

2019 Supplier Diversity Program

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By: The University of Tennessee System Administration Office of Procurement Services

Please note that this document is intended to provide a helpful summary of the University's procurement policies and practices, and a general overview of the University's business structure. The information contained in the manual is not legal, accounting, or other professional advice. This document does not bind the University, it does not bind University staff, and it is not a contract or other legally binding document. In the event that this document conflicts with a University policy, University practice, or state or federal law, the policy, practice, or law will prevail.

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Welcome

The University of Tennessee values fair and open competition among its suppliers, as well as diversity within its supplier base. Under the state of Tennessee's laws and regulations, the state of Tennessee recognizes the following types of Diversity Business Enterprises (DBEs):

- Minority-Owned Business Enterprises (MBEs);
- Woman-Owned Business Enterprises (WBEs);
- Service-Disabled Veteran-Owned Business Enterprises (SDVBEs);
- Small Business Enterprises (SBEs);
- Businesses Owned by Persons with Disabilities, Disabled Business Enterprise (DSBEs).

The University maintains the DBE Program to encourage and promote the participation of DBEs in the University's procurement process, and to help DBEs understand how to conduct business with the University. Further, consistent with state and federal laws and regulations, the University seeks to optimize opportunities for business contracting by DBEs. *To be clear, the University does not have preferences for DBEs, nor does the University engage in set-asides (or mandates) that a certain percent of its purchases be conducted with DBEs.*

In this document, we:

- (a) explain the purpose of the Diversity Business Enterprises Program,
- (b) describe an overview of the University; and
- (c) summarize the various procurement processes of the University.

The University's four Procurement Departments are here to help you navigate the University's business processes. We intend for this document to make the University's procurement processes clearer. If you have any concerns with specific University departments (e.g. late payment), please contact the relevant Procurement Department.

We hope that you find this document helpful. If you have any questions, please contact Ms. Karen Binkley, Small Business Liaison, at 865-974-2765 or via email (preferred) at kbinkley@utk.edu.

Compliance with Tennessee Code Annotated 12-3-1112(c)

Tennessee State law requires that all state agencies select a designated staff member as the agency's "small business liaison representative...to coordinate the agency's efforts to utilize Tennessee small businesses and diversity business enterprises in their procurement and contracting opportunities." See Tennessee Code Annotated § 12-3-1112(c). The University of Tennessee's official designated staff member is Mr. Blake Reagan (email: breagan@utk.edu; phone: 865-974-3971).

The University has offices in all 95 counties in the state. You are welcome to contact Ms. Binkley, or Mr. Reagan. We acknowledge, however, that you might prefer to contact one of the University's Procurement Departments that is closest to your business.

Chattanooga:

Mr. Victor Howell, Assistant Director of Procurement and Contracts, UT Chattanooga
(email: Victor-Howell@utc.edu; phone: 423-425-4462)

Health Science Center:

Mr. Jonathan Lawshe, Director of Procurement Services, UT Health Science Center
(email: jlawshe@uthsc.edu; phone: 901-448-5500)

Martin:

Ms. Lori Donavant, Manager of Business Services, UT Martin
(email: ldonavant@utm.edu; phone: 731-881-7815)

Doing business with the University: 2 steps to get you started

1

Register as a bidder: Vendors who wish to conduct business with the University are required to register with ESM Solutions (ESM). Registration is free and takes only a few minutes.

To register in ESM, follow the instructions on University's bid registration webpage:
<https://procurement.tennessee.edu/bid-registration/>.

It is very important to keep your information current in ESM, particularly your email address. The University sends bid notices through ESM's system to the email address you enter in ESM.

2

Certify with the Tennessee Governor's Office of Diversity Business Enterprise: We encourage all eligible DBEs to seek certification with the State of Tennessee Governor's Office of Diversity Business (GoDBE): [Register for TN GoDBE Certification](#).

