



UT System RFP - Fair Value Measurement of Certain Investments **UPDATED 02/12/2016*

Open Date: 02/22/16 02:00 PM

Agency Requisition Number: CON02222016

NOTE: You will need to download all of the following files for complete specifications and other required document, including a HUB subcontracting plan(if required).

Help: Right Click to and choose "save file as" or "save target as" to your computer.

-**Package 1** size: 114835 (in bytes) Type: Specification Format: Word for Windows 97

-**Package 2** size: 99691 (in bytes) Type: Specification Format: Word for Windows 97

-**Package 3** size: 1796030 (in bytes) Type: Addendum Format: Word for Windows 97

-**Package 4** size: 471251 (in bytes) Type: Addendum Format: Acrobat PDF Files

-**Package 5** size: 40150 (in bytes) Type: Additional Specification(s) Format: Word for Windows 97

UPDATE 02/12/2016 - add FINAL Q&A document(package 5) **UPDATE #1 01/29/2016 - Replace original Appendix 2 with updated version (package 2)** **UPDATE #2 01/29/2016 - add Q&A document(package 5)**
UPDATE 01/22/2016 - add RFP - CON02222016 - Q&A document(package 5) **UPDATE 01/20/2016 - add LISTING OF INVESTMENTS (package 4)** The University of Texas System is soliciting proposals in response to this Request for Proposal for Selection of a Vendor to Provide a fair value measurement of certain investments for the fiscal years ending August 31, 2015 and August 31, 2016, RFP No.CON02222016 (this "RFP"), from qualified vendors. The valuation services (the "Services") related to certain investments are more specifically described in Section 5.4 (Scope of Work) of this RFP.

Agency: UNIVERSITY OF TEXAS SYSTEM (720)

Open Date: 02/22/16 02:00 PM

Agency Requisition Number: CON02222016

Previous Price Paid: N/A

Solicitation type: 14 Days or more for entire solicitation package

NIGP Commodity Code(s):

Class-Item: 946 - 49

Class-Item: 946 - 56

Class-Item: 946 - 66

Class-Item: 946 - 77

Contact Information:

Contact Name: Jamie Frey

Email: jfrey@utsystem.edu

Upload Date: 2016-01-06 09:51:45.367 Updated date: 2016-02-12 14:42:02.3

REQUEST FOR PROPOSAL

by

The University of Texas System

for

Selection of a Vendor to Provide

Fair Value Measurement of Certain Investments

for the

Fiscal Years Ending August 31, 2015 and 2016

RFP No. CON02222016

**Submittal Deadline: 2:00 p.m. Central Prevailing Time
February 22, 2016**

Issued: January 6, 2016

REQUEST FOR PROPOSAL

TABLE OF CONTENTS

SECTION 1: <u>INTRODUCTION</u>	1
SECTION 2: <u>NOTICE TO PROPOSER</u>	3
SECTION 3: <u>SUBMISSION OF PROPOSAL</u>	7
SECTION 4: <u>GENERAL TERMS AND CONDITIONS</u>	9
SECTION 5: <u>SPECIFICATIONS AND ADDITIONAL QUESTIONS</u>	10
SECTION 6: <u>PRICING AND DELIVERY SCHEDULE</u>	13

Attachments:

APPENDIX ONE: PROPOSAL REQUIREMENTS

APPENDIX TWO: AGREEMENT (posted separately)

APPENDIX THREE: HUB SUBCONTRACTING PLAN (posted separately)

SECTION 1

INTRODUCTION

1.1 Description of UTS

The University of Texas System (“**UTS**”) is one of the nation’s largest higher education systems with 14 campuses – including eight academic and six health institutions – and an annual operating budget of over \$15.6 billion (FY 2015). Student enrollment exceeded 212,000 in fall 2013. The System’s eight general academic campuses educate one-third of Texas’ public university students and its six health-related campuses educate two-thirds of the health professional students attending Texas public health related institution of higher education. The 14 campuses and the UT System Administration offices together employ over 90,000 faculty and staff, making the UT System one of the largest employers in the state.

The Board of Regents consists of nine regents who are appointed by the Governor of the State of Texas and confirmed by the Texas State Senate to staggered six-year terms. UTS offices are located in Austin, Texas.

1.2 Background and Special Circumstances

The University of Texas System annually prepares consolidated financial statements which comprise the consolidated statements of net position, the statements of revenues, expenses, and changes in net position and of cash flows, including related notes to the financial statements. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

On March 2, 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* which provides guidance on accounting and financial reporting issues related to fair value measurements, which primarily applies to investments made by state and local governments. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015, with earlier application encouraged.

1.3 Objective of this Request for Proposal

The University of Texas System is soliciting proposals in response to this Request for Proposal for Selection of a Vendor to Provide a fair value measurement of certain investments for the fiscal years ending August 31, 2015 and August 31, 2016, RFP No.CON02222016 (this “**RFP**”), from qualified vendors. The valuation services (the “**Services**”) related to certain investments are more specifically described in Section 5.4 (Scope of Work) of this RFP.

1.4 Group Purchase Authority

Texas law authorizes institutions of higher education (defined by Section 61.003, Education Code) to use the group purchasing procurement method (ref. Sections 51.9335, 73.115, and 74.008, Education Code). Additional Texas institutions of higher

education may therefore elect to enter into a contract with the successful Proposer under this RFP. In particular, Proposer should note that UTS is part of The University of Texas System ("UT System"), which is comprised of nine academic and six health universities described at <http://www.utsystem.edu/institutions>. UT System institutions routinely evaluate whether a contract resulting from a procurement conducted by one of the institutions might be suitable for use by another, and if so, this could give rise to additional purchase volumes. As a result, in submitting its proposal in response to this RFP, Proposer should consider proposing pricing and other commercial terms that take into account such higher volumes and other expanded opportunities that could result from the eventual inclusion of other institutions in the purchase contemplated by this RFP.

SECTION 2**NOTICE TO PROPOSER****2.1 Submittal Deadline**

UTS will accept proposals submitted in response to this RFP until **2:00 p.m.**, Central Prevailing Time on Monday, February 22, 2016 (the “**Submittal Deadline**”).

2.2 UTS Contact Person

Proposers will direct all questions or concerns regarding this RFP to the following UTS contact (“**UTS Contact**”):

Jamie Frey
Office of the Controller
jfrey@utsystem.edu
Subject line of email: RFP CON02222016

UTS specifically instructs all interested parties to restrict all contact and questions regarding this RFP to written communications forwarded to UTS Contact. UTS Contact must receive all questions or concerns no later than January 29, 2016. UTS will have a reasonable amount of time to respond to questions or concerns. It is UTS’ intent to respond to all appropriate questions and concerns; however, UTS reserves the right to decline to respond to any question or concern.

2.3 Criteria for Selection

The successful Proposer, if any, selected by UTS 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 the most advantageous to UTS. The successful Proposer is referred to as the “**Contractor**.”

Proposer is encouraged to propose terms and conditions offering the maximum benefit to UTS in terms of (1) services to UTS, (2) total overall cost to UTS, and (3) project management expertise. Proposers should describe all educational, state and local government discounts, as well as any other applicable discounts that may be available to UTS in a contract for the Services.

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

The criteria to be considered by UTS in evaluating proposals and selecting Contractor, will be those factors listed below:

2.3.1 Threshold Criteria Not Scored

2.3.1.1 Ability of UTS to comply with laws regarding Historically Underutilized Businesses; and

2.3.1.2 Ability of UTS to comply with laws regarding purchases from persons with disabilities.

2.3.2 Scored Criteria

- 2.3.2.1 the cost of goods and services;
- 2.3.2.2 the reputation of the Proposer and of the Proposer's goods or services;
- 2.3.2.3 the quality of the Proposer's goods or services;
- 2.3.2.4 the extent to which the goods or services meet the UTS' needs;
- 2.3.2.5 the Proposer's past relationship with the UTS;
- 2.3.2.6 the total long-term cost to the UTS of acquiring the Proposer's goods or services and
- 2.3.2.7 the Proposer's exceptions to the terms and conditions set forth in **Section 4** of this RFP.

2.4 Key Events Schedule

Issuance of RFP	January 6, 2016
Pre-Proposal Teleconference (ref. Section 2.6 of this RFP)	January 19, 2016 2:00 PM CST
Deadline for Questions/Concerns (ref. Section 2.2 of this RFP)	January 29, 2016
UTS Responses to Questions	February 12, 2016
Submittal Deadline (ref. Section 2.1 of this RFP)	2:00 PM CST February 22, 2016

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, Contractor subcontracts any of the Services, then Contractor must make a good faith effort to utilize HUBs certified by the Procurement and Support Services Division of the Texas Comptroller of Public Accounts. 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 UTS 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 UTS, 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 the Proposer is subject to review by UTS to ensure compliance with the HUB program.
- 2.5.2 UTS has reviewed this RFP in accordance with Title 34, *Texas Administrative Code*, Section 20.14, and has determined that subcontracting opportunities are not 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 UTS’ Policy on Utilization of Historically Underutilized Businesses attached as **APPENDIX THREE** and incorporated for all purposes.

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

Questions regarding the HSP may be directed to:

*Contact: Amy Nemetz
Office of HUB Development
Phone: 512-499-4485
Email: anemetz@utsystem.edu*

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

- 2.5.4 Proposer must submit three (3) originals of the HSP to UTS at the same time it submits its proposal to UTS (ref. **Section 3.2** of this RFP.) The three (3) originals of the HSP must be submitted under separate cover and in a separate envelope (the “HSP Envelope”). Proposer must ensure that the top outside surface of its HSP Envelope clearly shows and makes visible:

2.5.4.1 the RFP No. (ref. **Section 1.3** of this RFP) and the Submittal Deadline (ref. **Section 2.1** of this RFP), both located in the lower left hand corner of the top surface of the envelope,

2.5.4.2 the name and the return address of the Proposer, and

2.5.4.3 the phrase “HUB Subcontracting Plan”.

Any proposal submitted in response to this RFP that is not accompanied by a separate HSP Envelope meeting the above requirements will be rejected by UTS and returned to the Proposer unopened as that proposal will be considered non-responsive due to material failure to comply with advertised specifications. Furthermore, UTS will open a Proposer’s HSP Envelope prior to opening the proposal submitted by the Proposer, in order to ensure that the Proposer has submitted the number of completed and signed originals of the Proposer’s HSP that are required by this RFP. A Proposer’s failure to submit the number of completed and signed originals of the HSP that are required by this RFP will result in UTS’ rejection of the proposal submitted by that Proposer as non-responsive due to material failure to comply with advertised specifications; such a proposal will be returned to the Proposer unopened (ref. **Section 1.5** of

APPENDIX ONE to this RFP). **Note:** The requirement that Proposer provide three originals of the HSP under this **Section 2.5.4** is separate from and does not affect Proposer's obligation to provide UTS with the number of copies of its proposal as specified in **Section 3.1** of this RFP

2.6 Pre-Proposal Conference

UTS will hold a pre-proposal teleconference at 2:00 PM, Central Prevailing Time on Tuesday, January 19, 2016. The pre-proposal conference will allow all Proposers an opportunity to ask UTS' representatives relevant questions and clarify provisions of this RFP.

Audio conference access: 800-307-6441
Guest PIN: 223588

SECTION 3

SUBMISSION OF PROPOSAL

3.1 Number of Copies

Proposer must submit a total of three (3) complete and identical copies of its *entire* proposal along with 2 USB drives containing electronic copies of the proposal. An *original* signature by an authorized officer of Proposer must appear on the Execution of Offer (ref. **Section 2** of **APPENDIX ONE**) of at least one (1) copy of the submitted proposal. The copy of the Proposer's proposal bearing an original signature should contain the mark "original" on the front cover of the proposal.

3.2 Submission

Proposals must be received by UTS on or before the Submittal Deadline (ref. **Section 2.1** of this RFP) and should be delivered to:

Jennifer Murphy
 Director of Accounting & Purchasing
 The University of Texas System Administration
 210 West 6th Street
 Room B.140E
 Austin, Texas 78701

3.3 Proposal Validity Period

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

3.4 Terms and Conditions

3.4.1 Proposer must comply with the requirements and specifications contained in this RFP, the 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 and Additional Questions (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 services will prevail, or if such conflict does not involve quality or quantity, then interpretation will be in the following order of precedence:

- 3.4.1.1. Specifications and Additional Questions (ref. **Section 5** of this RFP);
- 3.4.1.2. Terms and Conditions (ref. **Section 4** of this RFP);
- 3.4.1.3. Proposal Requirements (ref. **APPENDIX ONE**);
- 3.4.1.4. Notice to Proposers (ref. **Section 2** of this RFP).

