agreement for all or any portion of the requirements and specifications set forth in this RFP with one or more Proposers, (b) reject any and all proposals and re-solicit proposals, or (c) reject any and all proposals and temporarily or permanently abandon this selection process, if deemed to be in the best interests of UT System. Proposer is hereby notified that UT System will maintain in its files concerning this RFP a written record of the basis upon which a selection, if any, is made by UT System.

1.6 Proposer's Acceptance of Evaluation Methodology

By submitting a proposal, Proposer acknowledges (1) Proposer's acceptance of [a] the Proposal Evaluation Process (ref. **Section 1.5 of APPENDIX ONE**), [b] the Criteria for Selection (ref. **2.3** of this RFP), [c] the Specifications, Additional Questions and Scope of Work (ref. **Section 5** of this RFP), [d] the terms and conditions set forth in **Section 4** of this RFP, and [e] all other requirements and specifications set forth in this RFP; and (2) Proposer's recognition that some subjective judgments must be made by UT System during this RFP process.

1.7 Solicitation for Proposal and Proposal Preparation Costs

Proposer understands and agrees that (1) this RFP is a solicitation for proposals and UT System has made no representation written or oral that one or more agreements with UT System will be awarded under this RFP; (2) UT System issues this RFP predicated on UT System's anticipated requirements for the Services, and UT System has made no representation, written or oral, that any particular scope of services will actually be required by UT System; and (3) Proposer will bear, as its sole risk and responsibility, any cost that arises from Proposer's preparation of a proposal in response to this RFP.

1.8 Proposal Requirements and General Instructions

- 1.8.1 Proposer should carefully read the information contained herein and submit a complete proposal in response to all requirements and questions as directed.
- 1.8.2 Proposals and any other information submitted by Proposer in response to this RFP will become the property of UT System.
- 1.8.3 UT System will not provide compensation to Proposer for any expenses incurred by Proposer for proposal preparation or for demonstrations or oral presentations that may be made by Proposer, unless otherwise expressly agreed in writing. Proposer submits its proposal at its own risk and expense.
- 1.8.4 Proposals that (i) are qualified with conditional clauses; (ii) alter, modify, or revise this RFP in any way; or (iii) contain irregularities of any kind, are subject to disqualification by UT System, at UT System's sole discretion.
- 1.8.5 Proposals should be prepared simply and economically, providing a straightforward, concise description of Proposer's ability to meet the requirements and specifications of this RFP. Emphasis should be on completeness, clarity of content, and responsiveness to the requirements and specifications of this RFP.
- 1.8.6 UT System makes no warranty or guarantee that an award will be made as a result of this RFP. UT System reserves the right to accept or reject any or all proposals, waive

any formalities, procedural requirements, or minor technical inconsistencies, and delete any requirement or specification from this RFP when deemed to be in UT System's best interest. UT System reserves the right to seek clarification from any Proposer concerning any item contained in its proposal prior to final selection. Such clarification may be provided by telephone conference or personal meeting with or writing to UT System, at UT System's sole discretion. Representations made by Proposer within its proposal will be binding on Proposer.

- 1.8.7 Any proposal that fails to comply with the requirements contained in this RFP may be rejected by UT System, in UT System's sole discretion.

1.9 Preparation and Submittal Instructions

1.9.1 Specifications and Additional Questions

Proposals must include responses to the questions referenced in Specifications, Additional Questions and Scope of Work (ref. **Section 5** of this RFP).

1.9.2 Execution of Offer

Proposer must complete, sign and return the attached Execution of Offer (ref. **Section 2** of **APPENDIX ONE**) as part of its proposal. The Execution of Offer must be signed by a representative of Proposer duly authorized to bind Proposer to its proposal. Any proposal received without a completed and signed Execution of Offer may be rejected by UT System, in its sole discretion.

1.9.3 Pricing Affirmation

Proposer must complete and return the Pricing Affirmation (ref. **Section 6** of this RFP), as part of its proposal.

UT System will not recognize or accept any charges or fees that are not specifically stated in the Pricing Affirmation.

1.9.4 Submission

Proposer should submit all proposal materials via the Ariba® e-sourcing tool. Proposer should ensure that all documents are submitted electronically in accordance with the instructions in **Section 3.1** of this RFP.

Proposer must also submit the HUB Subcontracting Plan (also called the HSP) as required by this RFP (ref. **Section 2.5** of the RFP.)

UT System will not, under any circumstances, consider a proposal that is received after the Submittal Deadline or which is not accompanied by the completed and signed HSP that is required by this RFP.

UT System will not accept proposals submitted by telephone, proposals submitted by Facsimile (“**FAX**”) transmission, or proposals submitted by hard copy (i.e., paper form) in response to this RFP.

Except as otherwise provided in this RFP, no proposal may be changed, amended, or modified after it has been submitted to UT System. However, a proposal may be withdrawn and resubmitted at any time prior to the Submittal Deadline. No proposal may be withdrawn after the Submittal Deadline without UT System’s consent, which will be based on Proposer’s submittal of a written explanation and documentation evidencing a reason acceptable to UT System, in UT System’s sole discretion.

By signing the Execution of Offer (ref. **Section 2** of **APPENDIX ONE**) and submitting a proposal, Proposer certifies that any terms, conditions, or documents attached to or referenced in its proposal are applicable to this procurement only to the extent that they (a) do not conflict with the laws of the State of Texas or this RFP and (b) do not place any requirements on UT System that are not set forth in this RFP or in the Appendices to this RFP. Proposer further certifies that the submission of a proposal is Proposer’s good faith intent to enter into the Agreement with UT System as specified herein and that such intent is not contingent upon UT System’s acceptance or execution of any terms, conditions, or other documents attached to or referenced in Proposer’s proposal.

SECTION 2 **EXECUTION OF OFFER**

THIS EXECUTION OF OFFER MUST BE COMPLETED, SIGNED AND RETURNED WITH PROPOSER’S PROPOSAL. FAILURE TO COMPLETE, SIGN AND RETURN THIS EXECUTION OF OFFER WITH PROPOSER’S PROPOSAL MAY RESULT IN THE REJECTION OF THE PROPOSAL.

- 2.1** By signature hereon, Proposer represents and warrants the following:
- 2.1.1 Proposer acknowledges and agrees that (1) this RFP is a solicitation for a proposal and is not a contract or an offer to contract; (2) the submission of a proposal by Proposer in response to this RFP will not create a contract between UT System and Proposer; (3) UT System has made no representation or warranty, written or oral, that one or more contracts with UT System will be awarded under this RFP; and (4) Proposer will bear, as its sole risk and responsibility, any cost arising from Proposer’s preparation of a response to this RFP.
 - 2.1.2 Proposer is a reputable company that is lawfully and regularly engaged in providing the Services.
 - 2.1.3 Proposer has the necessary experience, knowledge, abilities, skills, and resources to perform the Services.
 - 2.1.4 Proposer is aware of, is fully informed about, and is in full compliance with all applicable federal, state and local laws, rules, regulations and ordinances.

- 2.1.5 Proposer understands (i) the requirements and specifications set forth in this RFP and (ii) the terms and conditions set forth in Section 4 of this RFP, under which Proposer will be required to operate.
- 2.1.6 If selected by UT System, Proposer will not delegate any of its duties or responsibilities under this RFP or the Agreement to any sub-contractor, except as expressly provided in the Agreement.
- 2.1.7 If selected by UT System, Proposer will maintain any insurance coverage as required by the Agreement during the term thereof.
- 2.1.8 All statements, information and representations prepared and submitted in response to this RFP are current, complete, true and accurate. Proposer acknowledges that UT System will rely on such statements, information and representations in selecting Preferred Supplier. If selected by UT System, Proposer will notify UT System immediately of any material change in any matters with regard to which Proposer has made a statement or representation or provided information.
- 2.1.9 PROPOSER WILL DEFEND WITH COUNSEL APPROVED BY UT SYSTEM, INDEMNIFY, AND HOLD HARMLESS UT SYSTEM, THE STATE OF TEXAS, AND ALL OF THEIR REGENTS, OFFICERS, AGENTS AND EMPLOYEES, FROM AND AGAINST ALL ACTIONS, SUITS, DEMANDS, COSTS, DAMAGES, LIABILITIES AND OTHER CLAIMS OF ANY NATURE, KIND OR DESCRIPTION, INCLUDING REASONABLE ATTORNEYS' FEES INCURRED IN INVESTIGATING, DEFENDING OR SETTLING ANY OF THE FOREGOING, ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF PROPOSER OR ANY AGENT, EMPLOYEE, SUBCONTRACTOR, OR SUPPLIER OF PROPOSER IN THE EXECUTION OR PERFORMANCE OF ANY CONTRACT OR AGREEMENT RESULTING FROM THIS RFP.
- 2.1.10 Pursuant to Sections 2107.008 and 2252.903, *Government Code*, any payments owing to Proposer under any contract or agreement resulting from this RFP may be applied directly to any debt or delinquency that Proposer owes the State of Texas or any agency of the State of Texas regardless of when it arises, until such debt or delinquency is paid in full.
- 2.2** By signature hereon, Proposer offers and agrees to comply with all terms, conditions, requirements and specifications set forth in this RFP.
- 2.3** By signature hereon, Proposer affirms that it has not given or offered to give, nor does Proposer intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to a public servant in connection with its submitted proposal. Failure to sign this Execution of Offer, or signing with a false statement, may void the submitted proposal or any resulting contracts, and Proposer may be removed from all proposal lists at UT System.
- 2.4** By signature hereon, Proposer certifies that it is not currently delinquent in the payment of any taxes due under Chapter 171, *Tax Code*, or that Proposer is exempt from the payment of those taxes, or that Proposer is an out-of-state taxable entity that is not subject to those taxes, whichever is applicable. A false certification will be deemed a material breach of any resulting contract or agreement and, at UT System's option, may result in termination of any resulting contract or agreement.