GoDBE certification is very important because we use GoDBE's database of certified diversity businesses when we search for potential suppliers. Certification offers additional benefits to suppliers. If your company qualifies as a DBE, please contact GoDBE to learn more and begin the certification process.

State of Tennessee guidelines

The State of Tennessee, not the University, sets the guidelines for determining whether a business qualifies as a DBE. You may view the state's DBE eligibility guidelines here: [TN GoDBE Eligibility Guidelines](#).

To be recognized as a diversity vendor by the University, a business must be certified by the State of Tennessee Governor's Office of Diversity Business Enterprise.

Businesses, both in state and out-of-state, which are certified by certain other agencies, may qualify for reciprocal certification with the State of Tennessee.

Business Practices Statement

Background:

Federal regulations specifically require institutions receiving grant and contract funds to have a small business program that will enable small business enterprises to be considered fairly as subcontractors and suppliers.

The University encourages DBE suppliers to follow the two simple steps outlined above, and the University encourages its various departments to identify and utilize DBE suppliers.

The University will take reasonable steps to create positive relationships with its DBE suppliers in order to help increase its supplier diversity. The University will also take steps to ensure that DBEs have an opportunity to compete fairly with other businesses.

Initiatives and outreach efforts

The University's efforts in support of the Supplier Diversity Program include:

- providing education and resources to potential suppliers through a monthly supplier orientation program;
- attending DBE fairs, trade shows, and seminars;
- reporting applicable data to the State of Tennessee's Governor's Office of Diversity Business Enterprise;
- informing/reporting to various levels of University leadership regarding the University's efforts under this Program;
- receiving visits from DBE representatives;
- encouraging DBEs to seek certification with the Tennessee Governor's Office of Diversity Business Enterprise;
- encouraging large corporations to provide data showing corporation spend with DBEs as a result of the University's transactions with those large corporations (second-tier DBE spend);
- advising DBE officials about University procurement procedures; and,
- monitoring applicable statutes and regulations to keep informed of all relevant developments.

UT Supplier Orientation

The University is pleased to offer monthly, online Supplier Orientation workshops. Periodically, we offer in-person sessions. Please visit our DBE webpage, procurement.tennessee.edu/dbe, to view workshop dates and register.

Ethics and transparency

The University's departments and procurement agents follow a strict code of ethics, derived from the University's Code of Conduct policy, Conflict of Interests policy, Employee Gift Acceptance Policy, and the National Association of Educational Procurement (NAEP) Code of Ethics.

Suppliers must not provide gifts of any kind (gifts, meals, gratuities, special discounts, etc.) to University staff involved in the procurement process. Suppliers must coordinate with the appropriate purchasing office before marketing to University departments. Supplier must comply with the University's policy on Vending and Solicitations on the University Campus.

When responding to an invitation to bid, suppliers must only communicate with the relevant University purchasing department.

Suppliers must be transparent in all interactions with the University. For example, suppliers must not attempt to obtain "insider information," or offer kickbacks or bribes to University departments.

Suppliers who do not have an existing contract or purchase order with the University are not allowed to visit, or otherwise solicit, University departments. See here for more details: Vending and Solicitations on the University Campus.

Supplier obligations

If the University issues a supplier a purchase order or contract, the University requires its suppliers to fulfill all contractual requirements and obligations. In addition, the University expects the following from all of its suppliers:

- **Communication:** The University expects responsive communication from its suppliers in an effort to maintain a strong business relationship.
- **Compliance:** All suppliers must comply with applicable laws and regulations, as well as comply with all contract or purchase order terms and conditions between the supplier and the University.
- **Competitive pricing:** The University seeks suppliers who continually offer ways to help the University lower its costs through product/service savings, assistance in standardization or utilization of items, or identifying operational or process improvement opportunities to drive efficiencies.
- **Customer service and reliability:** The University expects:
 - Clear and easy-to-understand return policies
 - Dependable products and services
 - Dependable delivery and warranty
 - Friendly and responsive representatives

- **Ethical Conduct:** The University expects its suppliers to be honest in transactions with the University, and to comply with all relevant laws.
- **Quality:** The University places high standards of performance for itself and the products and services we procure. We expect the same levels of performance from our suppliers in relation to quality of goods or services, responsiveness to requests, and service level standard commitment.