3.5 Submittal Checklist

Proposer is instructed to complete, sign, and return the following documents as a part of its proposal. If Proposer fails to return each of the following items with its proposal, then UTS may reject the proposal:

- 3.5.1 Signed and Completed Execution of Offer (ref. **Section 2** of **APPENDIX ONE**)
- 3.5.2 Signed and Completed Pricing and Delivery Schedule (ref. **Section 6** of this RFP)
- 3.5.3 Responses to Proposer's General Questionnaire (ref. **Section 3** of **APPENDIX ONE**)
- 3.5.4 Signed and Completed Addenda Checklist (ref. Section 4 of **APPENDIX ONE**)
- 3.5.5 Responses to questions and requests for information in the Specifications and Additional Questions Section (ref. **Section 5** of this RFP)
- 3.5.6 Signed and completed originals of the HUB Subcontracting Plan or other applicable documents (ref. **Section 2.5** of this RFP and **APPENDIX THREE**).

SECTION 4**GENERAL TERMS AND CONDITIONS****4.1 General**

The terms and conditions contained in **APPENDIX TWO – AGREEMENT** or, in the sole discretion of UTS, terms and conditions substantially similar to these terms and conditions, will be included in any contract or agreement that results from this RFP (ref. **APPENDIX TWO - AGREEMENT**). If Proposer takes exception to any terms or conditions set forth in **APPENDIX TWO - AGREEMENT**, Proposer will submit a redlined version of the APPENDIX TWO-AGREEMENT as part of its proposal in accordance with **Section 5.3.1** of this RFP. A Microsoft Word version of APPENDIX TWO - AGREEMENT is posted along with the RFP. Proposer's exceptions will be reviewed by UTS 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, then UTS may consider Proposer's exceptions when UTS evaluates the Proposer's proposal.

SECTION 5

SPECIFICATIONS AND ADDITIONAL QUESTIONS

5.1 General

The minimum requirements and 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. As indicated in **Section 2.3** of this RFP, the successful Proposer is referred to as the “**Contractor.**”

5.2 Minimum Requirements

Each Proposal must include information that clearly indicates that Proposer meets each of the following minimum qualification requirements:

- 5.2.1 Demonstrates experience in valuation services for non-publicly traded, privately held, investments.
- 5.2.2 Demonstrates an understanding of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, and requirements related to compliance with GASB 72.

5.3 Additional Questions Specific to this RFP

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

- 5.3.1 If Proposer takes exception to any terms or conditions set forth in **Section 4 (APPENDIX TWO - AGREEMENT)** of this RFP, Proposer will submit a redlined version of the AGREEMENT noting those exceptions.

5.4 Scope of Work

Successful Respondent will provide the following valuation services to UTS:

- 5.4.1 The valuation services will be performed in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The valuation services will be limited to certain non-publically traded, privately held, investments. These investments include assets held in the name of the University of Texas (UT) Board of Regents (“the Board”) on behalf of a named UT institution which often resulted from agreements with business entities relating to rights in intellectual property owned by the Board. These assets are commonly referred to as “Tech Stocks” and they include equity interest in various entities in the form of common stock; preferred stock, which may be convertible; rights and warrants; interest in limited partnerships or corporations; or convertible debt securities. UT System Administration or any UT System institution may receive an equity interest in a business entity
 - as partial or total compensation for the intellectual property rights conveyed to such business entity or

- as consideration for the institution's role as a founder, or for other contributions made to the business entity other than as a licensor.

In some circumstances UT System or any UT System institution may also purchase Tech Stock investments.

In addition to the Tech Stock investments, valuation services are also needed for a limited number of privately held investments in UT *Horizon Fund*, the strategic venture fund of UT System.

Per GASB Statement No. 72:

“This Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities. The cost approach reflects the amount that would be required to replace the present service capacity of an asset. The income approach converts future amounts (such as cash flows or income and expenses) to a single current (discounted) amount. Valuation techniques should be applied consistently, though a change may be appropriate in certain circumstances. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.”

- 5.4.2 The number of Tech Stock investments can vary from month to month as the institutions are continually entering into new intellectual property agreements, but as of now, approximately 125 Tech Stock investments (issued by approximately 116 different companies) need valuation. Approximately 23 *Horizon Fund* investments (issued by approximately 15 different companies) need valuation. In addition, the number of overlap of issuing companies that have investments held in both Tech Stocks and in the *Horizon Fund* is approximately 12.
- 5.4.3 The University of Texas Investment Management Company, UTIMCO, retains the actual stock certificates, or other investment instruments, in a secure location in their offices at 401 Congress Ave # 2800, Austin, TX.
- 5.4.4 There is no central repository of other supporting documentation for investments in the Tech Stocks. Rather, the individual Offices of Technology Commercialization at the following eleven UT institutions retain information for their agreements and investment holdings:
- UT Arlington
 - UT Austin
 - UT Dallas
 - UT El Paso
 - UT Rio Grande Valley
 - UT San Antonio
 - UT Southwestern Medical Center, Dallas
 - UT Health Science Center, Houston
 - UT Health Science Center, San Antonio
 - UT M. D. Anderson Cancer Center
 - UT Health Science Center, Tyler

UT System Administration's Office of Technology Commercialization retains documentation for investments in the *Horizon Fund*.

The respondent will be responsible for working directly with key contacts at the various UT institutions and UT System.

- 5.4.5 The privately held investments should be valued as of August 31, 2015 to allow for a restatement of the beginning balances for the fiscal year 2016 UT System Audited Annual Financial Report. The restated values should be provided to the Office of the Controller at UT System Administration by June 30, 2016.

The 2016 fiscal year ending valuations should be provided by September 15, 2016. The time period for which the ending valuations will cover will be set by determining the amount of time the respondent will need in order to complete the field work and remit the values by September 15, 2016. All values included in the Annual Financial Report are subject to audit scrutiny.

- 5.4.6 The deliverables at June 30th and September 15th should include (1) a list of the investments with the determined fair values for each holding, subtotaed by UT institution, (2) a brief summary of the inputs and mythology used to value each holding, and (3) the information needed to complete the footnote disclosures required by GASB Statement No. 72.
- 5.4.7 Subsequent to the remittance of the deliverables, the respondent will need to be available to respond to questions from UT System's financial auditors about the determined fair values and provide supporting documentation to the auditors upon request. Since there are strict statutory deadlines in which the audit must be completed, responses to the auditor's questions should be met within three business days.

SECTION 6

PRICING AND DELIVERY SCHEDULE

Proposal of: _____
(Proposer Company Name)

To: The University of Texas System

Ref.: _____ Services related to the _____

RFP No.: CON02222016

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 terms quoted below.

6.1 Pricing for Services Offered

6.2 Delivery Schedule of Events and Time Periods

6.3 UTS' Payment Terms

UTS' standard payment terms for services are "Net 30 days." Proposer agrees that UTS will be entitled to withhold _____ percent (_____%) of the total payment due under the Agreement until after UTS' acceptance of the final work product. Indicate below the prompt payment discount that Proposer will provide to UTS:

Prompt Payment Discount: _____% _____days/net 30 days

Respectfully submitted,

Proposer: _____

By: _____
(Authorized Signature for Proposer)

Name: _____

Title: _____

Date: _____

**APPENDIX ONE
PROPOSAL REQUIREMENTS**

TABLE OF CONTENTS

SECTION 1: GENERAL INFORMATION..... 1

SECTION 2: EXECUTION OF OFFER..... 5

SECTION 3: PROPOSER'S GENERAL QUESTIONNAIRE..... 8

SECTION 4: ADDENDA CHECKLIST 10

APPENDIX ONE

SECTION 1

GENERAL INFORMATION & PROPOSAL REQUIREMENTS**1.1 Purpose**

UTS is soliciting competitive sealed proposals from Proposers having suitable qualifications and experience providing 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 UTS.

By submitting a proposal, Proposer certifies that it understands this RFP and has full knowledge of the scope, nature, quality, and quantity of the services to be performed, the detailed requirements of the services to be provided, and the conditions under which such 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 the 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

UTS may in its sole discretion respond in writing to written inquiries concerning this RFP and mail its response as an Addendum to all parties recorded by UTS as having received a copy of this RFP. Only UTS' responses that are made by formal written Addenda will be binding on UTS. Any verbal responses, written interpretations or clarifications other than Addenda to this RFP will be without legal effect. All Addenda issued by UTS 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 as specified in this Section. The Proposer must acknowledge all Addenda by completing, signing and returning the Addenda Checklist (ref. **Section 4 of APPENDIX ONE**). The Addenda Checklist must be received by UTS prior to the Submittal Deadline and should accompany the Proposer's proposal.

Any interested party that receives this RFP by means other than directly from UTS is responsible for notifying UTS that it has received an RFP package, and should provide its name, address, telephone number and FAX number to UTS, so that if UTS issues Addenda to this RFP or provides written answers to questions, that information can be provided to such party.

1.3 Public Information

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

UTS 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, UTS 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

Contractor, if any, will be required to enter into a contract with UTS in a form that (i) includes terms and conditions substantially similar to the terms and conditions set forth in **Section 4** of this RFP, and (ii) is otherwise acceptable to UTS in all respects (the "**Agreement**"). A draft Agreement is included as **APPENDIX TWO**.

1.5 Proposal Evaluation Process

UTS will select Contractor by using the competitive sealed proposal process described in this Section. UTS will open the HSP Envelope submitted by a Proposer prior to opening the Proposer's proposal in order to ensure that the Proposer has submitted the number of completed and signed originals of the Proposer's HUB Subcontracting Plan (also called the HSP) that are required by this RFP (ref. **Section 2.5.4** of the RFP.) All proposals submitted by the Submittal Deadline accompanied by the number of completed and signed originals of the HSP that are required by this RFP will be opened publicly to identify the name of each Proposer submitting a proposal. Any proposals that are not submitted by the Submittal Date or that are not accompanied by the number of completed and signed originals of the HSP that are required by this RFP will be rejected by UTS 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, UTS may invite one or more selected Proposers to participate in oral presentations. UTS will use commercially reasonable efforts to avoid public disclosure of the contents of a proposal prior to selection of Contractor.

UTS may make the selection of Contractor on the basis of the proposals initially submitted, without discussion, clarification or modification. In the alternative, UTS may make the selection of Contractor on the basis of negotiation with any of the Proposers. In conducting such negotiations, UTS will use commercially reasonable efforts to avoid disclosing the contents of competing proposals.

At UTS' sole option and discretion, UTS may discuss and negotiate all elements of the proposals submitted by selected Proposers within a specified competitive range. For purposes of negotiation, UTS 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, UTS will defer further action on proposals not included within the competitive range pending the selection of Contractor; provided, however, UTS reserves the right to include additional proposals in the competitive range if deemed to be in the best interests of UTS.

After submission of a proposal but before final selection of Contractor is made, UTS may permit a Proposer to revise its proposal in order to obtain the 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. UTS will provide each Proposer within the competitive range with an equal opportunity for discussion and revision of its proposal. UTS is not obligated to select the Proposer offering the most attractive economic terms if that Proposer is not the most advantageous to UTS overall, as determined by UTS.

UTS 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 UTS. Proposer is hereby notified that UTS will maintain in its files concerning this RFP a written record of the basis upon which a selection, if any, is made by UTS.

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 and Additional Questions (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 UTS 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 UTS has made no representation written or oral that one or more agreements with UTS will be awarded under this RFP; (2) UTS issues this RFP predicated on UTS' anticipated requirements for the Services, and UTS has made no representation, written or oral, that any particular scope of services will actually be required by UTS; 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 UTS.
- 1.8.3 UTS will not provide compensation to Proposer for any expenses incurred by the Proposer for proposal preparation or for demonstrations or oral presentations that may be made by Proposer. 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 UTS, at UTS' 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 UTS makes no warranty or guarantee that an award will be made as a result of this RFP. UTS 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 or the Agreement when deemed to be in UTS' best interest. UTS 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 UTS, at UTS' 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 UTS, in UTS' sole discretion.

1.9 Preparation and Submittal Instructions

1.9.1 Specifications and Additional Questions

Proposals must include responses to the questions in Specifications and Additional Questions (ref. **Section 5** of this RFP). Proposer should reference the item number and repeat the question in its response. In cases where a question does not apply or if unable to respond, Proposer should refer to the item number, repeat the question, and indicate N/A (Not Applicable) or N/R (No Response), as appropriate. Proposer should explain the reason when responding N/A or N/R.

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 the Proposer to its proposal. Any proposal received without a completed and signed Execution of Offer may be rejected by UTS, in its sole discretion.

1.9.3 Pricing and Delivery Schedule

Proposer must complete and return the Pricing and Delivery Schedule (ref. **Section 6** of this RFP), as part of its proposal. In the Pricing and Delivery Schedule, the Proposer should describe in detail (a) the total fees for the entire scope of the Services; and (b) the method by which the fees are calculated. The fees must be inclusive of all associated costs for delivery, labor, insurance, taxes, overhead, and profit.

UTS will not recognize or accept any charges or fees to perform the Services that are not specifically stated in the Pricing and Delivery Schedule.

In the Pricing and Delivery Schedule, Proposer should describe each significant phase in the process of providing the Services to UTS, and the time period within which Proposer proposes to be able to complete each such phase.