- 2.5** By signature hereon, Proposer hereby certifies that neither Proposer nor any firm, corporation, partnership or institution represented by Proposer, or anyone acting for such firm, corporation or institution, has violated the antitrust laws of the State of Texas, codified in Section 15.01, et seq., *Business and Commerce Code*, or the Federal antitrust laws, nor communicated directly or indirectly the proposal made to any competitor or any other person engaged in such line of business.
- 2.6** By signature hereon, Proposer certifies that the individual signing this document and the documents made a part of this RFP, is authorized to sign such documents on behalf of Proposer and to bind Proposer under any agreements and other contractual arrangements that may result from the submission of Proposer's proposal.
- 2.7** By signature hereon, Proposer certifies as follows:
- "Under Section 231.006, *Family Code*, relating to child support, Proposer certifies that the individual or business entity named in Proposer's proposal is not ineligible to receive the specified contract award and acknowledges that any agreements or other contractual arrangements resulting from this RFP may be terminated if this certification is inaccurate."
- 2.8** By signature hereon, Proposer certifies that (i) no relationship, whether by blood, marriage, business association, capital funding agreement or by any other such kinship or connection exists between the owner of any Proposer that is a sole proprietorship, the officers or directors of any Proposer that is a corporation, the partners of any Proposer that is a partnership, the joint venturers of any Proposer that is a joint venture or the members or managers of any Proposer that is a limited liability company, on one hand, and any member of the Board of Regents of the University of Texas System or an employee of any component of The University of Texas System, on the other hand, other than the relationships which have been previously disclosed to UT System in writing; (ii) Proposer has not been an employee of any component institution of The University of Texas System within the immediate twelve (12) months prior to the Submittal Deadline; and (iii) no person who, in the past four (4) years served as an executive of a state agency was involved with or has any interest in Proposer's proposal or any contract resulting from this RFP (ref. Section 669.003, *Government Code*). All disclosures by Proposer in connection with this certification will be subject to administrative review and approval before UT System enters into a contract or agreement with Proposer.
- 2.9** By signature hereon, Proposer certifies that in accordance with Section 2155.004, *Government Code*, no compensation has been received for its participation in the preparation of the requirements or specifications for this RFP. In addition, Proposer certifies that an award of a contract to Proposer will not violate Section 2155.006, *Government Code*, prohibiting UT System from entering into a contract that involves financial participation by a person who, during the previous five years, has been convicted of violating federal law or assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, Hurricane Katrina, or any other disaster occurring after September 24, 2005. Pursuant to Sections 2155.004 and 2155.006, *Government Code*, Proposer certifies that Proposer is not ineligible to receive the award of or payments under the Agreement and acknowledges that the Agreement may be terminated and payment withheld if these certifications are inaccurate.

- 210 By signature hereon, Proposer certifies its compliance with all federal laws and regulations pertaining to Equal Employment Opportunities and Affirmative Action.
- 211 By signature hereon, Proposer represents and warrants that all products and services offered to UT System in response to this RFP meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health Law (Public Law 91-596) and the *Texas Hazard Communication Act*, Chapter 502, *Health and Safety Code*, and all related regulations in effect or proposed as of the date of this RFP.
- 212 Proposer will and has disclosed, as part of its proposal, any exceptions to the certifications stated in this Execution of Offer. All such disclosures will be subject to administrative review and approval prior to the time UT System makes an award or enters into any contract or agreement with Proposer.
- 2.13 If Proposer will sell or lease computer equipment to UT System under any agreements or other contractual arrangements that may result from the submission of Proposer's proposal then, pursuant to Section 361.965(c), *Health & Safety Code*, Proposer certifies that it is in compliance with the Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act set forth in Chapter 361, Subchapter Y, *Health & Safety Code* and the rules adopted by the Texas Commission on Environmental Quality under that Act as set forth in Title 30, Chapter 328, Subchapter I, *Texas Administrative Code*. Section 361.952(2), *Health & Safety Code* states that, for purposes of the Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act, the term "computer equipment" means a desktop or notebook computer and includes a computer monitor or other display device that does not contain a tuner.
- 214 **Proposer should complete the following information:**

If Proposer is a Corporation, then State of Incorporation: _____

If Proposer is a Corporation then Proposer's Corporate Charter Number: _____

RFP No.: UTS/A28

NOTICE: WITH FEW EXCEPTIONS, INDIVIDUALS ARE ENTITLED ON REQUEST TO BE INFORMED ABOUT THE INFORMATION THAT GOVERNMENTAL BODIES OF THE STATE OF TEXAS COLLECT ABOUT SUCH INDIVIDUALS. UNDER SECTIONS 552.021 AND 552.023, GOVERNMENT CODE, INDIVIDUALS ARE ENTITLED TO RECEIVE AND REVIEW SUCH INFORMATION. UNDER SECTION 559.004, GOVERNMENT CODE, INDIVIDUALS ARE ENTITLED TO HAVE GOVERNMENTAL BODIES OF THE STATE OF TEXAS CORRECT INFORMATION ABOUT SUCH INDIVIDUALS THAT IS INCORRECT.

THIS EXECUTION OF OFFER MUST BE COMPLETED, SIGNED AND RETURNED WITH PROPOSER'S PROPOSAL. FAILURE TO COMPLETE, SIGN AND RETURN THIS EXECUTION OF OFFER WITH PROPOSER'S PROPOSAL MAY RESULT IN THE REJECTION OF THE PROPOSAL.

Submitted and Certified By:

(Proposer Institution's Name)

(Signature of Duly Authorized Representative)

(Printed Name/Title)

(Date Signed)

(Proposer's Street Address)

(City, State, Zip Code)

(Telephone Number)

(FAX Number)

APPENDIX TWO

**UT SYSTEM POLICY ON UTILIZATION OF
HISTORICALLY UNDERUTILIZED BUSINESSES**

APPENDIX THREE

SAMPLE PREFERRED SUPPLIER AGREEMENT

for

TRAVEL MANAGEMENT SERVICES

between

THE UNIVERSITY OF TEXAS SYSTEM

and

University of Texas Agreement Number: _____

This Preferred Supplier Agreement, dated effective as of _____, 2012 ("**Effective Date**"), is made by and between **The University of Texas System** ("**UT System**"), a state agency and institution of higher education authorized under the laws of the State of Texas, and _____ ("**Preferred Supplier**"), a _____ corporation, Federal Tax Identification Number _____, with its principal offices located at _____.

This Agreement specifies the terms and conditions applicable to the purchase of certain business travel management services that Preferred Supplier will sell to UT System and its participating institutions, all as further described below.

Now, therefore, the parties, intending to be legally bound, agree as follows:

SECTION 1 – Definitions

"Alliance" means The University of Texas System Supply Chain Alliance, a group purchasing organization established by UT System to conduct and coordinate strategic purchasing initiatives across UT System. UT System health and academic institutions are members of the Alliance. The Alliance is also affiliated with other institutions of higher education that have executed an Alliance affiliate agreement.

"Institutional Participant" means an Alliance member or affiliated institution of higher education, as designated by the Alliance, that has executed an Institutional Participation Agreement in connection with this Agreement.

“Institutional Participation Agreement” or **“IPA”** means the Institutional Participation Agreement attached to this Agreement as **Rider** ____ and incorporated for all purposes, to be executed by each Institutional Participant.

“UT Party” means, collectively, UT System and each Institutional Participant.

“UT System Alliance Administrator” means the Director of the Alliance, who will be the initial contact for all contractual concerns related to this Agreement.

“UT System Travel Administrator” means the institution administration travel contact who will handle the day to day service and management of this Agreement.

[Additional definitions to be inserted, as appropriate]

SECTION 2 – Term:

The initial term of this Agreement (**“Initial Term”**) will begin on the Effective Date and expire _____, unless earlier terminated in accordance with the provisions of this Agreement. UT System and Preferred Supplier may mutually agree to extend the term of this Agreement for up to three additional one-year periods. A renewal will be effective only if evidenced by written amendment between UT System and Preferred Supplier in accordance with **Section 3**.

SECTION 3 – Amendment:

No change, modification, alteration, or waiver of this Agreement will be effective unless it is set forth in a written agreement that is signed by UT System and Preferred Supplier.

SECTION 4 – Performance of Services:

Preferred Supplier will perform the Services to the satisfaction of UT Party. Time is of the essence in connection with this Agreement. UT Party will not have any obligation to accept late performance or waive timely performance by Preferred Supplier. Preferred Supplier will obtain, at its own cost, any and all approvals, licenses, filings, registrations and permits required by federal, state or local laws, regulations or ordinances, for the performance of the Services.

SECTION 5 – Family Code Child Support Certification:

Pursuant to Section 231.006, *Family Code*, Preferred Supplier certifies that it is not ineligible to receive the award of or payments under this Agreement and acknowledges that this Agreement may be terminated and payment may be withheld if this certification is inaccurate.

SECTION 6 – Eligibility Certifications:

Pursuant to Sections 2155.004 and 2155.006, Texas Government Code, Preferred Supplier certifies that Preferred Supplier has not received compensation for participation in the preparation of the Request for Proposal related to this Agreement and is not ineligible to receive the award of or payments under this Agreement; and acknowledges that this Agreement may be terminated and payment withheld if these certifications are inaccurate.

SECTION 7 – Tax Certification:

If Preferred Supplier is a taxable entity as defined by Chapter 171, Texas Tax Code (“**Chapter 171**”), then Preferred Supplier certifies that it is not currently delinquent in the payment of any taxes due under Chapter 171, or that Preferred Supplier is exempt from the payment of those taxes, or that Preferred Supplier is an out-of-state taxable entity that is not subject to those taxes, whichever is applicable.

SECTION 8 – Payment of Debt or Delinquency to the State:

Pursuant to Sections 2107.008 and 2252.903, Texas Government Code, Preferred Supplier agrees that any payments owing to Preferred Supplier under this Agreement may be applied directly toward any debt or delinquency that Preferred Supplier owes the State of Texas or any agency of the State of Texas regardless of when it arises, until such debt or delinquency is paid in full.