About the University

Through the combined force of its education, research and outreach, the University serves students, business and industry, schools, governments, organizations and citizens throughout the state. The University of Tennessee is an IRS 170(c) non-profit higher education institution, and the University is an instrumentality of the State of Tennessee. The University has offices in all 95 counties of the State of Tennessee. All of the University's departments, campuses, institutes, etc. share the same legal existence and the same U.S. Federal I.D. Number. The University is composed of:

a) Campuses:

- i. Chattanooga (UTC)
- ii. Health Science Center (UTHSC - based in Memphis, TN)
- iii. Knoxville (UTK)
- iv. Martin (UTM)

b) Institutes:

- i. Institute of Agriculture (UTIA)
 1. Ag Research
 2. College of Agricultural Sciences and Natural Resources¹
 3. College of Veterinary Medicine
 4. UT Extension
- ii. Institute for Public Service (IPS)
 1. Center for Industrial Services (CIS)
 2. County Technical Assistance Service (CTAS)
 3. Law Enforcement Innovation Center (LEIC)
 4. Municipal Technical Advisory Service (MTAS)
 5. Naifeh Center for Effective Leadership
 6. UT Tennessee Language Center (formerly known as the Tennessee Foreign Language Institute [TFLI])
- iii. Tennessee Space Institute (located in Tullahoma, TN)²

c) Administration: UT System Administration (UTSA)

Please note that The University of Tennessee is **NOT** part of the Tennessee Board of Regents or the State of Tennessee Central Procurement Office. The University of Tennessee is **NOT** the same entity as The University of Tennessee Medical Center, The University of Tennessee Federal Credit Union, the University of Tennessee Research Foundation, or the University of Tennessee Foundation.

Taxes

The University is exempt from most taxes in the State of Tennessee, and is exempt from certain taxes in other states (CO, FL, ID, IL, IN, KA, KY, ME, MI, MN, MO, MS, NJ, NM, ND, OH, RI, TX, WV). See the University's Controller's Office website, <https://controller.tennessee.edu/tax/other-states/>, for more details.

¹The College of Agricultural Sciences and Natural Resources is administratively part of the UT Knoxville campus and the Institute of Agriculture.

²The UT Tennessee Space Institute is administratively part of the UT Knoxville campus.

The University's purchasing offices

The University has four purchasing offices, listed below.

- Chattanooga Campus (UTC): <https://www.utc.edu/procurement-contract-services/>
- Health Science Center Campus (UTHSC): <https://www.uthsc.edu/finance/procurement/index.php>
- Knoxville Campus and Knoxville area: <https://procurement.tennessee.edu/>. This offices serves as the procurement office for the following University entities:
 - Institute of Agriculture (UTIA)
 - Institute for Public Service (IPS)
 - Knoxville Campus (UTK)
 - Knoxville Campus (UTK)
 - University System Administration (UTSA)
- Martin Campus (UTM): <http://www.utm.edu/departments/purchasing/>

University's regular business hours

The University's purchasing offices' regular business hours are 8:00 AM – 5:00 PM, Monday – Friday, local time.

- The Chattanooga and Knoxville purchasing offices are on Eastern Time.
- The Martin and UTHSC (Memphis) purchasing offices are on Central Time.

If you have questions or would like to schedule a meeting with us, please email the appropriate purchasing office to schedule an appointment.

We recognize that DBEs might not be able to meet during regular business hours, and to maximize communication with DBEs, representatives from the University's various purchasing offices will be happy to schedule a time to meet with you outside of regular business hours, if needed.

Note that each campus regulates parking, and we encourage you to work with the relevant purchasing office regarding where and how to park on the campus you want to visit.

Making an appointment with the relevant University purchasing office is a critical first step to building a business relationship with the University.