1.9.4 Proposer's General Questionnaire

Proposals must include responses to the questions in Proposer's General Questionnaire (ref. **Section 3** of **APPENDIX ONE**). Proposer should reference the item number and repeat the question in its response. In cases where a question does not apply or if unable to respond, Proposer should refer to the item number, repeat the question, and indicate N/A (Not Applicable) or N/R (No Response), as appropriate. Proposer should explain the reason when responding N/A or N/R.

1.9.5 Addenda Checklist

Proposer should acknowledge all Addenda to this RFP (if any) by completing, signing and returning the Addenda Checklist (ref. **Section 4** of **APPENDIX ONE**) as part of its proposal. Any proposal received without a completed and signed Addenda Checklist may be rejected by UTS, in its sole discretion.

1.9.6 Submission

Proposer should submit all proposal materials enclosed in a sealed envelope, box, or container. The RFP No. (ref. **Section 1.3** of this RFP) and the Submittal Deadline (ref. **Section 2.1** of this RFP) should be clearly shown in the lower left-hand corner on the top surface of the container. In addition, the name and the return address of the Proposer should be clearly visible.

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

Upon Proposer's request and at Proposer's expense, UTS will return to a Proposer its proposal received after the Submittal Deadline if the proposal is properly identified. UTS will not under any circumstances consider a proposal that is received after the Submittal Deadline or which is not accompanied by the number of completed and signed originals of the HSP that are required by this RFP.

UTS will not accept proposals submitted by telephone, proposals submitted by Facsimile ("FAX") transmission, or proposals submitted by electronic transmission (i.e., e-mail) 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 UTS. 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 UTS' consent, which will be based on Proposer's submittal of a written explanation and documentation evidencing a reason acceptable to UTS, in UTS' 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 UTS 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 UTS as specified herein and that such intent is not contingent upon UTS' acceptance or execution of any terms, conditions, or other documents attached to or referenced in Proposer's proposal.

1.9.7 Page Size, Binders, and Dividers

Proposals must be typed on letter-size (8-1/2" x 11") paper, and must be submitted in a binder. Preprinted material should be referenced in the proposal and included as labeled attachments. Sections within a proposal should be divided by tabs for ease of reference.

1.9.8 Table of Contents

Proposals must include a Table of Contents with page number references. The Table of Contents must contain sufficient detail and be organized according to the same format as presented in this RFP, to allow easy reference to the sections of the proposal as well as to any separate attachments (which should be identified in the main Table of Contents). If a Proposer includes supplemental information or non-required attachments with its proposal, this material should be clearly identified in the Table of Contents and organized as a separate section of the proposal.

1.9.9 Pagination

All pages of the proposal should be numbered sequentially in Arabic numerals (1, 2, 3, etc.). Attachments should be numbered or referenced separately.

1.9.10 Suggested Outline of Proposal

Signed Execution of offer (See APPENDIX ONE Section 1.9.1 – complete APPENDIX ONE Section 2)

Signed Addenda Checklist (See APPENDIX ONE Section 1.9.5 – complete APPENDIX ONE Section 4)

- I. Proposer's General Questionnaire (Complete APPENDIX ONE Section 3)
- II. Specifications and Additional Questions (APPENDIX ONE Section 1.9.1)
 - a. RFP 5.2 - Minimum Requirements
 - b. RFP 5.3.1 – Redlined APPENDIX – TWO noting all exceptions
 - c. RFP 5.4 - Scope of work
- III. RFP Section 6 - Pricing and Delivery Schedule (see APPENDIX ONE Section 1.9.3)

Note: HUB Subcontracting Plan (Section 2.5 of this RFP) must be submitted as required.

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 THE 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 UTS and Proposer; (3) UTS has made no representation or warranty, written or oral, that one or more contracts with UTS 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 and **APPENDIX TWO**, under which Proposer will be required to operate.
 - 2.1.6 If selected by UTS, 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 UTS, 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 UTS will rely on such statements, information and representations in selecting Contractor. If selected by UTS, Proposer will notify UTS 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 UTS, INDEMNIFY, AND HOLD HARMLESS UTS, THE UTS OF TEXAS 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 furnish the Services to UTS and 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 the Proposer may be removed from all proposal lists at UTS.
- 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 UTS' 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 the 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 an employee of any component of The UTS of Texas System, on the other hand, other than the relationships which have been previously disclosed to UTS in writing; (ii) Proposer has not been an employee of any component institution of The UTS 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 UTS enters into a contract or agreement with Proposer.

2.9 By signature hereon, Proposer certifies its compliance with all federal laws and regulations pertaining to Equal Employment Opportunities and Affirmative Action.

2.10 By signature hereon, Proposer represents and warrants that all products and services offered to UTS 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.

2.11 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 UTS makes an award or enters into any contract or agreement with Proposer.

2.12 If Proposer will sell or lease computer equipment to the UTS 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.

2.13 **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.: CON02222016

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.

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)

SECTION 3

PROPOSER'S GENERAL QUESTIONNAIRE

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.

Proposals must include responses to the questions contained in this Proposer's General Questionnaire. Proposer should reference the item number and repeat the question in its response. In cases where a question does not apply or if unable to respond, Proposer should refer to the item number, repeat the question, and indicate N/A (Not Applicable) or N/R (No Response), as appropriate. Proposer will explain the reason when responding N/A or N/R.

3.1 Proposer Profile

3.1.1 Legal name of Proposer company:

Address of principal place of business:

Address of office that would be providing service under the Agreement:

Number of years in Business: _____

State of incorporation: _____

Number of Employees: _____

Annual Revenues Volume: _____

Name of Parent Corporation, if any _____

NOTE: If Proposer is a subsidiary, UTS prefers to enter into a contract or agreement with the Parent Corporation or to receive assurances of performance from the Parent Corporation.

3.1.2 State whether Proposer will provide a copy of its financial statements for the past two (2) years, if requested by UTS.

3.1.3 Proposer will provide a financial rating of the Proposer entity and any related documentation (such as a Dunn and Bradstreet analysis) that indicates the financial stability of Proposer.

3.1.4 Is Proposer currently for sale or involved in any transaction to expand or to become acquired by another business entity? If yes, Proposer will explain the expected impact, both in organizational and directional terms.

3.1.5 Proposer will provide any details of all past or pending litigation or claims filed against Proposer that would affect its performance under the Agreement with UTS (if any).

3.1.6 Is Proposer currently in default on any loan agreement or financing agreement with any bank, financial institution, or other entity? If yes, Proposer will specify the pertinent date(s), details, circumstances, and describe the current prospects for resolution.

3.1.7 Proposer will provide a customer reference list of no less than three (3) organizations with which Proposer currently has contracts and/or to which Proposer has previously provided services (within the past five (5) years) of a type and scope similar to those required by UTS' RFP. Proposer will include in its customer reference list the customer's company name, contact person, telephone number, project description, length of business relationship, and background of services provided by Proposer.

- 3.1.8 Does any relationship exist (whether by family kinship, business association, capital funding agreement, or any other such relationship) between Proposer and any employee of UTS? If yes, Proposer will explain.
- 3.1.9 Proposer will provide the name and Social Security Number for each person having at least 25% ownership interest in Proposer. This disclosure is mandatory pursuant to Section 231.006, *Family Code*, and will be used for the purpose of determining whether an owner of Proposer with an ownership interest of at least 25% is more than 30 days delinquent in paying child support. Further disclosure of this information is governed by the *Texas Public Information Act*, Chapter 552, *Government Code*, and other applicable law.

3.2 Approach to Project Services

- 3.2.1 Proposer will provide a statement of the Proposer's service approach and will describe any unique benefits to UTS from doing business with Proposer. Proposer will briefly describe its approach for each of the required services identified in **Section 5.4** Scope of Work of this RFP.
- 3.2.2 Proposer will provide an estimate of the earliest starting date for services following execution of the Agreement.
- 3.2.3 Proposer will submit a work plan with key dates and milestones. The work plan should include:
- 3.2.3.1 Identification of tasks to be performed;
 - 3.2.3.2 Time frames to perform the identified tasks;
 - 3.2.3.3 Project management methodology;
 - 3.2.3.4 Implementation strategy; and
 - 3.2.3.5 The expected time frame in which the services would be implemented.
- 3.2.4 Proposer will describe the types of reports or other written documents Proposer will provide (if any) and the frequency of reporting, if more frequent than required in the RFP. Proposer will include samples of reports and documents if appropriate.

3.3 General Requirements

- 3.3.1 Proposer will provide summary resumes for its proposed key personnel who will be providing services under the Agreement with UTS, including their specific experiences with similar service projects, and number of years of employment with Proposer.
- 3.3.2 Proposer will describe any difficulties it anticipates in performing its duties under the Agreement with UTS and how Proposer plans to manage these difficulties. Proposer will describe the assistance it will require from UTS.

3.4 Service Support

Proposer will describe its service support philosophy, how it is implemented, and how Proposer measures its success in maintaining this philosophy.

3.5 Quality Assurance

Proposer will describe its quality assurance program, its quality requirements, and how they are measured.

3.6 Miscellaneous

- 3.6.1 Proposer will provide a list of any additional services or benefits not otherwise identified in this RFP that Proposer would propose to provide to UTS. Additional services or benefits must be directly related to the goods and services solicited under this RFP.
- 3.6.2 Proposer will provide details describing any unique or special services or benefits offered or advantages to be gained by UTS from doing business with Proposer. Additional services or benefits must be directly related to the goods and services solicited under this RFP.
- 3.6.3 Does Proposer have a contingency plan or disaster recovery plan in the event of a disaster? If so, then Proposer will provide a copy of the plan.

SECTION 4

ADDENDA CHECKLIST

Proposal of: _____
(Proposer Company Name)

To: The University of Texas System

Ref.: _____ Services related to the _____

RFP No.: CON02222016

Ladies and Gentlemen:

The undersigned Proposer hereby acknowledges receipt of the following Addenda to the captioned RFP (initial if applicable).

No. 1 _____ No. 2 _____ No. 3 _____ No. 4 _____ No. 5 _____

Respectfully submitted,

Proposer: _____

By: _____
(Authorized Signature for Proposer)

Name: _____

Title: _____

Date: _____

APPENDIX TWO

AGREEMENT BETWEEN THE UNIVERSITY OF TEXAS SYSTEM AND CONTRACTOR

This Agreement between UTS and Contractor ("**Agreement**") is made and entered into effective as of Month DD, 20YY (the "**Effective Date**"), by and between **The University of Texas System**, an agency and institution of higher education established under the laws of the State of Texas ("**UTS**"), and **Name of Contractor**, ("**Contractor**").

UTS and Contractor hereby agree as follows:

1. **Scope of Work.**

- 1.1 Contractor will perform the scope of the work ("**Work**") set forth in **Exhibit A**, Scope of Work, attached and incorporated for all purposes, to the satisfaction of UTS and in accordance with the schedule ("**Schedule**") for the Work set forth in **Exhibit B**, Schedule, attached and incorporated for all purposes. Time is of the essence in connection with this Agreement. UTS will have no obligation to accept late performance or waive timely performance by Contractor.
- 1.2 Contractor 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 Work.
- 1.3 Upon execution of this Agreement, all services previously performed by Contractor on behalf of UTS and included in the description of the Work, will become a part of the Work and will be subject to the terms and conditions of this Agreement.

2. **The Project.**

The Work will be performed in connection with valuation services in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The valuation services will be limited to certain non-publicly traded, privately held, investments, more specifically described in **Exhibit A - Scope of Work**.

3. **Time for Commencement and Completion.**

The term of this Agreement will begin on the Effective Date and expire on **Month DD, YYYY**. UTS shall have the option to renew this Agreement for four (4) additional (1) year terms; provided, however, that UTS' exercise of each such option shall be conditional upon UTS and Contractor first reaching mutual agreement on the terms for such additional one (1) year term and entering into a written agreement.

4. **Contractor's Obligations.**

- 4.1 Contractor will perform the Work in compliance with all applicable federal, state and local, laws, regulations, and ordinances. Contractor represents and warrants that neither Contractor nor any firm, corporation or institution represented by Contractor, or anyone acting for the firm, corporation or institution, 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 Contractor's response to UTS' procurement solicitation to any competitor or any other person engaged in a similar line of business during the procurement process for this Agreement.
- 4.2 Contractor 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 Contractor's profession or business, and (b) all of the Services to be performed will be of the quality that prevails among similar businesses engaged in providing similar services in major United States urban areas under the same or similar circumstances.