SECTION 9 – Products and Materials Produced in Texas:

[This Section intentionally left blank]

SECTION 10 – Loss of Funding:

Performance by UT Party under this Agreement may be dependent upon the appropriation and allotment of funds by the Texas State Legislature (the “**Legislature**”) and/or allocation of funds by the Board of Regents of The University of Texas System (the “**Board**”). If the Legislature fails to appropriate or allot the necessary funds, or the Board fails to allocate the necessary funds, then UT Party will issue written notice to Preferred Supplier and UT Party may terminate this Agreement without further duty or obligation hereunder, other than payment for Services already delivered or provided to Institutional Participant. Preferred Supplier acknowledges that appropriation, allotment, and allocation of funds are beyond the control of UT Party.

SECTION 11 – Force Majeure:

None of the parties to this Agreement will be liable or responsible to another for any loss or damage or for any delays or failure to perform due to causes beyond its reasonable control including acts of God, strikes, epidemics, war, riots, flood, fire, sabotage, or any other circumstances of like character (“**force majeure occurrence**”). Provided, however, in the event of a force majeure occurrence, Preferred Supplier agrees to use its best efforts to mitigate the impact of the occurrence so that UT Party may continue to provide healthcare services during the occurrence.

SECTION 12 – Notices:

Except as otherwise provided in this Section, all notices, consents, approvals, demands, requests or other communications provided for or permitted to be given under any of the provisions of this Agreement will be in writing and will be sent via registered or certified mail, overnight courier, confirmed facsimile transmission (to the extent a facsimile number is set forth below), or email (to the extent an email address is set forth below), and notice will be deemed given (i) if mailed, when deposited, postage prepaid, in the United States mail, (ii) if sent by overnight courier, one business day after delivery to the courier, (iii) if sent by facsimile (to the extent a facsimile number is set forth below), when

transmitted, and (iv) if sent by email (to the extent an email address is set forth below), when received:

If to UT System: Office of Business Affairs
The University of Texas System
201 W. 7th Street
Attn: Executive Vice Chancellor for Business Affairs
Austin, Texas 78701-2982
Fax: 512-499-4289
Email: Lloyd@utsystem.edu

with copy to: The University of Texas System Supply Chain Alliance
Mid Campus Building
7007 Bertner Ave., Suite 10.3212
Houston, TX 77030
Attention: Director
Fax : 713-792-8084
Email: jfjoshua@mdanderson.org

and Office of the Controller
The University of Texas System
702 Colorado Street
Austin, Texas 78701
Attention: Travel Program Director
Fax: 512.322.3731
Email: nsutherland@utsystem.edu

If to Preferred Supplier: _____

Attn: _____
Fax: _____
Email: _____

If to an Institutional Participant: The contact information for Institutional Participant as set forth in its IPA.

with copy to: Office of Business Affairs
The University of Texas System
201 W. 7th Street
Attn: Executive Vice Chancellor for Business Affairs
Austin, Texas 78701-2982
Fax: 512-499-4289
Email: LegalNotices@utsystem.edu

and The University of Texas System Supply Chain Alliance
Mid Campus Building
7007 Bertner Ave., Suite 10.3212
Houston, TX 77030

Attention: Director
Fax: 713-792-8084
Email:jfjoshua@mdanderson.org

and

Office of the Controller
The University of Texas System
702 Colorado Street
Austin, Texas 78701
Attention: Travel Program Director
Fax: 512.322.3731
Email: nsutherland@utsystem.edu

or such other person or address as may be given in writing by either party to the other in accordance with the aforesaid.

SECTION 13 – Preferred Supplier's Obligations.

13.1 Preferred Supplier represents that it has the knowledge, ability, skills, and resources to perform the Services.

13.2 Preferred Supplier will maintain a staff of properly trained and experienced personnel to ensure satisfactory performance of the Services. Preferred Supplier will cause all persons connected with the Preferred Supplier directly in charge of the performance of the Services to be duly registered and/or licensed under all applicable federal, state and municipal, laws, regulations, codes, ordinances and orders, including the rules, regulations and procedures promulgated by the Board or Institutional Participants, and those of any other body or authority having jurisdiction (collectively, "**Applicable Law**").

13.3 Preferred Supplier represents, warrants and agrees that (a) it will use commercially reasonable efforts to perform the Services, in a good and workmanlike manner and in accordance with commercially reasonable standards of Preferred Supplier's profession or business, and (b) all Services will be of the quality that prevails among similar businesses engaged in providing similar products and services in major United States urban areas under the same or similar circumstances.

13.4 Preferred Supplier warrants and agrees that the Services will be accurate and free from any material defects. Preferred Supplier's performance of the Services will at no time be in any way diminished by reason of any approval by UT Party nor will Preferred Supplier be released from any liability by reason of any approval by UT Party, it being agreed that UT Party at all times is relying upon Preferred Supplier's skill and knowledge in performing the Services. Preferred Supplier will, at its own cost, correct all material defects in performance of the Services, as soon as practical after Preferred Supplier becomes aware of the defects. If Preferred Supplier fails to correct material defects in the Services within a reasonable time, then UT Party may correct the defect at Preferred Supplier's expense. This remedy is in addition to, and not in substitution for, any other remedy for the defect that UT Party may have at law or in equity.

13.5 Preferred Supplier will call to the attention of UT Party, in writing, all information in any materials supplied to Preferred Supplier (by UT Party or any other party) that Preferred Supplier regards as unsuitable, improper or inaccurate in connection with the purposes for which the material is furnished.

13.6 Preferred Supplier represents that if (i) it is a corporation or limited liability company, then it is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, or a foreign corporation or limited liability company duly authorized and in good standing to conduct business in the State of Texas, that it has all necessary corporate power and has received all necessary corporate approvals to execute and deliver this Agreement, and the individual executing this Agreement on behalf of Preferred Supplier has been duly authorized to act for and bind Preferred Supplier; or (ii) if it is a partnership, limited partnership, limited liability partnership, or limited liability company then it has all necessary power and has secured all necessary approvals to execute and deliver this Agreement and perform all its obligations hereunder, and the individual executing this Agreement on behalf of Preferred Supplier has been duly authorized to act for and bind Preferred Supplier.

13.7 Preferred Supplier will provide the warranties more particularly described in Section 7 of **Rider 100**, Scope of Work, on all Supplies.

13.8 Preferred Supplier represents and warrants that neither the execution and delivery of this Agreement by Preferred Supplier nor the performance of the Services will (a) result in the violation of any provision [i] if a corporation, of Preferred Supplier's articles of incorporation or by-laws, [ii] if a limited liability company, of its articles of organization or regulations, or [iii] if a partnership, of any partnership agreement by which Preferred Supplier is bound; (b) result in the violation of any provision of any agreement by which Preferred Supplier is bound; or (c) to the best of Preferred Supplier's knowledge and belief, conflict with any order or decree of any court or other body or authority having jurisdiction.

SECTION 14 – State Auditor's Office:

Preferred Supplier understands that acceptance of funds under this Agreement constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency (collectively, "**Auditor**"), to conduct an audit or investigation in connection with those funds pursuant to Sections 51.9335(c), 73.115(c) and 74.008(c), Education Code. Preferred Supplier agrees to cooperate with the Auditor in the conduct of the audit or investigation, including without limitation providing all records requested. Preferred Supplier will include this provision in all contracts with permitted subcontractors.

SECTION 15 –Governing Law:

Travis County, Texas, will be the proper place of venue for suit on or in respect of this Agreement. This Agreement and all of the rights and obligations of the parties thereto and all of the terms and conditions thereof will be construed, interpreted and applied in accordance with and governed by and enforced under the internal laws of the State of Texas.

SECTION 16 – Breach of Contract Claims:

16.1 To the extent that Chapter 2260, Texas Government Code, as it may be amended from time to time ("**Chapter 2260**"), is applicable to this Agreement and is not preempted by other Applicable Law, the dispute resolution process provided for in Chapter 2260 will be used, as further described herein, by UT Party and Preferred Supplier to attempt to resolve any claim for breach of contract made by Preferred Supplier:

16.1.1 Preferred Supplier's claims for breach of this Agreement that the parties cannot resolve pursuant to other provisions of this Agreement or in the ordinary course of business will be

submitted to the negotiation process provided in subchapter B of Chapter 2260. To initiate the process, Preferred Supplier will submit written notice, as required by subchapter B of Chapter 2260, to UT Party in accordance with the notice provisions in this Agreement. Preferred Supplier's notice will specifically state that the provisions of subchapter B of Chapter 2260 are being invoked, the date and nature of the event giving rise to the claim, the specific contract provision that UT Party allegedly breached, the amount of damages Preferred Supplier seeks, and the method used to calculate the damages. Compliance by Preferred Supplier with subchapter B of Chapter 2260 is a required prerequisite to Preferred Supplier's filing of a contested case proceeding under subchapter C of Chapter 2260. The UT Party's chief business officer, or another officer of UT Party as may be designated from time to time by UT Party by written notice thereof to Preferred Supplier in accordance with the notice provisions in this Agreement, will examine Preferred Supplier's claim and any counterclaim and negotiate with Preferred Supplier in an effort to resolve the claims.

16.1.2 If the parties are unable to resolve their disputes under Section 4.11.1.1, the contested case process provided in subchapter C of Chapter 2260 is Preferred Supplier's sole and exclusive process for seeking a remedy for any and all of Preferred Supplier's claims for breach of this Agreement by UT Party.

16.1.3 Compliance with the contested case process provided in subchapter C of Chapter 2260 is a required prerequisite to seeking consent to sue from the Legislature under Chapter 107, Civil Practices and Remedies Code. The parties hereto specifically agree that (i) neither the execution of this Agreement by UT Party nor any other conduct, action or inaction of any representative of UT Party relating to this Agreement constitutes or is intended to constitute a waiver of UT Party's or the state's sovereign immunity to suit and (ii) UT Party has not waived its right to seek redress in the courts.

16.2 The submission, processing and resolution of Preferred Supplier's claim is governed by the published rules adopted by the Texas Attorney General pursuant to Chapter 2260, as currently effective, thereafter enacted or subsequently amended.

16.3 UT Party and Preferred Supplier agree that any periods set forth in this Agreement for notice and cure of defaults are not waived.