Observed holidays and administrative closings

The University observes certain holidays and administrative closings throughout the year. A list is available here: <https://hr.tennessee.edu/benefits/holiday-schedule/>.

Viewing bid opportunities for The University of Tennessee

ESM Solutions

Most University bid opportunities are posted electronically in ESM Solutions. To view bids:

- Go to <https://procurement.tennessee.edu/>.
- Expand the “info for Bidders/Suppliers” section in the left pane.
- Click on “Electronic Bidding Opportunities.”

Bid and proposal advertisements

The Office of Capital Projects occasionally posts bid and proposal advertisements on the Procurement Services website. To view advertisements:

- Go to <https://procurement.tennessee.edu/>.
- Expand the “info for Bidders/Suppliers” section in the left pane.
- Click on “Bid & Proposal Advertisements.”

Supply chain needs

The University often buys goods and services in the following categories:

- Audio-visual equipment
- Carpet (including installation)
- Computer and information technology equipment
- Contractors for construction
- Demolition
- Electrical
- Electronics
- Food
- Fuel
- Furniture
- Group travel
- Hotel services
- Janitorial supplies
- Lighting
- Maintenance
- Office supplies
- Paper
- Paint and painters
- Professional services (e.g. consulting, photography, etc.)
- Property leasing
- Scientific equipment
- Software
- Subscriptions (library)
- Supplies (e.g. construction)
- Uniforms

Important notes

1. Any contractor who affixes something to a building must have an active Tennessee contractors’ license and sufficient liability insurance.
2. Any supplier who performs services on the University’s property must have sufficient liability insurance.
3. Any supplier who performs services related to hazardous materials must indemnify the University, and must have sufficient liability insurance.

Contracts and purchase orders

The University's purchasing offices have authority to bind the University by issuing purchase orders. Regarding contracts, only authorized officials can sign contracts on behalf of the University. All contracts of any value (even no-cost contracts) are valid only if a University authorized official signs the contract. A list of the University's authorized officials is here:

<https://procurement.tennessee.edu/contracts/>. If someone is not on that list, the person cannot sign on behalf of the University.

Scams and fraudulent purchase orders

Unfortunately, scammers target businesses across the U.S. claiming to place orders on behalf of The University of Tennessee. Please take precautions so that you do not become a victim of these scams. Visit the [scams/fraudulent purchase orders](https://procurement.tennessee.edu/scams-fraudulent-purchase-orders/) page of our website for the most current information, <https://procurement.tennessee.edu/scams-fraudulent-purchase-orders/>.

Procurement processes

The University uses various procurement methods to procure goods or services, or both. The University typically selects the procurement method based on the dollar value of the goods or services that the University seeks to procure. Below is an overview of the University's procurement methods:

- Small Purchase
 - \$0.01 to \$9,999.99*
 - Individual departments identify potential suppliers
 - Departments pay supplier via procurement card or invoice
- Informal Bid³:
 - \$10,000.00 to \$49,999.99*
 - Departments or the Offices of Procurement Services identify potential suppliers
 - The University solicits a minimum of three bid responses
 - Most informal bids are published through the University's e-procurement software
 - Suppliers must register in ESM Solutions to respond to informal bids published
- Formal Bid:
 - \$50,000.00 or more*
 - Office of Procurement Services identifies potential suppliers
 - The University solicits the lesser of 15 vendors or the number of vendors registered for the applicable commodity code in UT's e-procurement system
 - Formal bids are published through the University's e-procurement software
 - Suppliers must register in ESM Solutions to respond to informal bids.
 - The University may offer a formal bid for goods or services of any dollar value.
 - Types of formal bids
 - Request for Quotation (RFQ): The University usually awards RFQs based on low-bid. If specified in the bid, the University may consider delivery and warranty.
 - Request for Proposal (RFP): The University awards RFPs based on a both a sealed technical response and a sealed cost response.
 - Request for Qualified Supplier (RFQ-S): The University typically uses an RFQ-S to pre-qualify suppliers for an RFP. An RFQ-S can occasionally result in awards to a pool of qualified suppliers.
 - Request for Information: The University uses an RFI to collect written information about available products or services. An RFP or RFQ typically follows an RFI.