- 4.3 Contractor will call to UTS' attention in writing all information in any materials supplied to Contractor (by UTS or any other party) that Contractor regards as unsuitable, improper or inaccurate in connection with the purposes for which the material is furnished.
- 4.4 Contractor warrants and agrees that the Services will be accurate and free from any material defects. Contractor's duties and obligations under this Agreement will at no time be in any way diminished by reason of any approval by UTS nor will Contractor be released from any liability by reason of any approval by UTS, it being agreed that UTS at all times is relying upon Contractor's skill and knowledge in performing the Services.
- 4.5 Contractor will, at its own cost, correct all material defects in the Services as soon as practical after Contractor becomes aware of the defects. If Contractor fails to correct material defects in the Services within a reasonable time, then UTS may correct the defective Services at Contractor's expense. This remedy is in addition to, and not in substitution for, any other remedy for defective Services that UTS may have at law or in equity.
- 4.6 Contractor will furnish efficient business administration and coordination and perform the Work in an expeditious and economical manner consistent with the interests of UTS.
- 4.7 Contractor represents that if (i) it is a corporation, 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 Contractor has been duly authorized to act for and bind Contractor; 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 Contractor has been duly authorized to act for and bind Contractor.
- 4.8 Contractor represents and warrants that neither the execution and delivery of this Agreement by Contractor nor the performance of its duties and obligations under this Agreement will (a) result in the violation of any provision [i] if a corporation, of Contractor'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 Contractor is bound; (b) result in the violation of any provision of any agreement by which Contractor is bound; or (c) to the best of Contractor's knowledge and belief, conflict with any order or decree of any court or other body or authority having jurisdiction.
- 4.9 Reserved
- 4.10 Contractor represents and warrants that: (i) the Services will be performed solely by Contractor, its full-time or part-time employees during the course of their employment, or independent contractors who have assigned in writing all right, title and interest in their work to Contractor for the benefit of UTS; (ii) UTS will receive free, good and clear title to all Work Material developed under this Agreement; (iii) the Work Material and the intellectual property rights protecting the Work Material are free and clear of all encumbrances, including security interests, licenses, liens, charges or other restrictions; (iv) the Work Material will not infringe upon or violate any patent, copyright, trade secret, trademark, service mark or other property right of any former employer, independent contractor, client or other third party; and (v) the use, reproduction, distribution, or modification of the Work Material will not violate the rights

of any third parties in the Work Material, including trade secret, publicity, privacy, copyright, trademark, service mark and patent rights.

- 4.11 Premises Rules. If this Agreement requires Contractor's presence on UTS' premises or in UTS' facilities, Contractor agrees to become aware of, fully informed about, and in full compliance with all applicable UTS rules and policies, including those relative to personal health, security, environmental quality, safety, fire prevention, noise, smoking, and access restrictions.

5. The Contract Amount.

- 5.1 So long as Contractor has provided UTS with its current and accurate Federal Tax Identification Number in writing, UTS will pay Contractor for the performance of the Work as more particularly set forth in **Exhibit C**, Payment for Services, attached and incorporated for all purposes.
- 5.2 The Contract Amount includes all applicable federal, state or local sales or use taxes payable as a result of the execution or performance of this Agreement.
- 5.3 UTS, an agency of the State of Texas, is exempt from Texas Sales & Use Tax on the Work in accordance with Section 151.309, *Texas Tax Code*, and Title 34 *Texas Administrative Code* ("**TAC**") Section 3.322.

6. Payment Terms.

- 6.1 Contractor will periodically submit to UTS an invoice covering the services performed for UTS in compliance with **Exhibit C**, Payment for Services. Each invoice will be accompanied by documentation that UTS may reasonably request to support the invoice amount. UTS will, within thirty (30) days from the date it receives an invoice and supporting documentation, approve or disapprove the amount reflected in the invoice. If UTS approves the amount or any portion of the amount, UTS will promptly pay (each a "**Progress Payment**") to Contractor the amount approved so long as Contractor is not in default under this Agreement. If UTS disapproves any invoice amount, UTS will give Contractor specific reasons for its disapproval in writing.
- 6.2 Within ten (10) days after final completion of the Work and acceptance of the Work by UTS or as soon thereafter as possible, Contractor will submit a final invoice ("**Final Invoice**") setting forth all amounts due and remaining unpaid to Contractor. Upon approval of the Final Invoice by UTS, UTS will pay ("**Final Payment**") to Contractor the amount due under the Final Invoice.
- 6.3 Notwithstanding any provision of this Agreement to the contrary, UTS will not be obligated to make any payment (whether a Progress Payment or Final Payment) to Contractor if Contractor is in material default under this Agreement which default is not cured within thirty (30) days of receipt of written notice from UTS specifying the nature of the default.
- 6.4 The cumulative amount of all Progress Payments and the Final Payment (defined below) will not exceed the Contract Amount as more particularly set forth in **Exhibit C**, Payment for Services.
- 6.5 No payment made by UTS will (a) be construed to be final acceptance or approval of that part of the Work to which the payment relates, or (b) relieve Contractor of any of its duties or obligations under this Agreement.
- 6.6 UTS will have the right to verify the details set forth in Contractor's invoices and supporting documentation, either before or after payment, by (a) inspecting the books and records of

Contractor related to Project Payments at mutually convenient times upon advance written notice; (b) examining any reports with respect to the Project; and (c) other reasonable action.

7. Tax Exemption

UTS, an agency of the State of Texas, is exempt from Texas Sales & Use Tax on the Services in accordance with Section 151.309, *Tax Code*, and Title 34 *Texas Administrative Code* (“**TAC**”) Section 3.322.

8. Reserved.

9. Reserved.

10. Relationship of the Parties.

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

11. Insurance

11.1 Contractor, consistent with its status as an independent contractor will carry and will cause its subcontractors to carry, at least the following insurance, with companies authorized to do insurance business in the State of Texas or eligible surplus lines insurers operating in accordance with the Texas Insurance Code, having an A.M. Best Rating of A-:VII or better, and in amounts not less than the following minimum limits of coverage:

11.1.1 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

Workers’ Compensation policy must include under Item 3.A. on the information page of the Workers’ Compensation policy the state in which Work is to be performed for UTS.

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

Each Occurrence Limit	\$1,000,000
Damage to Rented Premises	\$ 300,000
Personal & Advertising Injury	\$1,000,000
General Aggregate	\$2,000,000
Products - Completed Operations Aggregate	\$2,000,000

The required Commercial General Liability policy will be issued on a form that insures Contractor’s and subcontractor’s liability for bodily injury (including death), property damage, personal and advertising injury assumed under the terms of this Agreement.

11.1.3 Business Auto Liability Insurance covering all owned, non-owned or hired automobiles, with limits of not less than \$1,000,000 single limit of liability per accident for Bodily Injury and Property Damage;

- 11.1.4 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 will be excess over and at least as broad as the underlying coverage as required under sections 11.1.1 Employer's Liability; 11.1.2 Commercial General Liability; and 11.1.3 Business Auto Liability. Inception and expiration dates will be the same as the underlying policies. Drop down coverage will be provided for reduction or exhaustion of underlying aggregate limits and will provide a duty to defend for any insured.
- 11.1.6 Professional Liability (Errors & Omissions) Insurance with limits of not less than \$1,000,000 each occurrence, \$3,000,000 aggregate. Such insurance will cover all Work performed by or on behalf of Contractor and its subcontractors under this Agreement. Renewal policies written on a claims-made basis will maintain the same retroactive date as in effect at the inception of this Agreement. If coverage is written on a claims-made basis, Contractor agrees to purchase an Extended Reporting Period Endorsement, effective twenty-four (24) months after the expiration or cancellation of the policy. No Professional Liability policy written on an occurrence form will include a sunset or similar clause that limits coverage unless such clause provides coverage for at least twenty-four (24) months after the expiration or termination of this Agreement for any reason.

11.2 Contractor will deliver to UTS:

- 11.2.1 Evidence of insurance on a Texas Department of Insurance approved certificate form verifying the existence and actual limits of all required insurance policies after the execution and delivery of this Agreement and prior to the performance of any Work by Contractor under this Agreement. Additional evidence of insurance will be provided verifying the continued existence of all required insurance no later than thirty (30) days after each annual insurance policy renewal.
 - 11.2.1.1 **All insurance policies** (with the exception of workers' compensation, employer's liability and professional liability) will be endorsed and name the Board of Regents of The University of Texas System and UTS as Additional Insureds for liability caused in whole or in part by Contractor's acts or omissions with respect to its on-going and completed operations up to the actual liability limits of the required insurance policies maintained by Contractor. Commercial General Liability Additional Insured endorsement including ongoing and completed operations coverage will be submitted with the Certificates of Insurance. Commercial General Liability and Business Auto Liability will be endorsed to provide primary and non-contributory coverage.
 - 11.2.1.2 Contractor hereby waives all rights of subrogation against the Board of Regents of The University of Texas System and, The University of Texas System. **All insurance policies** will be endorsed to provide a waiver of subrogation in favor of the Board of Regents of The University of Texas System **and** The University of Texas System. No policy will be canceled until after thirty (30) days' unconditional written notice to UTS. **All insurance policies** will be endorsed to require the insurance carrier providing coverage to send notice to UTS thirty (30) days prior to any cancellation, material change, or non-renewal relating to any insurance policy required in this **Section 11**.
 - 11.2.1.3 Contractor will pay any deductible or self-insured retention for any loss. Any self-insured retention must be declared to and approved

by UTS prior to the performance of any Work by Contractor under this Agreement. All deductibles and self-insured retentions will be shown on the Certificates of Insurance.

- 11.2.1.4 Certificates of Insurance and Additional Insured Endorsements as required by this Agreement will be mailed, faxed, or emailed to the following UTS contact:

Eric Agnew
The University of Texas System
Claudia Taylor Johnson
210 W 6th Street, Suite B140E
Austin, Texas 78701

- 11.3 Contractor's or subcontractor's insurance will be primary to any insurance carried or self-insurance program established by the University of Texas System. Contractor's or subcontractor's insurance will be kept in force until all Work has been fully performed and accepted by UTS in writing.

11.3.1 Professional Liability Insurance coverage written on a claims-made basis requires Contractor to purchase an Extended Reporting Period Endorsement, effective for twenty-four (24) months after the expiration or cancellation of this policy.

12. Miscellaneous.

- 12.1 **Assignment and Subcontracting.** Contractor's interest in this Agreement (including Contractor's duties and obligations under this Agreement, and the fees due to Contractor under this Agreement) may not be subcontracted, assigned, delegated, or otherwise transferred to a third party, in whole or in part, without the prior written consent of UTS and any attempt to do so will (a) not be binding on UTS; and (b) be a breach of this Agreement for which Contractor will be subject to all remedial actions provided by Texas law, including Chapter 2161, *Texas Government Code*, and 34 TAC Chapter 20, §§20.101 – 20.108. The benefits and burdens of this Agreement are assignable by UTS.
- 12.2 **Texas Family Code Child Support Certification.** Pursuant to Section 231.006, *Texas Family Code*, Contractor 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.
- 12.3 **Eligibility Certifications.** Pursuant to Sections 2155.004 and 2155.006, *Texas Government Code*, Contractor certifies that the individual or business entity named in this Agreement 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.
- 12.4 **Tax Certification.** If Contractor is a taxable entity as defined by Chapter 171, Texas Tax Code ("**Chapter 171**"), then Contractor certifies that it is not currently delinquent in the payment of any taxes due under Chapter 171, or that Contractor is exempt from the payment of those taxes, or that Contractor is an out-of-state taxable entity that is not subject to those taxes, whichever is applicable.

- 12.5 **Payment of Debt or Delinquency to the State.** Pursuant to Sections 2107.008 and 2252.903, *Texas Government Code*, Contractor agrees that any payments owing to Contractor under this Agreement may be applied directly toward any debt or delinquency that Contractor owes the State of Texas or any agency of the State of Texas regardless of when it arises, until the debt or delinquency is paid in full.
- 12.6 **Products and Materials Produced in Texas.** Contractor covenants and agrees that as required by Section 2155.4441, *Texas Government Code*, in performing the Work and its other duties and obligations under this Agreement, Contractor will purchase products and materials produced in Texas when the products and materials are available at a price and delivery time comparable to products and materials produced outside of Texas.
- 12.7 **Loss of Funding.** UTS performance of its duties and obligations 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 UTS 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 UTS will issue written notice to Contractor and UTS may terminate this Agreement without further duty or obligation hereunder. Contractor acknowledges that appropriation, allotment, and allocation of funds are beyond the control of UTS.
- 12.8 **Entire Agreement; Modifications.** This Agreement supersedes all prior agreements, written or oral, between Contractor and UTS 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 both UTS and Contractor.
- 12.9 **Force Majeure.** Neither party hereto will be liable or responsible to the other 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**”).
- 12.10 **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.
- 12.11 **Governing Law.** Austin 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 to this Agreement and all of the terms and conditions of this Agreement will be construed, interpreted and applied in accordance with and governed by and enforced under the laws of the State of Texas.
- 12.12 **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.
- 12.13 **Confidentiality and Safeguarding of UTS Records; Press Releases; Public Information**

Under this Agreement, Contractor may (1) create, (2) receive from or on behalf of UTS, or (3) have access to, records or record systems (collectively, “**UTS Records**”). Among other things, UTS 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 UTS Records are subject to FERPA, (1) UTS designates Contractor as a

UTS official with a legitimate educational interest in UTS Records, and (2) Contractor acknowledges that its improper disclosure or redisclosure of personally identifiable information from UTS Records will result in Contractor's exclusion from eligibility to contract with UTS for at least five (5) years. Contractor represents, warrants, and agrees that it will: (1) hold UTS Records in strict confidence and will not use or disclose UTS Records except as (a) permitted or required by this Agreement, (b) required by law, or (c) otherwise authorized by UTS in writing; (2) safeguard UTS 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 Contractor protects its own confidential information; (3) continually monitor its operations and take any action necessary to assure that UTS Records are safeguarded and the confidentiality of UTS 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 UTS' rules, policies, and procedures regarding access to and use of UTS' computer systems. At the request of UTS, Contractor agrees to provide UTS with a written summary of the procedures Contractor uses to safeguard and maintain the confidentiality of UTS Records.