SECTION 17 – Compliance with Law:

Preferred Supplier will perform the Services in compliance with all Applicable Law. Preferred Supplier represents and warrants that neither Preferred Supplier nor any firm, corporation or institution represented by Preferred Supplier, nor anyone acting for such firm, corporation or institution, (1) has violated the antitrust laws of the State of Texas, Chapter 15, *Texas Business and Commerce Code*, or federal antitrust laws, or (2) has communicated directly or indirectly the content of Preferred Supplier's response to UT System's procurement solicitation to any competitor or any other person engaged in a similar line of business during the procurement process for the Services.

SECTION 18 – UT Party's Right to Audit:

At any time during the term of this Agreement and for a period of four (4) years thereafter UT System or a duly authorized audit representative of UT System, or the State of Texas, at its expense and at reasonable times, reserves the right to audit Preferred Supplier's records and books directly related to charges paid for all products and services provided under this Agreement. The right will not extend to

any fixed fee component of the charges or to any services performed more than 1 year prior to the date of request for review. In the event such an audit by UT System reveals any errors or overpayments by UT System which error or overpayment is confirmed by Preferred Supplier, Preferred Supplier will refund UT System the full amount of such overpayments within thirty (30) days of such audit findings, or UT System, at its option, reserves the right to deduct such amounts owing to UT System from any payments due Preferred Supplier

SECTION 19 – Access to Documents:

To the extent applicable to this Agreement, in accordance with Section 1861(v)(I)(i) of the Social Security Act (42 U.S.C. 1395x) as amended, and the provisions of 42 CFR Section 420.300, et seq., Preferred Supplier agrees to allow, during and for a period of not less than four (4) years after this Agreement term, access to this Agreement and its books, documents, and records; and contracts between Preferred Supplier and its subcontractors or related organizations, including books, documents and records relating to same, by the Comptroller General of the United States, the U.S. Department of Health and Human Services and their duly authorized representatives.

SECTION 20 – Insurance:

20.1 Preferred Supplier, consistent with its status as an independent contractor will carry and will cause its subcontractors to carry, at least the following insurance in the form, with companies admitted to do business in the State of Texas and having an A.M. Best Rating of A-:VII or better, and in amounts (unless otherwise specified), as UT System may require:

20.1.1 Workers Compensation Insurance with statutory limits, and Employer’s Liability Insurance with limits of not less than \$1,000,000:

Employers Liability - Each Accident	\$1,000,000
Employers Liability - Each Employee	\$1,000,000
Employers Liability - Policy Limit	\$1,000,000

Policies must include (a) Other States Endorsement to include TEXAS if business is domiciled outside the State of Texas, and (b) a waiver of all rights of subrogation and other rights in favor of UT System;

20.1.2 Commercial General Liability Insurance with limits of not less than:

Each Occurrence Limit	\$1,000,000
Damage to Rented Premises	\$ 100,000
Medical Expenses (any one person)	\$ 10,000
Personal & Advertising Injury	\$1,000,000
General Aggregate	\$2,000,000
Products - Completed Operations Aggregate	\$2,000,000

Policy will include independent contractor’s liability, covering, but not limited to, the liability assumed under the indemnification provision of this contract, fully insuring Preferred Supplier’s (or subcontractor’s) liability for bodily injury (including death) and property damage.

20.1.3 Business Auto Liability Insurance covering all owned, non-owned or hired automobiles, with limits of not less than \$1,000,000 Combined Single Limit Bodily Injury and Property Damage.

20.1.4 Umbrella/Excess Liability Insurance with limits of not less than \$2,000,000 per occurrence and aggregate with a deductible of no more than \$10,000, and (i) providing coverage in excess of the coverages of, and (ii) “following form” subject to the same provisions as, the underlying policies required in **Section 20.1.1** Employer’s Liability Insurance, **Section 20.1.2** Commercial General Liability Insurance, and **Section 20.1.3** Business Auto Liability Insurance.

20.1.5 Director and Officer Liability Insurance with limits of not less than \$1,000,000 on a claims-made basis.

20.2 Preferred Supplier will deliver to UT System:

20.2.1 Evidence satisfactory to UT System in its sole discretion, evidencing the existence of all insurance after the execution and delivery of this Agreement and prior to the performance or continued performance of any services to be performed by Preferred Supplier under this Agreement.

Additional evidence, satisfactory to UT System in its sole discretion, of the continued existence of all insurance not less than thirty (30) days prior to the expiration of any insurance. Insurance policies, with the exception of Workers’ Compensation and Employer’s Liability, will be endorsed and name UT System and the Institutional Participants as Additional Insureds. All policies will be endorsed to provide a waiver of subrogation in favor of UT System and the Institutional Participants. All policies with the exception of Workers’ Compensation and Employer’s Liability will be endorsed to provide primary and non-contributory coverage. No policy will be canceled until after thirty (30) days’ unconditional written notice to UT System.

Preferred Supplier will be responsible for providing to UT System immediate notice of its receipt of a notice of cancellation, termination, material change, or non-renewal relating to any insurance policy required herein. This requirement may be satisfied by providing a copy of the notice received by the Preferred Supplier to UT System within two business days or by endorsement of the policy to require notice to UT System to be provided by the insurer.

20.3 The insurance policies required in this Agreement will be kept in force for the periods specified below:

20.3.1 Commercial General Liability Insurance; Business Automobile Liability Insurance; and Umbrella/Excess Liability Insurance will be kept in force until Preferred Supplier’s receipt of final payment from every Institutional Participant; and

20.3.2 Workers’ Compensation Insurance and Employer’s Liability Insurance will be kept in force until all the Services have been fully performed and accepted by every Institutional Participant.

SECTION 21 – Indemnification:

21.1 TO THE FULLEST EXTENT PERMITTED BY LAW, PREFERRED SUPPLIER WILL AND DOES HEREBY AGREE TO INDEMNIFY, PROTECT, DEFEND WITH COUNSEL APPROVED BY UT PARTY, AND HOLD HARMLESS UT PARTY AND ITS AFFILIATED ENTERPRISES, REGENTS, OFFICERS, DIRECTORS, ATTORNEYS, EMPLOYEES, REPRESENTATIVES AND AGENTS

(COLLECTIVELY “**INDEMNITEES**”) FROM AND AGAINST ALL DAMAGES, LOSSES, LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS, EXPENSES, AND OTHER CLAIMS OF ANY NATURE, KIND, OR DESCRIPTION, INCLUDING REASONABLE ATTORNEYS’ FEES INCURRED IN INVESTIGATING, DEFENDING OR SETTLING ANY OF THE FOREGOING (COLLECTIVELY “**CLAIMS**”) BY ANY PERSON OR ENTITY, ARISING OUT OF, CAUSED BY, OR RESULTING FROM PREFERRED SUPPLIER’S PERFORMANCE UNDER OR BREACH OF THIS AGREEMENT, AND THAT ARE CAUSED IN WHOLE OR IN PART BY ANY NEGLIGENT ACT, NEGLIGENT OMISSION OR WILLFUL MISCONDUCT OF PREFERRED SUPPLIER, ANYONE DIRECTLY EMPLOYED BY PREFERRED SUPPLIER OR ANYONE FOR WHOSE ACTS PREFERRED SUPPLIER MAY BE LIABLE. THE PROVISIONS OF THIS SECTION WILL NOT BE CONSTRUED TO ELIMINATE OR REDUCE ANY OTHER INDEMNIFICATION OR RIGHT WHICH ANY INDEMNITEE HAS BY LAW OR EQUITY. ALL PARTIES WILL BE ENTITLED TO BE REPRESENTED BY COUNSEL AT THEIR OWN EXPENSE.

21.2 IN ADDITION, PREFERRED SUPPLIER WILL AND DOES HEREBY AGREE TO INDEMNIFY, PROTECT, DEFEND WITH COUNSEL APPROVED BY UT PARTY, AND HOLD HARMLESS INDEMNITEES FROM AND AGAINST ALL CLAIMS ARISING FROM INFRINGEMENT OR ALLEGED INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER PROPRIETARY INTEREST ARISING BY OR OUT OF THE PERFORMANCE OF SERVICES OR THE PROVISION OF GOODS BY PREFERRED SUPPLIER, OR THE USE BY INDEMNITEES, AT THE DIRECTION OF PREFERRED SUPPLIER, OF ANY ARTICLE OR MATERIAL; PROVIDED, THAT, UPON BECOMING AWARE OF A SUIT OR THREAT OF SUIT FOR INFRINGEMENT, UT PARTIES WILL PROMPTLY NOTIFY PREFERRED SUPPLIER AND PREFERRED SUPPLIER WILL BE GIVEN THE OPPORTUNITY TO NEGOTIATE A SETTLEMENT. IN THE EVENT OF LITIGATION, UT PARTIES AGREE TO REASONABLY COOPERATE WITH PREFERRED SUPPLIER. ALL PARTIES WILL BE ENTITLED TO BE REPRESENTED BY COUNSEL AT THEIR OWN EXPENSE.

SECTION 22 – Ethics Matters; No Financial Interest:

Preferred Supplier and its employees, agents, representatives and subcontractors have read and understand UT System’s Conflicts of Interest Policy available at <http://www.utsystem.edu/policy/policies/int160.html>, UT System’s Standards of Conduct Guide available at <http://www.utsystem.edu/systemcompliance/>, and applicable state ethics laws and rules available at www.utsystem.edu/ogc/ethics. Neither Preferred Supplier nor its employees, agents, representatives or subcontractors will assist or cause UT Party’s employees to violate UT System’s Conflicts of Interest Policy, provisions described by UT System’s Standards of Conduct Guide, or applicable state ethics laws or rules. Preferred Supplier represents and warrants that no member of the Board has a direct or indirect financial interest in the transaction that is the subject of this Agreement.

SECTION 23 – Assignment of Overcharge Claims:

Preferred Supplier hereby assigns to UT Party any and all claims for overcharges associated with this Agreement arising under the antitrust laws of the United States, 15 U.S.C.A., Sec. 1 et seq., or arising under the antitrust laws of the State of Texas, Business and Commerce Code, Sec. 15.01, et seq.