*All dollar thresholds are per supplier, per calendar year. The University requires a purchase order or contract for any transaction valued at \$10,000.00 or more in a fiscal year.

Sole-Source/Non-Competitive Selection: In limited circumstances, departments may transact with suppliers via sole-source selection (also known as "non-competitive" selection).

³The University cannot procure the following through informal bids: construction services (or any service that requires the contractor to have a valid Tennessee contractor's license), or motor vehicles when law requires the driver to have insurance.

Capital Projects

The University of Tennessee (UT) Office of Capital Projects (OCP), located at 5723 Middlebrook Pike, Suite 204 Knoxville, TN under the direction of the Executive Director (phone number (865)-974-2628), initiates all UT capital project requests that require approval by the State of Tennessee, including the State Building Commission (SBC). Through the University's annual Capital Budget process, campuses submit their capital project requests to the OCP. The OCP reviews and recommends prioritization of the capital project requests for the approval of the UT System President and the UT Board of Trustees, and submits them to the Tennessee Higher Education Commission and the State of Tennessee for approval by the General Assembly. The projects then move to the SBC for approval. Approved projects are assigned a specific SBC project number for identification and tracking through completion of the project.

After SBC approval, the OCP through its Division of Facilities Planning (UTFP) oversees the design and construction of all state approved projects. In some instances, the project can be delegated to each campus's Facilities Services/Management office. The process begins when the SBC approves the project and the process to select a designer which is awarded by the SBC at a subsequent meeting. The designer, under the direction of UTFP and Campus representation, prepares all documentation needed in order to procure construction services and acts as the owner's representative during construction. All duties and responsibilities for this service are outlined in the University's Designer's Manual and can be viewed on the UTFP website at <http://facilitiesplanning.tennessee.edu/>.

The State of Tennessee has four approved methods of construction delivery, Design/Bid/Build, Best Value, Construction Management, and Design/Build. Each of these options are described on the SBC website: [Office of the State Architect Delivery Methods](#). The University typically uses the Design/Bid/Build to procure construction services. This method utilizes an open competitive bidding phase after the design process is complete, and the project is awarded to the qualified bidder providing the lowest price.

When a project bids, an advertisement is released in the local newspaper, posted on the UTFP website by campus (<http://facilitiesplanning.tennessee.edu/campuses.html>), and sent to plan rooms as designated by UTFP (plan rooms vary by each campus). All information regarding the bid time, bid package deposit, and project information are in the advertisement and postings.

All interested bidders should contact the designer to pick up an official bid package and become listed as a Bidder of Record. Each bidder should be familiar with licensing and qualifications as outlined in the Project Contract Documents (Specification Section 00 21 13 Instruction to Bidders found [here](#)). The Instruction to Bidders also outlines items needed in the bid and explicit instructions on submitting the bid.

All suppliers and sub-contractors wishing to participate should submit their proposals to the Bidders of Record (General Contractors) which the Designer releases upon request. The Bidders of Record determine which supplier and sub-contractor proposals are the most advantageous for use by them in submitting their bids.

After the bid opening, the Designer in consultation with UTFP recommends the award to the lowest priced qualified bidder. Any resulting Agreement issued is based upon the General Conditions of the Contract for Construction AIA Document A201 – 2007 that is included in Contract Documents and can be reviewed at <http://facilitiesplanning.tennessee.edu/DManual/A201-2007%20-%20Final%202017.pdf>.

Specific instructions on the Agreement and any additional documentation required are directed by the designer. Once all documents are received and the Agreement is signed by the awarded contractor and the owner (UT), the documents are submitted to the Office of the State Architect for final signatures. When the Agreement is fully signed, a Notice to Proceed is issued by the Designer and construction can commence.