- 12.13.1 **Notice of Impermissible Use.** If an impermissible use or disclosure of any UTS Records occurs, Contractor will provide written notice to UTS within one (1) business day after Contractor's discovery of that use or disclosure. Contractor will promptly provide UTS with all information requested by UTS regarding the impermissible use or disclosure.
- 12.13.2 **Return of UTS Records.** Contractor agrees that within thirty (30) days after the expiration or termination of this Agreement, for any reason, all UTS Records created or received from or on behalf of UTS will be (1) returned to UTS, with no copies retained by Contractor; or (2) if return is not feasible, destroyed. Twenty (20) days before destruction of any UTS Records, Contractor will provide UTS with written notice of Contractor's intent to destroy UTS Records. Within five (5) days after destruction, Contractor will confirm to UTS in writing the destruction of UTS Records.
- 12.13.3 **Disclosure.** If Contractor discloses any UTS Records to a subcontractor or agent, Contractor will require the subcontractor or agent to comply with the same restrictions and obligations as are imposed on Contractor by this Section.
- 12.13.4 **Press Releases.** Except when defined as part of the Services, Contractor will not make any press releases, public statements, or advertisement referring to the Project or the engagement of Contractor as an independent contractor of UTS in connection with the Project, or release any information relative to the Project for publication, advertisement or any other purpose without the prior written approval of UTS.
- 12.13.5 **Public Information.** UTS 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* ("**TPIA**"), Chapter 552, *Texas Government Code*. In accordance with Section 552.002 of TPIA and Section 2252.907, *Texas Government Code*, and at no additional charge to UTS, Contractor will make any information created or exchanged with UTS pursuant to this Agreement (and not otherwise exempt from disclosure under TPIA) available in a format reasonably requested by UTS that is accessible by the public.
- 12.13.6 **Termination.** In addition to any other termination rights set forth in this Agreement and any other rights at law or equity, if UTS reasonably determines

that Contractor has breached any of the restrictions or obligations set forth in this Section, UTS may immediately terminate this Agreement without notice or opportunity to cure.

- 12.13.7 **Duration.** The restrictions and obligations under this Section will survive expiration or termination of this Agreement for any reason.
- 12.14 **Binding Effect.** This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective permitted assigns and successors.
- 12.15 **State Auditor’s Office.** Contractor 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), *Texas Education Code*. Contractor agrees to cooperate with the Auditor in the conduct of the audit or investigation, including providing all records requested.
- 12.16 **Records.** Records of Contractor's costs, reimbursable expenses pertaining to the Project and payments will be available to UTS or its authorized representative during business hours and will be retained for four (4) years after final Payment or abandonment of the Project, unless UTS otherwise instructs Contractor in writing.
- 12.17 **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 (other than notice of default, termination or dispute), 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, when received:

If to UTS:	UT System Administration Office of the Controller 201 W. 7 th Street, ASH 5 Austin, Texas 78701 Attention: Randy Wallace
Copy to:	UT System Administration 201 W. 7 th Street, ASH 8 Austin, Texas 78701 Attention: Dr. Scott Kelley Executive Vice Chancellor for Business Affairs
If to Contractor:	Contractor Name Contractor Address Attn: xxx

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

Notwithstanding any other requirements for notices given by a party under this Agreement, if Contractor intends to deliver written notice to UTS pursuant to Section

2251.054, *Texas Government Code*, then Contractor will send that notice to UTS as follows:

If to UTS:	UT System Administration Office of the Controller 201 W. 7 th Street, ASH 5 Austin, Texas 78701 Fax: 512-499-4322 Email: rwallace@utsystem.edu Attention: Randy Wallace
Copy to:	UT System Administration 201 W. 7 th Street, ASH 8 Austin, Texas 78701 Attention: Dr. Scott Kelley Executive Vice Chancellor for Business Affairs

or other person or address as may be given in writing by UTS to Contractor in accordance with this Section.

12.18 **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.

12.19 **Survival of Provisions.** No expiration or termination of this Agreement will relieve either party of any obligations under this Agreement that by their nature survive expiration or termination.

12.20 **Breach of Contract Claims.**

12.20.1 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 and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260 will be used by UTS and Contractor to attempt to resolve any claim for breach of contract made by Contractor that cannot be resolved in the ordinary course of business.

12.20.1.1 Contractor'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, Contractor will submit written notice, as required by subchapter B of Chapter 2260, to UTS in accordance with the notice provisions in this Agreement. Contractor'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 UTS allegedly breached, the amount of damages Contractor seeks, and the method used to calculate the damages. Compliance by Contractor with subchapter B of Chapter 2260 is a required prerequisite to Contractor's filing of a contested case proceeding under subchapter C of Chapter 2260. The Chief Business Officer of UTS, or the other officer of UTS as may be

designated from time to time by UTS by written notice thereof to Contractor in accordance with the notice provisions in this Agreement, will examine Contractor's claim and any counterclaim and negotiate with Contractor in an effort to resolve the claims.

12.20.1.2 If the parties are unable to resolve their disputes under Section 4.14.1.1, the contested case process provided in subchapter C of Chapter 2260 is Contractor's sole and exclusive process for seeking a remedy for any and all of Contractor's claims for breach of this Agreement by UTS.

12.20.1.3 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 UTS nor any other conduct, action or inaction of any representative of UTS relating to this Agreement constitutes or is intended to constitute a waiver of UTS' or the state's sovereign immunity to suit and (ii) UTS has not waived its right to seek redress in the courts.

12.20.2 The submission, processing and resolution of Contractor'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.

12.20.3 UTS and Contractor agree that any periods set forth in this Agreement for notice and cure of defaults are not waived.

12.21 **Ethics Matters; No Financial Interest.** Contractor has read and understands UTS' Conflicts of Interest, Conflicts of Commitment, and Outside Activities Policy available at: <http://www.utsystem.edu/board-of-regents/policy-library/policies/int180-conflicts-interest-conflicts-commitment-and-outside->, UTS' 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. Contractor will not assist or cause UTS employees to violate UTS' Conflicts of Interest Policy, provisions described by UTS' Standards of Conduct Guide, or applicable state ethics laws or rules. Contractor 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.

12.22 **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, Contractor 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 Contractor 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, UTS may terminate this Agreement in accordance with **Section 4.28**. Contractor represents

and warrants that it is in compliance with and agrees that it will remain in compliance with the provisions of the Immigration Act.

- 12.23 **Debarment.** Contractor confirms that Contractor is not 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 (<http://www.epls.gov/>) 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). Contractor will provide immediate written notification to UTS if, at any time prior to award, Contractor 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 UTS executes this Agreement. If it is later determined that Contractor knowingly rendered an erroneous certification, in addition to the other remedies available to UTS, UTS may terminate this Agreement for default by Contractor.
- 12.24 **Relationship of the Parties.** For all purposes of this Agreement and notwithstanding any provision of this Agreement to the contrary, Contractor is an independent contractor and is not a state employee, partner, joint venturer, or agent of UTS. Contractor will not bind nor attempt to bind UTS to any agreement or contract. As an independent contractor, Contractor is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort, including workers’ compensation insurance.
- 12.25 **Reserved.**
- 12.26 **OSHA Compliance.** To the extent applicable to the services to be performed under this Agreement, Contractor represents and warrants, that all articles and 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.
- 12.27 **Discrimination Prohibited.** UTS AND CONTRACTOR WILL ABIDE BY THE REQUIREMENTS OF 41 CFR 60-1.4(A), 60-300.5(A) AND 60-741.5(A) (COLLECTIVELY, THE “**REGULATIONS**”). THE REGULATIONS (1) PROHIBIT DISCRIMINATION AGAINST QUALIFIED INDIVIDUALS BASED ON THEIR STATUS AS PROTECTED VETERANS OR INDIVIDUALS WITH DISABILITIES, AND (2) PROHIBIT DISCRIMINATION AGAINST ALL INDIVIDUALS BASED ON THEIR RACE, COLOR, RELIGION, SEX, OR NATIONAL ORIGIN. MOREOVER, THE REGULATIONS REQUIRE THAT UTS AND CONTRACTOR TAKE AFFIRMATIVE ACTION TO EMPLOY AND ADVANCE IN EMPLOYMENT, INDIVIDUALS WITHOUT REGARD TO RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, PROTECTED VETERAN STATUS OR DISABILITY.

13. Indemnification

- 13.1 TO THE FULLEST EXTENT PERMITTED BY LAW, CONTRACTOR WILL AND DOES HEREBY AGREE TO INDEMNIFY, PROTECT, DEFEND WITH COUNSEL APPROVED BY UTS, AND HOLD HARMLESS UTS AND ITS RESPECTIVE 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 CONTRACTOR'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 CONTRACTOR, ANYONE DIRECTLY EMPLOYED BY CONTRACTOR OR ANYONE FOR WHOSE ACTS CONTRACTOR 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.
- 13.2 IN ADDITION, CONTRACTOR WILL AND DOES HEREBY AGREE TO INDEMNIFY, PROTECT, DEFEND WITH COUNSEL APPROVED BY UTS, 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 CONTRACTOR, OR THE USE BY INDEMNITEES, AT THE DIRECTION OF CONTRACTOR, OF ANY ARTICLE OR MATERIAL; PROVIDED, THAT, UPON BECOMING AWARE OF A SUIT OR THREAT OF SUIT FOR INFRINGEMENT, UTS WILL PROMPTLY NOTIFY CONTRACTOR AND CONTRACTOR WILL BE GIVEN THE OPPORTUNITY TO NEGOTIATE A SETTLEMENT. IN THE EVENT OF LITIGATION, UTS AGREES TO REASONABLY COOPERATE WITH CONTRACTOR. ALL PARTIES WILL BE ENTITLED TO BE REPRESENTED BY COUNSEL AT THEIR OWN EXPENSE.

14. Ownership and Use of Work Material

- 14.1 All drawings, specifications, plans, computations, sketches, data, photographs, tapes, renderings, models, publications, statements, accounts, reports, studies, and other materials prepared by Contractor or any subcontractors in connection with the Services (collectively, "**Work Material**"), whether or not accepted or rejected by UTS, are the sole property of UTS and for its exclusive use and re-use at any time without further compensation and without any restrictions.
- 14.2 Contractor grants and assigns to UTS all rights and claims of whatever nature and whether now or hereafter arising in and to the Work Material and will cooperate fully with UTS in any steps UTS may take to obtain or enforce patent, copyright, trademark or like protections with respect to the Work Material.
- 14.3 Contractor will deliver all Work Material to UTS upon expiration or termination of this Agreement. UTS will have the right to use the Work Material for the completion of the Services or otherwise. UTS may, at all times, retain the originals of the Work Material. The Work Material will not to be used by any person other than UTS on other projects unless expressly authorized by UTS in writing.
- 14.4 The Work Material will not be used or published by Contractor or any other party unless expressly authorized by UTS in writing. Contractor will treat all Work Material as confidential.
- 14.5 All title and interest in the Work Material will vest in UTS and will be deemed to be a work made for hire and made in the course of the Services rendered under this Agreement. To the extent that title to any Work Material may not, by operation of law, vest in UTS or Work

Material may not be considered works made for hire, Contractor hereby irrevocably assigns, conveys and transfers to UTS and its successors, licensees and assigns, all rights, title and interest worldwide in and to the Work Material and all proprietary rights therein, including all copyrights, trademarks, service marks, patents, trade secrets, moral rights, all contract and licensing rights and all claims and causes of action with respect to any of the foregoing, whether now known or hereafter to become known. In the event Contractor has any rights in the Work Material which cannot be assigned, Contractor agrees to waive enforcement worldwide of the rights against UTS, its successors, licensees, assigns, distributors and customers or, if necessary, to exclusively license the rights, worldwide to UTS with the right to sublicense. These rights are assignable by UTS.

15. Default and Termination

- 15.1 In the event of a material failure by a party to this Agreement to perform in accordance with the terms of this Agreement (“**default**”), the other party may terminate this Agreement upon fifteen (15) days’ written notice of termination setting forth the nature of the material failure; provided, that, the material failure is through no fault of the terminating party. The termination will not be effective if the material failure is fully cured prior to the end of the fifteen-day period.
- 15.2 UTS may, without cause, terminate this Agreement at any time upon giving seven (7) days’ advance written notice to Contractor. Upon termination pursuant to this Section, Contractor will be entitled to payment of an amount that will compensate Contractor for the Services satisfactorily performed from the time of the last payment date to the termination date in accordance with this Agreement; provided, that, Contractor has delivered all Work Material to UTS. Notwithstanding any provision in this Agreement to the contrary, UTS will not be required to pay or reimburse Contractor for any services performed or for expenses incurred by Contractor after the date of the termination notice that could have been avoided or mitigated by Contractor.
- 15.3 Termination under **Sections 4.28.1** or **4.28.2** will not relieve Contractor from liability for any default or breach under this Agreement or any other act or omission of Contractor.
- 15.4 If Contractor fails to cure any default within fifteen (15) days after receiving written notice of the default, UTS will be entitled (but will not be obligated) to cure the default and will have the right to offset against all amounts due to Contractor under this Agreement, any and all reasonable expenses incurred in connection with UTS’ curative actions.