SECTION 24 – Assignment and Subcontracting:

Except as specifically provided in any Historically Underutilized Business Subcontracting Plan (“**HSP**”) attached as Rider 500 and incorporated for all purposes, neither Preferred Supplier’s interest in this Agreement, its duties and obligations under this Agreement nor fees due to Preferred Supplier under

this Agreement may be subcontracted, assigned, delegated or otherwise transferred to a third party, in whole or in part, and any attempt to do so will (1) not be binding on UT Party; and (2) be a breach of this Agreement for which Preferred Supplier will be subject to any remedial actions provided by Texas law, including Chapter 2161, Texas Government Code, and 34 Texas Administrative Code (“**TAC**”) Section 20.14. UT Party may report nonperformance under this Agreement to the Texas Procurement and Support Services Division of the Texas Comptroller of Public Accounts or any successor agency (collectively, “**TPSS**”) in accordance with 34 TAC Chapter 20, Subchapter F, Vendor Performance and Debarment Program. The benefits and burdens of this Agreement are, however, assignable by UT Party.

SECTION 25 – Historically Underutilized Business Subcontracting Plan:

25.1 If an HSP is attached to this Agreement, Preferred Supplier agrees to use good faith efforts to subcontract the scope of work in accordance with the HSP. Preferred Supplier agrees to maintain business records documenting its compliance with the HSP and to submit a monthly compliance report to UT Party in the format required by the TPSS. Submission of compliance reports will be required as a condition for payment under this Agreement. If UT Party determines that Preferred Supplier has failed to subcontract as set out in the HSP, UT Party will notify Preferred Supplier of any deficiencies and give Preferred Supplier an opportunity to submit documentation and explain why the failure to comply with the HSP should not be attributed to a lack of good faith effort by Preferred Supplier. If UT Party determines that Preferred Supplier failed to implement the HSP in good faith, UT Party, in addition to any other remedies, may report nonperformance to the TPSS in accordance with 34 TAC Chapter 20, Subchapter F, Vendor Performance and Debarment Program. UT Party may also revoke this Agreement for breach and make a claim against the Preferred Supplier.

25.2 If at any time during the term of this Agreement, Preferred Supplier desires to change the HSP, before the proposed changes become effective (1) Preferred Supplier must comply with 34 TAC Section 20.14; (2) the changes must be reviewed and approved by UT Party; and (3) if UT Party approves changes to the HSP, this Agreement must be amended in accordance with Section 2.5.3 to replace the HSP with the revised subcontracting plan.

25.3 If UT Party expands the scope of the Services through a change order or any other amendment, UT Party will determine if the additional scope of work contains probable subcontracting opportunities not identified in the initial solicitation for the scope of work. If UT Party determines additional probable subcontracting opportunities exist, Preferred Supplier will submit an amended subcontracting plan covering those opportunities. The amended subcontracting plan must comply with the provisions of 34 TAC Section 20.14 before (1) this Agreement may be amended to include the additional scope of work; or (2) Preferred Supplier may perform the additional scope of work. If Preferred Supplier subcontracts any of the additional subcontracting opportunities identified by UT Party without prior authorization and without complying with 34 TAC Section 20.14, Preferred Supplier will be deemed to be in breach of this Agreement under Section 4.19 and will be subject to any remedial actions provided by Texas law including Chapter 2161, Texas Government Code, and 34 TAC Section 20.14. UT Party may report nonperformance under this Agreement to the TPSS in accordance with 34 TAC Chapter 20, Subchapter F, Vendor Performance and Debarment Program.

SECTION 26 – Payment and Invoicing:

Institutional Participant agrees to pay fees due under this Agreement in accordance with the Texas Prompt Payment Act (“**Act**”), Chapter 2251, *Texas Government Code*. Pursuant to the Act, payment will be deemed late on the 31st day after the later of: 1) the date the performance of the Services is

completed, or 2) the date Institutional Participant receives an invoice for the Services. Institutional Participant will be responsible for interest on overdue payments equal to the sum of: 1) one percent, plus 2) the prime rate as published in the Wall Street Journal on the first day of July of the preceding fiscal year (Institutional Participant's fiscal year begins September 1) that does not fall on a Saturday or Sunday. Institutional Participant will have the right to verify the details set forth in Preferred Supplier's invoices and supporting documentation, either before or after payment, by (a) inspecting the books and records of Preferred Supplier at mutually convenient times; (b) examining any reports with respect to the Services; and (c) other reasonable action.

SECTION 27 – Limitations:

The parties to this Agreement are aware that there are constitutional and statutory limitations on the authority of UT Party (a state agency) to enter into certain terms and conditions of this Agreement, including, but not limited to, those terms and conditions relating to disclaimers and limitations of warranties; disclaimers and limitations of liability for damages; waivers, disclaimers and limitations of legal rights, remedies, requirements and processes; limitations of periods to bring legal action; granting control of litigation or settlement to another party; liability for acts or omissions of third parties; payment of attorneys' fees; dispute resolution; indemnities; and confidentiality (collectively, the "**Limitations**"), and terms and conditions related to the Limitations will not be binding on UT Party except to the extent authorized by the laws and Constitution of the State of Texas.

SECTION 28 – Affirmative Action:

Preferred Supplier agrees that either a written copy of Preferred Supplier's Civil Rights "Affirmative Action Compliance Program" or, if Preferred Supplier is not required to have such a written program, the reason Preferred Supplier is not subject to such requirement, is attached to this Agreement as **Rider 600** and incorporated for all purposes.

SECTION 29 – OSHA Compliance:

Preferred Supplier represents and warrants that all services furnished under this Agreement meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health Law (Public Law 91-598) and its regulations in effect or proposed as of the date of this Agreement.

SECTION 30 - Certifications of Nonsegregated Facilities and Equal Employment Opportunities Compliance:

Preferred Supplier certifies that, except for restrooms and wash rooms and one (1) or more lactation rooms each of which is segregated on the basis of sex: (1) it does not maintain or provide for its employees any segregated facilities at any of its establishments and that it does not permit its employees to perform their services at any location under its control where segregated facilities are maintained; (2) it will not maintain or provide for its employees any segregated facilities at any of its establishments; and (3) it will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. Preferred Supplier agrees that a breach of this certification is a violation of the Equal Opportunity clause in this Agreement. The term "**segregated facilities**" means any waiting rooms, work area, rest rooms and wash rooms, entertainment areas, transportation, or housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin, because of habit, local custom, or otherwise. Preferred Supplier further agrees that, except where it has contracts prior to the

award with subcontractors exceeding \$10,000.00 which are not exempt from the provisions of the Equal Opportunity clause, Preferred Supplier will retain such certifications for each one of its subcontractors in Preferred Supplier's' files, and that it will forward the following notice to all proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES - A Certification on Nonsegregated Facilities must be submitted prior to the award of any subcontract exceeding \$10,000.00 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e. quarterly, semiannually, or annually).

Preferred Supplier understands that the penalty for making false statements regarding the subject matters of this Section is prescribed in 18 U.S.C. 1001.

SECTION 31 – Premises Rules:

If this Agreement requires Preferred Supplier's presence on UT Party's premises or in UT Party's facilities, Preferred Supplier agrees to cause its representatives, agents, employees and permitted subcontractors (if any) to become aware of, fully informed about, and in full compliance with all applicable UT Party rules and policies, including, without limitation, those relative to personal health, security, environmental quality, safety, fire prevention, noise, smoking, and access restrictions; consideration for students, patients and their families as well as employees; parking; and security.

SECTION 32 – Debarment:

Preferred Supplier confirms that neither Preferred Supplier nor its Principals are suspended, debarred, proposed for debarment, declared ineligible, or voluntarily excluded from the award of contracts from United States ("U.S.") federal government procurement or nonprocurement programs, or are listed in the List of Parties Excluded from Federal Procurement or Nonprocurement Programs issued by the U.S. General Services Administration. "**Principals**" means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity (e.g. general manager, plant manager, head of a subsidiary, division or business segment, and similar positions). Preferred Supplier will provide immediate written notification to UT Party if, at any time prior to award, Preferred Supplier learns that this certification was erroneous when submitted or has become erroneous by reason of changed circumstances. This certification is a material representation of fact upon which reliance will be placed when UT Party executes this Agreement. If it is later determined that Preferred Supplier knowingly rendered an erroneous certification, in addition to the other remedies available to UT Party, UT Party may terminate this Agreement for default by Preferred Supplier.

SECTION 33 – Office of Inspector General Certification:

Preferred Supplier acknowledges that UT Party is prohibited by federal regulations from allowing any employee, subcontractor, or agent of Preferred Supplier to work on site at UT Party premises or facilities if that individual is not eligible to work on federal healthcare programs such as Medicare, Medicaid, or other similar federal programs. Therefore, Preferred Supplier will not assign any employee, subcontractor or agent that appears on the List of Excluded Individuals issued by the United States Office of the Inspector General ("**OIG**") to work on site at UT Party premises or facilities. Preferred Supplier will perform an OIG sanctions check quarterly on each of its employees,

subcontractors and agents during the time such employees, subcontractors and agents are assigned to work on site at UT Party premises or facilities. Preferred Supplier acknowledges that UT Party will require immediate removal of any employee, subcontractor or agent of Preferred Supplier assigned to work at UT Party premises or facilities if such employee, subcontractor or agent is found to be on the OIG's List of Excluded Individuals. The OIG's List of Excluded Individuals may be accessed through the following Internet website: <http://www.dhhs.gov/progorg/oig/cumsan/index.htm>.

SECTION 34 – Termination:

34.1 Each of UT System and Preferred Supplier may terminate this Agreement, without cause, upon written notice to the other party; provided, however, this Agreement will not terminate until the later of (1) 120 days after receipt of notice of termination, or (2) the date that performance is complete under all purchase orders issued by Institutional Participant to Preferred Supplier prior to receipt of notice of termination. Institutional Participant may not issue any purchase orders after receipt of notice of termination. Termination of this Agreement will not relieve any party from liability for its default under or breach of this Agreement or any other act or omission of that party. In the event that this Agreement is terminated, then within thirty (30) days after termination, Preferred Supplier will reimburse UT Party for all fees paid by UT Party to Preferred Supplier that were (a) not earned by Preferred Supplier prior to termination, or (b) for goods or services that UT Party did not receive from Preferred Supplier prior to termination.