16. Limitation of Liability

EXCEPT FOR UTS’ OBLIGATION (IF ANY) TO PAY CONTRACTOR CERTAIN FEES AND EXPENSES UTS WILL HAVE NO LIABILITY TO CONTRACTOR OR TO ANYONE CLAIMING THROUGH OR UNDER CONTRACTOR BY REASON OF THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING ANY DUTY OR OBLIGATION OF UTS TO CONTRACTOR OR TO ANYONE CLAIMING THROUGH OR UNDER CONTRACTOR, NO PRESENT OR FUTURE AFFILIATED ENTERPRISE, SUBCONTRACTOR, AGENT, OFFICER, DIRECTOR, EMPLOYEE, REPRESENTATIVE, ATTORNEY OR REGENT OF UTS, OR THE UTS OF TEXAS SYSTEM, OR ANYONE CLAIMING UNDER UTS HAS OR WILL HAVE ANY PERSONAL LIABILITY TO CONTRACTOR OR TO ANYONE CLAIMING THROUGH OR UNDER CONTRACTOR BY REASON OF THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT.

17. **Historically Underutilized Business Subcontracting Plan**

Historically Underutilized Business Subcontracting Plan. Contractor agrees to use good faith efforts to subcontract the Services in accordance with the Historically Underutilized Business Subcontracting Plan (“HSP”) (ref. **Exhibit _____**). Contractor agrees to maintain business records documenting its compliance with the HSP and to submit a monthly compliance report to UTS in the format required by Texas Procurement and Support Services Division of the Texas Comptroller of Public Accounts or any successor agency (collectively, “TPSS”). Submission of compliance reports will be required as a condition for payment under this Agreement. If UTS determines that Contractor has failed to subcontract as set out in the HSP, UTS will notify Contractor of any deficiencies and give Contractor 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 Contractor. If UTS determines that Contractor failed to implement the HSP in good faith, UTS, in addition to any other remedies, may report nonperformance to the TPSS in accordance with 34 TAC Sections 20.101 through 20.108. UTS may also revoke this Agreement for breach and make a claim against Contractor.

17.1 **Changes to the HSP.** If at any time during the term of this Agreement, Contractor desires to change the HSP, before the proposed changes become effective (a) Contractor must comply with 34 TAC Section 20.14; (b) the changes must be reviewed and approved by UTS; and (c) if UTS approves changes to the HSP, this Agreement must be amended in accordance with **Section 4.19** to replace the HSP with the revised subcontracting plan.

17.2 **Expansion of the Services.** If UTS expands the scope of the Services through a change order or any other amendment, UTS will determine if the additional Services contains probable subcontracting opportunities *not* identified in the initial solicitation for the Services. If UTS determines additional probable subcontracting opportunities exist, Contractor 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 (a) this Agreement may be amended to include the additional Services; or (b) Contractor may perform the additional Services. If Contractor subcontracts any of the additional subcontracting opportunities identified by UTS without prior authorization and without complying with 34 TAC Section 20.14, Contractor will be deemed to be in breach of this Agreement under **Section 4.28** and will be subject to any remedial actions provided by Texas law including Chapter 2161, *Government Code* and 34 TAC Section 20.14. UTS may report nonperformance under this Agreement to the TPSS in accordance with 34 TAC Sections 20.101 through 20.108. **]**

18. **Responsibility for Individuals Performing Services; Criminal Background Checks**

Each individual who is assigned to perform the Services under this Agreement will be an employee of Contractor or an employee of a subcontractor engaged by Contractor. Contractor is responsible for the performance of all individuals performing the Services under this Agreement. Prior to commencing the Services, Contractor will (1) provide UTS with a list (“List”) of all individuals who may be assigned to perform the Services, and (2) have an appropriate criminal background screening performed on all the individuals. Contractor will determine on a case-by-case basis whether each individual assigned to perform the Services is qualified to provide the services. Contractor will not knowingly assign any individual to provide services on UTS’ campus who has a history of criminal conduct unacceptable for a university campus or healthcare center, including violent or sexual offenses. Contractor will update the List each time there is a change in the individuals assigned to perform the Services.

Prior to commencing performance of the Services under this Agreement, Contractor will provide UTS a letter signed by an authorized representative of Contractor certifying compliance with this Section. Contractor will provide UTS an updated certification letter each time there is a change in the individuals assigned to perform the Services.

19. Limitations

THE PARTIES ARE AWARE THAT THERE ARE CONSTITUTIONAL AND STATUTORY LIMITATIONS ON THE AUTHORITY OF UTS (A STATE AGENCY) TO ENTER INTO CERTAIN TERMS AND CONDITIONS THAT MAY BE A PART OF THIS AGREEMENT, INCLUDING THOSE TERMS AND CONDITIONS RELATING TO LIENS ON UTS' PROPERTY; 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 UTS EXCEPT TO THE EXTENT AUTHORIZED BY THE LAWS AND CONSTITUTION OF THE STATE OF TEXAS.

UTS and Contractor have executed and delivered this Agreement to be effective as of the Effective Date.

CONTRACTOR

By: _____

Name: _____

Title: _____

UT SYSTEM:

THE UNIVERSITY OF TEXAS SYSTEM

By: _____

Name:

Title:

Approved as to Content

By: _____

Name:

Title:

Attach:

EXHIBIT A – Scope of Work

EXHIBIT B – Team and Schedule

EXHIBIT C – Payment for Services

AGREEMENT - EXHIBIT A

SCOPE OF WORK

Contractor will perform the following services to UTS:

The valuation services will be performed in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The valuation services will be limited to certain non-publically traded, privately held, investments. These investments include assets held in the name of the University of Texas (UT) Board of Regents ("the Board") on behalf of a named UT institution which often resulted from agreements with business entities relating to rights in intellectual property owned by the Board. These assets are commonly referred to as "Tech Stocks" and they include equity interest in various entities in the form of common stock; preferred stock, which may be convertible; rights and warrants; interest in limited partnerships or corporations; or convertible debt securities. UT System Administration or any UT System institution may receive an equity interest in a business entity

- as partial or total compensation for the intellectual property rights conveyed to such business entity or
- as consideration for the institution's role as a founder, or for other contributions made to the business entity other than as a licensor.

In some circumstances UT System or any UT System institution may also purchase Tech Stock investments.

In addition to the Tech Stock investments, valuation services are also needed for a limited number of privately held investments in UT *Horizon Fund*, the strategic venture fund of UT System.

Per GASB Statement No. 72:

"This Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities. The cost approach reflects the amount that would be required to replace the present service capacity of an asset. The income approach converts future amounts (such as cash flows or income and expenses) to a single current (discounted) amount. Valuation techniques should be applied consistently, though a change may be appropriate in certain circumstances. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs."

1. The number of Tech Stock investments can vary from month to month as the institutions are continually entering into new intellectual property agreements, but as of now, approximately 125 Tech Stock investments (issued by approximately 116 different companies) need valuation. Approximately 23 *Horizon Fund* investments (issued by approximately 15 different companies) need valuation. In addition, the number of overlap of issuing companies that have investments held in both Tech Stocks and in the *Horizon Fund* is approximately 12.
2. The University of Texas Investment Management Company, UTIMCO, retains the actual stock certificates, or other investment instruments, in a secure location in their offices at 401 Congress Ave # 2800, Austin, TX.
3. There is no central repository of other supporting documentation for investments in the Tech Stocks. Rather, the individual Offices of Technology Commercialization at the following eleven UT institutions retain information for their agreements and investment holdings:
UT Arlington

UT Austin
UT Dallas
UT El Paso
UT Rio Grande Valley
UT San Antonio
UT Southwestern Medical Center, Dallas
UT Health Science Center, Houston
UT Health Science Center, San Antonio
UT M. D. Anderson Cancer Center
UT Health Science Center, Tyler

UT System Administration's Office of Technology Commercialization retains documentation for investments in the *Horizon Fund*.

The respondent will be responsible for working directly with key contacts at the various UT institutions and UT System.

4. The privately held investments should be valued as of August 31, 2015 to allow for a restatement of the beginning balances for the fiscal year 2016 UT System Audited Annual Financial Report. The restated values should be provided to the Office of the Controller at UT System Administration by June 30, 2016.

The 2016 fiscal year ending valuations should be provided by September 15, 2016. The time period for which the ending valuations will cover will be set by determining the amount of time the respondent will need in order to complete the field work, and remit the values by September 15, 2016. All values included in the Annual Financial Report are subject to audit scrutiny.

5. The deliverables at June 30th and September 15th should include (1) a list of the investments with the determined fair values for each holding, subtotaled by UT institution, (2) a brief summary of the inputs and mythology used to value each holding, and (3) the information needed to complete the footnote disclosures required by GASB Statement No. 72.
6. Subsequent to the remittance of the deliverables, the respondent will need to be available to respond to questions from UT System's financial auditors about the determined fair values and provide supporting documentation to the auditors upon request. Since there are strict statutory deadlines in which the audit must be completed, responses to the auditor's questions should be met within three business days.

AGREEMENT - EXHIBIT B

TEAM AND SCHEDULE

Project Schedule and Team

Insert Gantt chart indicating project phases/milestones, resources utilized, and time associated with each activity.

Other Team Members may be added as agreed upon by UTS and Contractor.

AGREEMENT - EXHIBIT C

PAYMENT FOR SERVICES

SERVICE FEES: Contractor shall be paid for actual hours incurred by Contractor directly and solely in connection with the Work at the rate set forth as follows:

Professional Hourly Rates:

Contractor may only invoice for the hours used in direct support of the UTS' system during the invoiced month.

FEE CAP: The cumulative amount of Service Fees remitted by UTS to Contractor will not exceed the total amount of **\$X** ("**Fee Cap**") without the prior written approval of UTS.

PAYMENT FOR WORK NOT IN SCOPE: If UTS submits, in advance, a written request for additional services not contemplated or reasonably inferred by this Agreement, Contractor will be paid for actual hours incurred by Contractor directly and solely in support of the additional services at the Rates set forth above.

EXPENSES AND DISBURSEMENTS: Contractor will be reimbursed without mark-up for reasonable out-of-pocket expenses including but not limited to postage, photocopying, long-distance telephone, messengers, photography, printing and travel expenses (including meals, lodging, mileage and coach class airfare) validly incurred directly and solely in support of the Project. Provided, however, Contractor agrees and acknowledges that Contractor will be subject to the Travel Allowance Guide promulgated by the Comptroller of Public Accounts for the State of Texas with regard to meals, lodging, mileage, airfare and all other expenses related to travel. Further, Contractor agrees and acknowledges that Contractor will not be reimbursed by UTS for expenses that are prohibited or that exceed the allowable amounts set forth in the Travel Allowance Guide unless such expense is approved in advance by UTS. As a condition precedent to receiving reimbursement for expenses and disbursements, Contractor will submit to UTS original receipts, invoices, and other documentation as required by UTS for all out-of-pocket expenses on a separate invoice to UTS. Any individual expense in excess of \$___ must be approved by UTS in advance.

Notwithstanding the foregoing, reimbursement for expenses in connection with the Project shall not exceed xx% of the services billed and will not exceed **\$X** (the "Expense Cap") for this contract, without the prior written approval of UTS.

The Cumulative Fee Cap and the Expense Cap are sometimes collectively referred to as the "Contract Sum." The Contract Sum shall not exceed **\$X**.

TRAVEL POLICY

All travel and expense costs will be calculated as allowed by Textravel (<https://fmx.cpa.state.tx.us/fmx/travel/texttravel/index.php>), as promulgated by the State of Texas Comptroller:

1. Contractor must use regular coach (UT System rate, corporate rate, or published rate, whichever is applicable and most cost efficient) air transportation for travel in excess of 120 miles, unless otherwise agreed by UTS. In order to maximize discounted fares, Contractor, with the cooperation of UTS, will schedule on-site visits far enough in advance to take advantage of most cost effective airfare. In the event meetings or on-site visits are cancelled by UTS, the Contractor may charge for any advance-purchase cancellation penalties imposed by the airline.

Corporate, UT System, or state, whichever is lower, rate discounts will be used for hotel accommodations but not to exceed the locality based per-diem determined by the GSA and published by the State Comptroller of Public Accounts without advance approval by UT System.