34.2 UT System or Institutional Participant may terminate an IPA, without cause, upon written notice to Preferred Supplier; provided, however, the IPA will not terminate until the later of (1) thirty (30) days after receipt of notice of termination, or (2) the date that performance is complete under all purchase orders issued by Institutional Participant to Preferred Supplier prior to receipt of notice of termination. Institutional Participant may not issue any purchase orders after receipt of notice of termination. Termination of an IPA will not relieve any party from liability for its default under or breach of the IPA or any other act or omission of that party. In the event that an IPA is terminated, then within thirty (30) days after termination, Preferred Supplier will reimburse Institutional Participant for all fees paid by Institutional Participant to Preferred Supplier that were (a) not earned by Preferred Supplier prior to termination, or (b) for goods or services that Institutional Participant did not receive from Preferred Supplier prior to termination.

SECTION 35 – Authority:

The individuals executing this Agreement on behalf of each party have been duly authorized to act for and bind the party they represent.

SECTION 36 – Survival of Provisions:

Expiration or termination of this Agreement will not relieve either party of any obligations under this Agreement that by their nature survive such expiration or termination.

SECTION 37 – Confidentiality and Safeguarding of University Records; Press Releases; Public Information:

Under this Agreement, Preferred Supplier may (1) create, (2) receive from or on behalf of UT Party, or (3) have access to UT Party records or record systems (collectively, “**University Records**”). Among other things, University Records may contain social security numbers, credit card numbers, or data protected or made confidential or sensitive by applicable federal, state and local, laws, regulations, and

ordinances, including the Gramm-Leach-Bliley Act (Public Law No: 106-102) and the Family Educational Rights and Privacy Act, 20 U.S.C. §1232g (“**FERPA**”). If University Records are subject to FERPA, (1) UT Party designates Preferred Supplier as a university official with a legitimate educational interest in University Records, and (2) Preferred Supplier acknowledges that its improper disclosure or redisclosure of personally identifiable information from University Records may result in Preferred Supplier’s exclusion from eligibility to contract with UT Party for at least five (5) years. Preferred Supplier represents, warrants, and agrees that it will: (1) hold University Records in strict confidence and will not use or disclose University Records except as (a) permitted or required by Agreement, (b) required by law, or (c) otherwise authorized by UT Party in writing; (2) safeguard University Records according to reasonable administrative, physical and technical standards (such as standards established by (i) the National Institute of Standards and Technology and (ii) the Center for Internet Security, as well as the Payment Card Industry Data Security Standards) that are no less rigorous than the standards by which Preferred Supplier protects its own confidential information; (3) continually monitor its operations and take any action necessary to assure that University Records are safeguarded and the confidentiality of University Records is maintained in accordance with all applicable federal, state and local, laws, regulations, and ordinances, including FERPA and the Gramm-Leach Bliley Act, and the terms of this Agreement; and (4) comply with the UT Party rules, policies, and procedures regarding access to and use of UT Party computer systems. At the request of UT Party, Preferred Supplier agrees to provide UT Party with a written summary of the procedures Preferred Supplier uses to safeguard and maintain the confidentiality of University Records.

37.1 Notice of Impermissible Use. If an impermissible use or disclosure of any University Records occurs, Preferred Supplier will provide written notice to UT Party within one (1) business day after Preferred Supplier’s discovery of that use or disclosure. Preferred Supplier will promptly provide UT Party with all information requested by UT Party regarding the impermissible use or disclosure.

37.2 Return of University Records. Preferred Supplier agrees that within thirty (30) days after the expiration or termination of this Agreement, for any reason, all University Records created or received from or on behalf of UT Party will be (1) returned to UT Party, with no copies retained by Preferred Supplier; or (2) if return is not feasible, destroyed. Twenty (20) days before destruction of any University Records, Preferred Supplier will provide UT Party with written notice of Preferred Supplier’s intent to destroy University Records. Within five (5) days after destruction, Preferred Supplier will confirm to UT Party in writing the destruction of University Records.

37.3 Disclosure. If Preferred Supplier discloses any University Records to a subcontractor or agent, Preferred Supplier will require the subcontractor or agent to comply with the same restrictions and obligations as are imposed on Preferred Supplier by this Section.

37.4 Press Releases. Preferred Supplier will not make any press releases, public statements, or advertisement referring to Agreement, or the engagement of Preferred Supplier as an independent contractor of UT Party, or release any information relative to this Agreement for publication, advertisement or any other purpose without the prior written approval of UT Party.

37.5 Public Information. UT Party strictly adheres to all statutes, court decisions and the opinions of the Texas Attorney General with respect to disclosure of public information under the *Texas Public Information Act*, Chapter 552, *Texas Government Code*.

37.6 Termination. In addition to any other termination rights set forth in this Agreement, and any other rights at law or equity, if UT Party reasonably determines that Preferred Supplier has breached any of the restrictions or obligations set forth in this Section, UT Party may immediately terminate this Agreement without notice or opportunity to cure.

37.7 Duration. The restrictions and obligations under this Section will survive expiration or termination of this Agreement for any reason.

SECTION 38 – Tax Exemption

UT Party may be an agency of the State of Texas or other non-profit entity and may be exempt from certain state taxes under various exemption statutes, including Texas Sales & Use Tax in accordance with Section 151.309, *Tax Code*, and Title 34 *Texas Administrative Code* (“**TAC**”) Section 3.322. Notwithstanding its exemption from certain state taxes, UT Party will be responsible for any taxes (except corporate income taxes, franchise taxes, and taxes on Preferred Supplier’s personnel, including personal income tax and social security taxes) from which UT Party is not exempt. Preferred Supplier will provide reasonable cooperation and assistance to UT Party in obtaining any tax exemptions to which UT Party is entitled.

SECTION 39 – Undocumented Workers:

The *Immigration and Nationality Act* (8 *United States Code* 1324a) (“**Immigration Act**”) makes it unlawful for an employer to hire or continue employment of undocumented workers. The United States Immigration and Customs Enforcement Service has established the Form I-9 Employment Eligibility Verification Form (“**I-9 Form**”) as the document to be used for employment eligibility verification (8 *Code of Federal Regulations* 274a). Among other things, Preferred Supplier is required to: (1) have all employees complete and sign the I-9 Form certifying that they are eligible for employment; (2) examine verification documents required by the I-9 Form to be presented by the employee and ensure the documents appear to be genuine and related to the individual; (3) record information about the documents on the I-9 Form, and complete the certification portion of the I-9 Form; and (4) retain the I-9 Form as required by law. It is illegal to discriminate against any individual (other than a citizen of another country who is not authorized to work in the United States) in hiring, discharging, or recruiting because of that individual's national origin or citizenship status. If Preferred Supplier employs unauthorized workers during performance of this Agreement in violation of the Immigration Act then, in addition to other remedies or penalties prescribed by law, UT Party may terminate this Agreement in accordance with Section 4.31. Preferred Supplier represents and warrants that it is in compliance with and agrees that it will remain in compliance with the provisions of the Immigration Act.

SECTION 40 – No Required Quantities or Minimum Amounts:

Preferred Supplier understands that this Agreement does not obligate UT Party to purchase any specific amount of Services from Preferred Supplier under this Agreement or otherwise. For example, this Agreement does not establish any minimum quantity or minimum dollar amount of Services that UT Party must purchase from Preferred Supplier during the term of this Agreement.

SECTION 41 – Access by Individuals with Disabilities:

Preferred Supplier represents and warrants (“**EIR Accessibility Warranty**”) that the electronic and information resources and all associated information, documentation, and support that it provides to UT

Party under this Agreement (collectively, the “EIRs”) comply with the applicable requirements set forth in Title 1, Chapter 213 of the *Texas Administrative Code* and Title 1, Chapter 206, Rule §206.70 of the *Texas Administrative Code* (as authorized by Chapter 2054, Subchapter M of the *Texas Government Code*). To the extent Preferred Supplier becomes aware that the EIRs, or any portion thereof, do not comply with the EIR Accessibility Warranty, then Preferred Supplier represents and warrants that it will, at no cost to UT Party, either (1) perform all necessary remediation to make the EIRs satisfy the EIR Accessibility Warranty, or (2) replace the EIRs with new EIRs that satisfy the EIR Accessibility Warranty. In the event that Preferred Supplier is unable to do so, then the UT System may terminate this Agreement and Preferred Supplier will refund to UT System all amounts UT System has paid under this Agreement within thirty (30) days after the termination date.

SECTION 42 – Administrative Fee:

In addition to the fixed management fee, Preferred Supplier will pay an administrative fee (“**Administrative Fee**”) to the UT System Supply Chain Alliance in an amount equal two percent (2%) of the fixed management fee payable under this Agreement. The Administrative Fee will be paid within thirty (30) days after the end of each calendar quarter during the term of this Agreement. “For example, if the fixed management fee is \$1,000,000 annually, then the Administrative Fee for any given calendar quarter would be \$5,000. The Administrative Fee will be made payable to the following:

UT System
Office of Business Affairs
The University of Texas System
201 W. 7th Street
Attn: Office of the Executive Vice Chancellor for Business Affairs
Austin, Texas 78701-2982

SECTION 43 – Entire Agreement; Modifications:

This Agreement supersedes all prior agreements, written or oral, between Preferred Supplier and UT Party and will constitute the entire agreement and understanding between the parties with respect to the subject matter of this Agreement. This Agreement and each of its provisions will be binding upon the parties and may not be waived, modified, amended or altered except by a writing signed by UT Party and Preferred Supplier.

SECTION 44 – Captions:

The captions of sections and subsections in this Agreement are for convenience only and will not be considered or referred to in resolving questions of interpretation or construction.

SECTION 45 – Waivers:

No delay or omission in exercising any right accruing upon a default in performance of this Agreement will impair any right or be construed to be a waiver of any right. A waiver of any default under this Agreement will not be construed to be a waiver of any subsequent default under this Agreement.

SECTION 46 – Binding Effect:

This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective permitted assigns and successors.