<https://fm.xcpa.state.tx.us/fm/travel/travelrates.php>

3. Maximum billable amount per person per day for meals will be actual expenses not to exceed the locality based per diem determined by the GSA and published by the State Comptroller of Public Accounts. Departing from UTS prior to 12:01 p.m. negates any billing for meals for that day. Meal expenses are reimbursable for vendors who travel 50 miles or more, and stay overnight.
4. Rental cars will be the least expensive, air-conditioned, automatic transmission, mid-size car available to the Contractor under corporate rate programs. Full coverage collision insurance may be used for rental cars, but personal protection plans will not be reimbursed.
5. Ground transportation, parking costs and tolls may be invoiced at cost.
6. Personal automobile mileage charges will be computed based upon actual miles to and from the appropriate office to and from the client facility. Mileage charges will be invoiced at the standard mileage rate recognized by the State of Texas at the time of travel.

All travel or miscellaneous expenses must be submitted with an original receipt, if requested by UTS. All approved expenses will be reimbursed at "actual cost" only. Contractor will not be reimbursed for expenses which are not accompanied by original receipts if such original receipts were requested by UTS.

APPENDIX THREE (PAGINATION NEEDS FIXED ON THE LAST PAGE)

POLICY ON UTILIZATION HISTORICALLY UNDERUTILIZED BUSINESSES VENDOR/COMMODITIES



The University of Texas System
Office of HUB Development
Policy on Utilization of Historically Underutilized Businesses (HUBs)

Contents

- Policy on Utilization of Historically Underutilized Businesses (HUB)s Page 3
- Summary of Requirements/Historically Underutilized Business (HUB) Subcontracting Plan (HSP) Pages 4-6
- Summary of Attachments Required from Respondents Page 7
- Letter of Transmittal Page 8
- Letter of HUB Commitment (indefinite duration/indefinite quantity contracts) Page 9
- HSP Quick Checklist Page 10
- HUB Subcontracting Plan (HSP) Page 11-18
 - Section 2 – Good Faith Effort Subcontractor Selection Page 12
 - Self-Performance Justification Page 14
 - HSP Good Faith Effort Method A (Attachment A) Page 15
 - HSP Good Faith Effort Method B (Attachment B) Page 16-17
- HUB Subcontracting Opportunity Notification Form Page 18

Minority and Trade Organizations contact information is available online at:
<http://www.window.state.tx.us/procurement/prog/hub/mwb-links-1/>
- HUB Subcontracting Plan Prime Contractor Progress Assessment Report (PAR) Page 19

(Required of successful respondent for payment requests only)

The University of Texas System
Office of HUB Development

POLICY ON UTILIZATION OF HISTORICALLY UNDERUTILIZED BUSINESSES (HUBS)

Introduction

In accordance with the Texas Government Code, Sections 2161.181-182 and Title 34, Section 20.13 of the Texas Administrative Code (TAC), the Board of Regents of The University of Texas System, acting through the Office of HUB Development shall make a good faith effort to utilize Historically Underutilized Businesses (HUBs) in contracts for construction services, including professional and consulting services; and commodities contracts. The HUB Rules promulgated by the Texas Comptroller of Public Accounts (the "Texas Comptroller"), set forth in 34 TAC Sections 20.10-20.28, encourage the use of HUBs by implementing these policies through race, ethnic and gender-neutral means.

The purpose of the HUB Program is to promote full and equal business opportunities for all business in State contracting in accordance with the following goals as specified in the State of Texas Disparity Study:

- 11.2% for heavy construction other than building contracts;
- 21.1% for all building construction, including general contractors and operative builders contracts;
- 32.9% for all special trade construction contracts;
- 23.7% for professional services contracts;
- 26% for all other services contracts, and
- 21.1% for commodities contracts.

The University of Texas System shall make a good faith effort to meet or exceed the above stated goals to assist HUBs in receiving a portion of the total contract value of all contracts that UT System expects to award in a fiscal year. The University of Texas System may achieve the annual program goals by contracting directly with HUBs or indirectly through subcontracting opportunities in accordance with the Texas Government Code, chapter 2161, Subchapter F.

NOTE: The goals above are the State of Texas HUB goals. For purposes of this procurement, The University of Texas System goals listed in the Special Instructions on page 11 will apply.

SUMMARY OF REQUIREMENTS
Historically Underutilized Business (HUBs) Subcontracting Plan (HSP)

It is the policy of The University of Texas System and each of its component institutions, to promote and encourage contracting and subcontracting opportunities for Historically Underutilized Businesses (HUBs) in all contracts. Accordingly, UT System has adopted “**EXHIBIT H, Policy on Utilization of Historically Underutilized Businesses**”. The policy applies to all contracts with an expected value of \$100,000 or more. The Board of Regents of The University of Texas System is the contracting authority.

1. In all contracts for professional services, contracting services, and/or commodities with an expected value of \$100,000 or more, The University of Texas System, “UT System” or the “University” will indicate in the purchase solicitation (e.g. RFQ, RFQ, or CSP) whether or not subcontracting opportunities are probable in connection with the contract. A HUB Subcontracting Plan is a required element of the architect, contractor or vendor Response to the purchase solicitation. The HUB Subcontracting Plan shall be developed and administered in accordance with the Policy. **Failure to submit a required HUB Subcontracting Plan (HSP) will result in rejection of the Response.**
2. If subcontracting opportunities are probable UT System will declare such probability in its invitations for bids, requests for proposals, or other purchase solicitation documents, and shall require submission of the appropriate HUB Subcontracting Plan with the Response.
 - a. When subcontracting opportunities are probable, and the Respondent proposes to subcontract any part of the work, the Respondent shall submit a **HUB Subcontracting Plan as prescribed by the Texas Comptroller** identifying subcontractors [34 TAC §20.14 (d) (1)(A)(B)(C)(D) (2) (3)(A)(B)(C)(D)(E)(F) (4)(A)(B)].
 - b. When subcontracting opportunities are probable, but the Respondent can perform such opportunities with its employees and resources, the Respondent’s HUB Subcontracting Plan shall include **Section 3 –Self Performance [34 TAC §20.14 (d) (5) (A) (B) (C) (D)]**.
3. If subcontracting opportunities are not probable UT System will declare such probability in its invitations or bids, requests for proposals, or other purchase solicitation documents and shall require submission of the appropriate HUB Subcontracting Plan with the Response.
 - a. When subcontracting opportunities are not probable, and the Respondent proposes to perform all the work with its employees and resources, the Respondent shall submit a HUB Subcontracting Plan that includes **Section 3 – Self Performance Justification**.
 - b. When subcontracting opportunities are not probable, but the Respondent proposes to subcontract any part of the work, the Respondent shall submit a **HUB Subcontracting Plan as prescribed by the Texas Comptroller** identifying subcontractors.
4. Respondents shall follow, but are not limited to, procedures listed in the Policy when developing a HUB Subcontracting Plan.
5. **Competitive Sealed Proposals (CSP):** Respondents shall submit a HUB Subcontracting Plan (packaged separately) twenty-four (24) hours following the Response submission date and time or as prescribed by the project manager.
6. In making a determination whether a good faith effort has been made in the development of the required HUB Subcontracting Plan, UT System shall follow the procedures listed in the Policy. If accepted by the

University, the HUB Subcontracting Plan shall become a provision of the Respondent's contract with UT System. **Revisions necessary to clarify and enhance information submitted in the original HUB subcontracting plan may be made in an effort to determine good faith effort.** Any revisions after the submission of the HSP shall be approved by the HUB Coordinator.

7. **Design Build (DB) and Construction Manager @ Risk (CM@R) responses:** Respondents to a “design build” or “construction manager-at-risk” purchase solicitation shall include the Letter of HUB Commitment in their Response attesting that the Respondent has read and understands the Policy on Historically Underutilized Businesses (HUBs), and a HUB Subcontracting Plan for all preconstruction and construction services including a HUB Subcontracting Plan as prescribed by the Texas Comptroller specific to construction services identifying first, second and third tier subcontractors. Respondents proposing to perform Part 1 preconstruction services with their own resources and employees shall submit, as part of their HSP, the Self Performance Justification.
8. **DB and CM@R HUB Contract Requirements:** Contractors engaged under design-build and construction manager-at-risk contracts shall submit a HUB Subcontracting Plan for all preconstruction and construction Phase Services, and, must further comply with the requirements of this Policy by developing and submitting a HUB Subcontracting Plan for each bid package issued in buying out the guaranteed maximum or lump sum price of the project. The HSP shall identify first, second and third tier subcontractors.
9. The University of Texas System shall reject any Response that does not include a fully completed HSP as required. **An incomplete HUB Subcontracting Plan is considered a material failure to comply with the solicitation for proposals.**
10. **Changes to the HUB Subcontracting Plan: Once a Respondent's HSP is accepted by UT System and becomes a provision of the contract between Respondent and UT System, the Respondent can only change that HSP if**
 - (a) the Respondent complies with 34 TAC Section 20.14; (b) the Respondent provides its proposed changes to UT System for review; (c) UT System (including UT System's HUB Coordinator) approves Respondent's proposed changes to its HSP; and (d) UT System and the Respondent amend their contract (in writing signed by authorized officials of both parties) in order to replace the contract's existing HSP with a revised HSP containing the changes approved by UT System.
11. **Expansion of Work:** If, after entering into a contract with a Respondent as a result of a purchase solicitation subject to the Policy, UT System wishes to expand the scope of work that the Respondent will perform under that contract through a change order or any other contract amendment (the “additional work”), UT System will determine if the additional work contains probable subcontracting opportunities not identified in the initial purchase solicitation for that contract. If UT System determines that probable subcontracting opportunities exist for the additional work, then the Respondent must submit to UT System an amended HUB Subcontracting Plan covering those opportunities that complies with the provisions of 34 TAC Section 20.14. Such an amended HSP must be approved by UT System and the Respondent (including UT System's HUB Coordinator) before (a) the contract may be amended by UT System and the Respondent to include the additional work and the amended HSP and (b) the Respondent performs the additional work. If a Respondent subcontracts any of the additional subcontracting opportunities identified by UT System for any additional work (i) without complying with 34 TAC Section 20.14 or (ii) before UT System and that Respondent amend their contract to include a revised HSP that authorizes such subcontracting, then the Respondent will be deemed to be in breach of its contract with UT System. As a result of such breach, UT System will be entitled to terminate its contract with the Respondent, and the Respondent will be subject to any remedial actions provided by Texas law, including those set forth in Chapter 2161, Texas Government Code, and 34 TAC Section 20.14. The University may report a Respondent's nonperformance under a

contract between that Respondent and UT System to the Texas Comptroller in accordance with 34 TAC Sections 20.10 through 20.18.

12. A Response may state that the Respondent intends to perform all the subcontracting opportunities with its own employees and resources in accordance with the Policy. However, if such a Respondent enters into a contract with UT System as a result of such a Response but later desires to subcontract any part of the work set forth in that contract, before the Respondent subcontracts such work it must first change its HUB Subcontracting Plan in accordance with the provisions of Section 10 above.
13. The University of Texas System shall require a professional services firm, contractor or vendor to whom a contract has been awarded to report the identity and the amount paid to its subcontractors on a monthly basis using a **HUB Subcontracting Plan (HSP) Prime Contractor Progress Assessment Report (PAR)** as a condition for payment.
14. If the University of Texas System determines that the successful Respondent failed to implement an approved HUB Subcontracting Plan in good faith, UT System, in addition to any other remedies, may report nonperformance to the Texas Comptroller in accordance with 34 TAC Section 20.14, (g) (1) related remedies of nonperformance to professional services firms, contractor and vendor implementation of the HSP.
15. In the event of any conflict between this “Summary of Requirements” and the remainder of the HUB Policy, the remainder of the HUB Policy will control.
16. These requirements, including the attachments referred to above, may be downloaded over the Internet from <http://utsystem.edu/offices/historically-underutilized-business/hub-forms>. For additional information contact the Office of HUB Development, The University of Texas System, 512/499/4530.