SECTION 47 – Limitations of Liability:

Except for UT Party's obligation (if any) to pay Preferred Supplier certain fees and expenses, UT Party will have no liability to Preferred Supplier or to anyone claiming through or under Preferred Supplier by reason of the execution or performance of this Agreement. Notwithstanding any duty or obligation of UT Party to Preferred Supplier or to anyone claiming through or under Preferred Supplier, no present or future affiliated enterprise, subcontractor, agent, officer, director, employee, representative, attorney or regent of UT Party, or anyone claiming under UT Party has or will have any personal liability to Preferred Supplier or to anyone claiming through or under Preferred Supplier by reason of the execution or performance of this Agreement.

SECTION 48 – Relationship of the Parties:

For all purposes of this Agreement and notwithstanding any provision of this Agreement to the contrary, Preferred Supplier is an independent contractor and is not a state employee, partner, joint venturer, or agent of UT Party. Preferred Supplier will not bind nor attempt to bind UT Party to any agreement or contract. As an independent contractor, Preferred Supplier is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort, including workers' compensation insurance.

SECTION 49 – Severability:

In case any provision of this Agreement will, for any reason, be held invalid or unenforceable in any respect, the invalidity or unenforceability will not affect any other provision of this Agreement, and this Agreement will be construed as if the invalid or unenforceable provision had not been included.

SECTION 50 – External Terms:

This Agreement completely supplants, replaces, and overrides all other terms and conditions or agreements, written or oral ("**External Terms**"), concerning Preferred Supplier's performance under this Agreement. Such External Terms are null and void and will have no effect under this Agreement, regardless of whether UT Party or any of its employees, contractors, or agents consents or agrees to External Terms. External Terms include any shrinkwrap, clickwrap, browsewrap, web-based terms and conditions of use, and any other terms and conditions displayed in any format that UT Party, or its employees, contractors, or agents are required to accept or agree to before or in the course of accessing or using any goods or services provided solely by Preferred Supplier.

SECTION 51 – Conflicts:

In the event of a conflict between the terms and conditions of this Agreement and those of an IPA, the terms of this Agreement will control and govern.

SECTION 52 – Attachments:

The Riders listed below are attached to and fully incorporated into this Agreement as substantive parts of this Agreement:

- Rider 100** – Scope of Work
- Rider 200** – Pricing Schedule for _____
- Rider 300** – Institutional Participation Agreement Form
- Rider 400** – Supplier Relationship Management
- Rider 500** – HUB Subcontracting Plan
- Rider 600** – Affirmative Action Compliance Program

Having agreed to the foregoing terms, and with the intention of being bound, the parties have executed this Agreement as of the dates shown below.

THE UNIVERSITY OF TEXAS SYSTEM

[PREFERRED SUPPLIER]

Signed: _____

Signed: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX THREE- 300

INSTITUTIONAL PARTICIPATION AGREEMENT

By entering into this Institutional Participation Agreement (“**Institutional Participation Agreement**”), the undersigned institution (“**Institutional Participant**”) agrees to the terms and conditions set forth in the Preferred Supplier Agreement for _____ between The University of Texas System and _____, Agreement Number UTSSCA_____ dated effective _____, 2012 (the “**Preferred Supplier Agreement**”). All of the terms and conditions of the Preferred Supplier Agreement are incorporated into this Institutional Participation Agreement for all purposes. Unless otherwise specified in this Institutional Participation Agreement, all defined terms used in this Institutional Participation Agreement have the same meaning as assigned to those terms in the Preferred Supplier Agreement.

By entering into this Institutional Participation Agreement, Institutional Participant is authorized to take full advantage of all of the benefits and provisions set forth in the Preferred Supplier Agreement including, but not limited to, the benefits listed below, which are specified in detail in the Preferred Supplier Agreement:

Benefits from Preferred Supplier Agreement:

Access to _____ from Preferred Supplier at prices which should generate significant cost savings for Institutional Participant.

Institutional Participant’s Responsibilities

To the extent authorized by applicable law, Institutional Participant will use commercially reasonable efforts to perform the following responsibilities:

- Identify Preferred Supplier as the preferred source of _____ services.

[tbd]

Institutional Participant’s notice address and contact information is:

The University of Texas at _____
Street Address: _____
Fax: _____
Email: _____
Attention: _____

Institutional Participant designates the following contacts who will be responsible for facilitating this Institutional Participation Agreement:

INSTITUTIONAL PARTICIPANT: Primary Contact:

Name: _____
Title: _____
Telephone: _____
Fax: _____
Email: _____

INSTITUTIONAL PARTICIPANT: HUB Contact:

Name: _____
Title: _____
Telephone: _____
Fax: _____
Email: _____

Institutional Participant designates the following contact who will be responsible for facilitating this Institutional Participation Agreement:

PREFERRED SUPPLIER Primary Contact:

Name: _____
Title: _____
Telephone: _____
Fax: _____
Email: _____

Institutional Participant agrees to the terms of this Institutional Participation Agreement:

The University of Texas _____

By: _____
Printed Name and Title: _____
Signature: _____
Street: _____
City: _____ State: _____ Zip: _____
Date: _____

Upon activation of this Institutional Participation Agreement, Institutional Participant's Primary Contact will receive notification of activation via email. Please return signed completed form to _____, at _____@mdanderson.org

APPENDIX FOUR

ACCESS BY INDIVIDUALS WITH DISABILITIES

Preferred Supplier represents and warrants (“**EIR Accessibility Warranty**”) that the electronic and information resources and all associated information, documentation, and support that it provides to UT Party under this Agreement (collectively, the “**EIRs**”) comply with the applicable requirements set forth in Title 1, Chapter 213 of the *Texas Administrative Code* and Title 1, Chapter 206, Rule §206.70 of the *Texas Administrative Code* (as authorized by Chapter 2054, Subchapter M of the *Texas Government Code*). To the extent Preferred Supplier becomes aware that the EIRs, or any portion thereof, do not comply with the EIR Accessibility Warranty, then Preferred Supplier represents and warrants that it will, at no cost to UT Party, either (1) perform all necessary remediation to make the EIRs satisfy the EIR Accessibility Warranty, or (2) replace the EIRs with new EIRs that satisfy the EIR Accessibility Warranty. In the event that Preferred Supplier is unable to do so, then the UT System may terminate this Agreement and Preferred Supplier will refund to UT System all amounts UT System has paid under this Agreement within thirty (30) days after the termination date.

ATTACHMENT A
PRICE SCHEDULE

EXHIBIT A

ANNUAL TRAVEL VOLUME

A. Annual Airline Travel

	Number of Domestic Transactions	Domestic Volume	Number of International Transactions	International Volume
U.T. Arlington	3,300	\$ 1,163,000	520	\$631,000
U.T. Austin	14,350	\$ 5,874,000	2,520	\$2,915,000
U.T. Brownsville	650	\$270,700	23	\$24,000
U.T. Dallas	3,450	\$1,334,000	670	\$870,700
U.T. El Paso	2,900	\$1,300,000	375	\$370,000
U.T. Pan Am	1,325	\$807,000	40	\$40,000
U.T. Permian Basin	540	\$80,908	5	\$12,240
U.T. San Antonio	1,600	\$ 640,000	200	\$256,000
U.T. Tyler	420	\$173,133	50	\$42,300
U.T. Southwestern	6,125	\$2,634,000	400	\$ 512,000
U.T. Medical Branch - Galveston	4,499	\$1,861,000	282	\$381,500
U.T. Health Science Center - Houston	4,300	\$1,790,000	297	\$298,000
U.T. Health Science Center - San Antonio	4,000	\$1,500,000	200	\$ 221,300
U.T. M.D. Anderson Cancer Center	10,400	\$ 4,883,000	1,800	\$ 4,740,000
U.T. M.D. Anderson Cancer Center Patient Travel	4,850	\$1,630,000	250	\$165,000
U.T. Health Science Center - Tyler	360	\$138,000	15	\$14,700
U.T. System Administration	3,100	\$1,000,000	2	\$20,000
The University of Texas Investment Management Company (UTIMCO)	245	\$70,800	50	\$208,700
TOTALS	66,414	\$27,149,541	7,699	\$11,722,440

B. Addition Information Relating to Volume and Transactions

- UT System is a “high-touch” account
 - On average, 3 calls are needed to complete one reservation
- Each institution has its own travel policy and processes
 - Institution guidelines must be met for internally funded travel

- State of Texas guidelines must be met for State-funded travel
- Fly America/Open Skies requirements must be met for Federally funded travel
- Proposer must be familiar with 16 different accounts
- Travel approval processes differ by institution and in complexity. Institutions with the highest volume have the most complex and time consuming approval processes. Proposer should note this and plan staffing accordingly.
 - Examples:
 - Traveler provides account number / agent enters number in record and tickets reservation
 - Traveler must obtain quote for travel cost and gain internal approval / traveler provides travel approval number to agent / agent is required to access UT System institution data base in view only format, verifies cost and/or approval number / agent enters number in to reservation and tickets reservation
- Based on validating carrier reports 90% of travel volume is equally distributed among American Airlines, United Airlines, and Southwest Airlines
- Refunds, exchanges and voids collectively total less than 2,000 annually
- VIP transactions are 10% of overall volume
- Average domestic ticket price is \$400
- Average international ticket price is \$1,900
- Annual car rental volume is \$4,340,000, with 33,000 rentals
- Hotel volume is undetermined, however:
 - 25,000 hotel reservations with an average of 2 nights per stay were recorded in our top forty domestic and international destinations
- Annual number of hotel/car only reservations totals 2,900
- Amtrak and Northeast corridor air shuttle travel is minimal
- Annual number of after-hours or emergency service calls totals 900
- Existing online booking tools include Concur and GetThere
 - Proposer is required to support GetThere and Concur
 - Use of an online tool will not be mandated
 - System-wide adoption of online booking tools is approximately 10% of total reservations

C. Top Domestic and International Destinations

Top 25 Domestic Destinations	Top 15 Intl Destinations
Houston, TX	Sao Paulo, BR
Austin, TX	Hong Kong, HK
Dallas/FT Worth Area, TX	Paris, FR
Washington, DC Area	Mexico City, MX
McAllen, TX	London, UK
San Antonio, TX	Istanbul, Turkey
Phoenix, AZ	San Juan, PR
New York, NY	Vancouver, BC, CA
Chicago, IL	Amsterdam, NL
San Francisco, CA	Quito, EC
New Orleans, LA	Shanghai, CH
San Diego, CA	Beijing, CH
Albuquerque, NM	Madrid, SP

Los Angeles/Orange County, CA	Guadeloupe, Caribbean
Boston, MA	Manila, PH
Orlando, FL.	Dubai, UAE
Denver, CO	
El Paso, TX	
Midland, TX	
Atlanta, GA	
Las Vegas, NV	
Kansas City, MO	
Philadelphia, PA	
Miami, FL	

EXHIBIT B

REQUIRED TRAVEL MANAGEMENT REPORTS

As requested by UT System, Preferred Supplier will provide reports including, but not limited to, the following data. Report format and frequency will be determined by the requesting institution and finalized during implementation processes.

Airline

- Gross volume
- Refund air volume
- Net air volume
- Refund volume as percentage
- Number of invoices
- Number of refunds
- Number of exchanges
- Number of voids
- Net transactions
- Refund transactions as percentage
- Total miles flown
- Number of tickets booked online
- Volume booked online
- Percentage of tickets booked online
- Average gross amount
- Average refund amount
- Average net amount
- Average cost per mile
- International air volume
- International air volume as percentage
- Number of international air tickets
- Total international air miles flown
- Cost per international air mile
- Domestic air volume
- Domestic air volume as percentage
- Number of domestic air tickets
- Total domestic air miles flown
- Cost per domestic air mile
- Full fare volume
- Savings volume
- Savings using UT System city-pair contracts
- Savings using UT System loyalty program agreements
- Unused ticket report
- Lost savings/exception report /reason for declining low fare (may include traveler name)
- Destination reports
- Advance booking report

- Validating carrier report
- Top carrier / destination report
- Top 100 traveler report
- Traveler locator reports
- Executive summary reports
- Credit card reconciliation reports
- Ad hoc reports as needed

Hotel

- Number of hotel rooms booked
- Number of nights
- Total cost of all room nights
- Average stay
- Average cost per night
- Top 25 domestic city report
- Top 25 international city report
- Top 5 hotel chain report by volume
- Number of reservations booked using UT System contract hotels
- Number of reservations booked using non-UT System contract hotels

Car Rental

- Number of cars booked domestic
- Number of cars booked international
- Total number of days
- Total cost of all rentals
- Total cost of domestic rentals
- Total cost of international rentals
- Average length of rental
- Average cost per rental
- Top 25 domestic city report
- Top 25 international city report
- Number of reservations booked using UT System contract car vendors
- Number of reservations booked using non-UT System contract car vendors

Miscellaneous

- Agent booking / call volume reports
- Customer service /issues + resolution report
- Prism reporting for negotiated airline contracts
- Quarterly reporting direct to specified airline for negotiated airline contracts
- Topaz International reporting for benchmarking data
- Quarterly reports specific to state contract airfare use
- Quarterly reports specific to soft dollar savings – fee waivers, etc.

ATTACHMENT A
SUPPLIER'S SURVEY

Company Profile

1. Please provide your company's main address, phone and fax number.
2. Please provide your company's FEIN.
3. Please provide your company's DUNS number.
4. Please provide your company's main contact person for the RFP.
5. What is your company's legal structure?
6. List all individuals, groups, corporations, etc. that hold 25% or greater equity in the company. Please list their respective percentage of ownership.
7. Provide any details of all past or pending litigation arising from your company furnishing an item or service similar to that described in this RFP.
8. Has your company, or any of its parents or subsidiaries, ever had a Bankruptcy Petition filed in its name, voluntarily or involuntarily? If yes, specify date, circumstances, and resolution.
9. Is your Company currently in default on any loan agreement or financing agreement with any bank, financial institution, or other entity? If yes, specify details, circumstances, and prospects for resolution.
10. Provide a customer reference list of no less than three (3) organizations with which Proposer currently has contracts with and/or has previously provided travel agency services of equal type and scope within the past five (5) years. Reference list to include, company name, contact person, and telephone number, description of products and services provided, and length of business relationship.

General Requirements

Please refer to section 5.3.2 (UT System/State Negotiated Contract Rates)

11. Does Agency utilize any rebate agreement or program for air, car or hotel reservations? If so, explain any agreement or program that would be applicable to the UT System account.

Please refer to section 5.3.4.9 (Ghost Card Reconciliation)

12. Can Agency assist in monthly credit card reconciliations? If so, outline current processes with entities of a similar size and scope.
13. Can Agency support Concur and PeopleSoft travel and expense tools?

Please refer to section 5.3.5.1 (Implementation Schedule)

14. Provide three (3) references for past global consolidation and implementation or account of a similar size and scope.
15. Provide specific examples of comparable implementation processes.
16. Provide a transition process checklist.

Please refer to section 5.3.5.3 (Profiles)

17. Is Agency able to receive and/or transfer traveler profiles? If so, describe all applicable processes.

Please refer to section 5.3.5.5 (Risk Management)

18. Provide a complete business continuity plan, as well as an outline redundant system processes including the location of alternate agency locations available to assist with essential services in the event of an unavoidable failure at locations servicing the UT System account.

Please refer to section 5.3.5.6 (Office Hours)

19. Please identify Agency's normal hours of operation including any variance from 8:00 A.M. to 6:00 P.M. (CST)

Please refer to section 5.3.5.8 (Emergency/After-Hours Service)

20. Does Agency provide a separate overseas emergency number?
21. What emergency services does Agency provide in addition to what is required?
22. What additional cost, if any, is associated with these additional services?

Please refer to section 5.3.5.10 (Supporting Reservation Tools)

23. Please provide a list of all supporting reservation tools currently utilized and/or those available by the Agency upon request.

Please refer to section 5.3.5.11 (Dedicated Airline Reporting Corporation (ARC) Number)

24. Can Agency provide a dedicated ARC number?

Please refer to section 5.3.6.4 (Online Booking Product Help Desk)

25. Please list costs specifically associated with supporting online booking tools during normal working hours. While included in the management fee, costs will be allocated to those institutions electing to utilize the online tool and support services.
26. Please list costs specifically associated with supporting online booking tools after normal business hours. . While included in the management fee, costs will be allocated to those institutions electing to utilize the online tool and support services
27. Please list fees and costs specifically associated with the support of your recommended booking tools – if different from those listed above (e.g. Concur, GetThere).

Please refer to section 5.3.7.3 (Staffing Plan)

28. Please provide a detailed staffing plan(s) including agents, management and support personnel. The staffing plan(s) should detail both the UT System requirements and the UT MD Anderson Patient Travel Services on-site requirements.
29. Can Agency provide Houston on-site agents for UT MD Anderson Cancer Center Patient Travel Services meeting experience requirements noted? If yes, how will agency handle backup agents for Houston on-site location?

30. Can Agency provide VIP travel agents meeting experience requirements noted?
31. Can Agency provide international travel specialists meeting experience requirements noted?
32. Can Agency provide an international rate desk?
33. In the future, should UT System request additional on-site locations; is Agency willing to provide services based on mutual agreement regarding operations and additional costs?
34. Can Agency provide meeting and group travel specialist as a supplement/additional cost to a contract resulting from this RFP? If so, please explain services applicable to meeting travel?

Please refer to section 5.3.7.7 (Electronic Itinerary)

35. Can Agency provide electronic itineraries without third party advertisements?
36. Can Agency provide e-ticket receipts with the required information?

Please refer to section 5.3.7.8 (Visas and Passports)

37. Explain Agency visa and passport services or third party options.
38. What fees or additional costs are associated with visa and passport services?

Please refer to section 5.3.7.10 (Sale and Proper Use of Negotiated Airline Contract Rates)

39. Can Agency provide consolidator airfares? If yes, provide a list of consolidators Agency works with and list the benefits as well as potential issues when utilizing consolidators.

Please refer to section 5.3.7.12 (Fly America Act/Open Skies Agreement)

40. Is the Agency approved by the General Services Administration regarding understanding and administration of the Fly America Act/Open Skies Agreement?

Please refer to section 5.3.7.13 (Frequent Flier Reservations)

41. Is there an additional cost for managing frequent flier reservations pertaining to UT System employee business travel?
42. Is there an additional cost for managing frequent flier reservations for non-UT System travelers, including patient or spousal travel?

Please refer to section 5.3.7.14 (Invoices/Data On Demand)

43. Do you have an online data retrieval tool? If yes, how is access to the online tool provided:
44. If an online data retrieval tool is not available can Agency guarantee that required documentation will be provided by fax or document scanned/emailed upon request.

Please refer to section 5.3.8.2 (Fiscal Year)

45. Is Agency able to provide all reporting requirements noted in Exhibit B? If no, list exceptions
46. What additional reports does Agency recommend or have available that are not listed in Exhibit B

Please refer to section 5.3.9.3 (Account Management Services)

47. What surveys and/or customer comment notifications processes does the Agency currently have in place?
48. How are the surveys executed and at what frequency?

System/Data Security

49. How is access to your system controlled? Has your agency had a data breach? If so, when and what did you put in place to prevent a future data breach?
50. Please describe how you secure credit card data and a traveler's personal profile information.

Added Value

51. As stated in Section 1 this RFP excludes athletic travel, however, to accommodate future needs, should a specific institution request assistance with athletic travel:
 - A. Is the agency willing to assist with athletic travel needs?
 - B. Would the agency be willing to assign a dedicated agent or agents to assist with travel needs as well as provide 24/7 assistance?
 - C. If so, provide examples of current athletic and/or team travel services the agency is currently providing to academic institutions
 - D. If additional costs would be associated with this request please outline costs as a separate fee (not included in proposed management fee for business travel services). Additional costs should be listed for both off-site and on-site service configurations.
52. Is agency willing to assist with student and/or group travel upon request?
53. If additional costs would be associated with this request please outline costs as a separate fee (not included in proposed management fee for business travel). On-site services will not be needed for student/group travel.
54. Provide a list of any services not specified in this RFP that your company will provide to UT System.
55. Provide details regarding any special services/benefits offered or advantages in UT System selecting your company.