**Other Services/Vendor/Commodities HSP
Summary of Attachments Required from Respondents**

	Letter of Transmittal Page 8	Letter of HUB Commitment Page 9	HUB Subcontracting Plan (HSP) Pages 11-18	Progress Assessment Report (PAR) Page 19
1. UT SYSTEM DETERMINES THAT SUBCONTRACTING OPPORTUNITIES ARE PROBABLE.				
1. A. Respondent Proposes Subcontractors: Attachments required from the Respondent for the HUB Subcontracting Plan if the solicitation states that <u>subcontracting opportunities are probable</u> .	X		X	
1.B. Respondent Proposes Self-Performance: Attachments required from the Respondent for the HUB Subcontracting Plan if the solicitation states that <u>subcontracting opportunities are probable</u> , but the Respondent can perform such opportunities with its employees and resources.	X		X	
2. UT SYSTEM DETERMINES THAT SUBCONTRACTING OPPORTUNITIES ARE NOT PROBABLE.				
2.A. Respondent Proposes Self-Performance: Attachments required from the Respondent for the HUB Subcontracting Plan if the solicitation states that <u>subcontracting opportunities are not probable</u> , but the Respondent can perform such opportunities with its employees and resources.	X		X	
2. B. Respondent Proposes Subcontractors: Attachments required from the Respondent for the HUB Subcontracting Plan if the solicitation states that <u>subcontracting opportunities are not probable</u> , but the Respondent proposes to subcontract any part of the work.	X		X	
3. INDEFINITE DURATION/INDEFINITE QUANTITY CONTRACTS: Submit with initial qualifications. Attachments required from the Respondent prior to contract execution for each contract associated with a solicitation for miscellaneous services.		X	X	
4. CHANGES IN THE HUB SUBCONTRACTING PLAN AFTER AWARD: Attachments required from the Respondent to whom a contract has been awarded if it desires to make changes to the approved HUB Subcontracting Plan.			X	
5. REPORTING: Progress Assessment Report (PAR) required with all payment requests. The submittal of this attachment is a condition of payment.				X

(RESPONDENT’S BUSINESS LETTERHEAD)

Date

Mr. Hopeton Hay
Director, HUB and Federal Small Business Program
The University of Texas System
201 W. 6th St., Room B.140E
Austin, Texas 78701

RE: Historically Underutilized Business Plan for (Project Title): _____
Project Number: _____ - _____

Dear Mr. Hay,

In accordance with the requirements outlined in the specification section “HUB Participation Program,” I am pleased to forward this HUB Subcontracting Plan as an integral part of our response in connection with your invitation for Request for Proposals referencing the above project.

I have read and understand The University of Texas System Policy on Utilization of Historically Underutilized Businesses (HUBs). I also understand the State of Texas Annual Procurement Goal according to 34 Texas Administrative Code Section 20.13, and the goal as stated in the Agency Special Instructions section of the HUB Subcontracting Plan, page 11.

Select one of the following:

- _____ 32.9% for all special trade construction contracts
- _____ 26% for all other services contracts
- _____ 31.04% for commodities contracts

Subcontractors	No. of Subcontractors	Total Subcontract \$ Value	Total Estimated HUB %	% Minority Owned	% Woman Owned	% Service Disabled Veteran
HUB						
NON-HUB						
TOTAL						

I understand the above HUB percentages must represent Texas Comptroller HUB certification standards. For each of the listed HUB firms, I have attached a Texas Comptroller HUB Certification document.

Should we discover additional subcontractors claiming Historically Underutilized Business status during the course of this contract we will notify you of the same. In addition, if for some reason a HUB is unable to fulfill its contract with us, we will notify you immediately in order to take the appropriate steps to amend this contractual obligation.

Sincerely,

(Project Executive)

cc: Contract Administrator

(RESPONDENT'S BUSINESS LETTERHEAD)

Date

Mr. Hopeton Hay
Director, HUB and Federal Small Business Program
The University of Texas System
201 W. 6th St., Room B.140E
Austin, TX 78701

RE: Historically Underutilized Business Plan for (Project Title): _____
Project Number: _____ - _____

Dear Mr. Hay:

In accordance with the requirements outlined in the specification section "HUB Participation Program", I am pleased to forward this HUB Subcontracting Plan as an integral part of our proposal in connection with your invitation for request for proposals, referencing Project Number _____.

I have read and understand The University of Texas System Policy on Utilization of Historically Underutilized Businesses (HUBs).

Good Faith Effort will be documented by a two part HUB Subcontracting Plan (HSP) process. Part one (1) of the HSP submission will reflect self-performance with the appropriate sections completed per the instructions in Option One of the HSP Quick Checklist located on page 10 of The University of Texas Exhibit H Policy on Utilization of Historically Underutilized Businesses (HUBs).

As the scope of work/project is defined under this ID/IQ contract, part two (2) of the process will require a revised HUB Subcontracting Plan (HSP) and the Good Faith Effort will be documented per instructions in Attachment B (page 16-17) and Option Three of the HSP Quick Check List. The revised HUB Subcontracting Plan will be submitted to the HUB Coordinator prior to execution of each contract process. Documentation of subcontracted work will be provided with each pay request.

Sincerely,

(Project Executive)

cc: Contract Administrator



HUB Subcontracting Plan (HSP)

QUICKCHECKLIST

While this HSP Quick Checklist is being provided to merely assist you in readily identifying the sections of the HSP form that you will need to complete, it is very important that you adhere to the instructions in the HSP form and instructions provided by the contracting agency.

Option One -If you will be awarding all of the subcontracting work you have to offer under the contract to only Texas certified HUB vendors, complete:

- Section 1 - Respondent and Requisition Information
- Section 2a. - Yes, I will be subcontracting portions of the contract
- Section 2 b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors
- Section 2c. - Yes
- Section 4 - Affirmation
- GFE Method A (Attachment A) - Complete an Attachment A for each of the subcontracting opportunities you listed in Section 2b.
- Letter of Transmittal

Option Two -If you will be subcontracting any portion of the contract to Texas certified HUB vendors and Non-HUB vendors, and the aggregate percentage of all the subcontracting work you will be awarding to the Texas certified HUB vendors with which you have a continuous contract in place for five (5) years or less meets or exceeds the HUB Goal the contracting agency identified in the "Agency Special Instructions/Additional Requirements", complete:

- Section 1 - Respondent and Requisition Information
- Section 2a. - Yes, I will be subcontracting portions of the contract
- Section 2 b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors and Non-HUB vendors
- Section 2c. - No
- Section 2 d. - Yes
- Section 4 - Affirmation
- GFE Method A (Attachment A) - Complete an Attachment A for each of the subcontracting opportunities you listed in Section 2b.
- Letter of Transmittal

Option Three -If you will be subcontracting any portion of the contract to Texas certified HUB vendors and Non-HUB vendors or only to Non-HUB vendors, and the aggregate percentage of all the subcontracting work you will be awarding to the Texas certified HUB vendors with which you have a continuous contract in place for five (5) years or less does not meet or exceed the HUB Goal the contracting agency identified in the "Agency Special Instructions/Additional Requirements", complete:

- Section 1 - Respondent and Requisition Information
- Section 2a. - Yes, I will be subcontracting portions of the contract
- Section 2 b. - List all the portions of work you will subcontract, and indicated the percentage of the contract you expect to award to Texas certified HUB vendors and Non-HUB vendors
- Section 2 c. - No
- Section 2d. - No
- Section 4 - Affirmation
- GFE Method B (Attachment B) - Complete an Attachment B for each of the subcontracting opportunities you listed in Section 2b.
- Letter of Transmittal

Option Four - If you will not be subcontracting any portion of the contract and will be fulfilling the entire contract with your own resources, complete:

- Section 1 - Respondent and Requisition Information
- Section 2 a. - No, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources
- Section 3 - Self Performing Justification
- Section 4 - Affirmation
- Letter of HUB Commitment

***Continuous Contract:** Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.



HUB Subcontracting Plan (HSP)

In accordance with Texas Gov't Code §2161.252, the contracting agency has determined that subcontracting opportunities are probable under this contract. Therefore, all respondents, including State of Texas certified Historically Underutilized Businesses (HUBs) must complete and submit this State of Texas HUB Subcontracting Plan (HSP) with their response to the bid requisition (solicitation).

NOTE: Responses that do not include a completed HSP shall be rejected pursuant to Texas Gov't Code §2161.252(b).

The HUB Program promotes equal business opportunities for economically disadvantaged persons to contract with the State of Texas in accordance with the goals specified in the 2009 State of Texas Disparity Study. The statewide HUB goals defined in 34 Texas Administrative Code (TAC) §20.13 are:

- 11.2 percent for heavy construction other than building contracts,
- 21.1 percent for all building construction, including general contractors and operative builders' contracts,
- 32.9 percent for all special trade construction contracts,
- 23.7 percent for professional services contracts,
- 26.0 percent for all other services contracts, and
- 21.1 percent for commodities contracts.

- - Agency Special Instructions/Additional Requirements - -

In accordance with 34 TAC §20.14(d)(1)(D)(iii), a respondent (prime contractor) may demonstrate good faith effort to utilize Texas certified HUBs for its subcontracting opportunities if the total value of the respondent's subcontracts with Texas certified HUBs meets or exceeds the statewide HUB goal or the agency specific HUB goal, whichever is higher. When a respondent uses this method to demonstrate good faith effort, the respondent must identify the HUBs with which it will subcontract. If using existing contracts with Texas certified HUBs to satisfy this requirement, only contracts that have been in place for five years or less shall qualify for meeting the HUB goal. This limitation is designed to encourage vendor rotation as recommended by the 2009 Texas Disparity Study.

In accordance with 34 TAC §20.13(d)(1)(D)(iii), the goals below are the applicable goals for the University of Texas System Administration only.

- Other Services HUB Goal – 26%**
- Commodities HUB Goal – 31.04%**
- Special Trades HUB Goal – 32.9%**

- Responses for Special Trades construction shall submit a HUB Subcontracting Plan (HSP) that meets the Good Faith Effort prescribed in Method B (Attachment B). See instruction for Option three on the HSP Quick Check List. No other Good Faith Effort method will be accepted.
- Responses for Miscellaneous Services Agreements for indefinite duration/indefinite quantity- Two (2) part process:
 1. Submit a Letter of HUB Commitment (page 9) and a Good Faith Effort described in Option Four.
 2. Submit a revised HSP prior to execution of each contract process as described in Option Three of Quick Check List.
- Respondents shall submit a completed HUB Subcontracting Plan (HSP) to be considered responsive. Failure to submit a completed HSP shall result in the bid, proposal or other expression of interest to be considered Non-responsive.
- Respondents who intend to Self-Perform all of their work shall submit an HSP for Self Performance HUB Subcontracting Plan (HSP) as described in Option Four.
- Prime contractor Progress Assessment Report (PAR) shall be submitted with each request for payment as a condition of payment.
- Please note that phone logs are no longer acceptable documentation of Good Faith Effort. Only fax, email and certified letter are acceptable.

SECTION-1: RESPONDENT AND REQUISITION INFORM

- a. Respondent (Company) Name: _____ State of Texas VID #: _____
 Point of Contact: _____ Phone #: _____
 E-mail Address: Fax #: _____
- b. Is your company a State of Texas certified HUB? - Yes - No
- c. Requisition #: _____ Bid Open Date: _____

Enter your company's name here: _____ Requisition #: _____

SECTION 2: SUBCONTRACTING INTENTIONS RESPONDENT

After dividing the contract work into reasonable lots or portions to the extent consistent with prudent industry practices, and taking into consideration the scope of work to be performed under the proposed contract, including all potential subcontracting opportunities, the respondent must determine what portions of work, including goods and services, will be subcontracted. Note: In accordance with 34 TAC §20.11., an "Subcontractor" means a person who contracts with a prime contractor to work, to supply commodities, or to contribute toward completing work for a governmental entity.

- a. Check the appropriate box (Yes or No) that identifies your subcontracting intentions:
 - Yes, I will be subcontracting portions of the contract. (If Yes, complete Item b, of this SECTION and continue to Item c of this SECTION.)
 - No, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources. (If No, continue to SECTION 3 and SECTION 4.)
- b. List all the portions of work (subcontracting opportunities) you will subcontract. Also, based on the total value of the contract, identify the percentages of the contract you expect to award to Texas certified HUBs, and the percentage of the contract you expect to award to vendors that are not a Texas certified HUB (i.e., Non-HUB).

	Subcontracting Opportunity Description	HUBs		Non-HUBs
		Percentage of the contract expected to be subcontracted to HUBs with which you have a <u>continuous contract*</u> in place for five (5) years or less.	Percentage of the contract expected to be subcontracted to HUBs with which you have a <u>continuous contract*</u> in place for <u>more than five (5) years.</u>	Percentage of the contract expected to be subcontracted to non-HUBs.
1		%	%	%
2		%	%	%
3		%	%	%
4		%	%	%
5		%	%	%
6		%	%	%
7		%	%	%
8		%	%	%
9		%	%	%
10		%	%	%
11		%	%	%
12		%	%	%
13		%	%	%
14		%	%	%

(Note: If you have more than fifteen subcontracting opportunities, a continuation sheet is available online at <http://window.state.tx.us/procurement/prog/hub/hub-subcontracting-plan/>.)

- c. Check the appropriate box (Yes or No) that indicates whether you will be using only Texas certified HUBs to perform all of the subcontracting opportunities you listed in SECTION 2, Item b.
 - Yes (If Yes, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed.)
 - No (If No, continue to Item d, of this SECTION.)
- d. Check the appropriate box (Yes or No) that indicates whether the aggregate expected percentage of the contract you will subcontract with Texas certified HUBs with which you have a continuous contract* in place with for five (5) years or less meets or exceeds the HUB goal the contracting agency identified on page 1 in the "Agency Special Instructions/Additional Requirements".
 - Yes (If Yes, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed.)
 - No (If No, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method B (Attachment B)" for each of the subcontracting opportunities you listed.)

**Continuous Contract: Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.*

Enter your company's name here: _____ Requisition #: _____

SECTION-2: SUBCONTRACTING INTENTIONS RESPONDENT (CONTINUATION SHEET)

a. This page can be used as a continuation sheet to the HSP Form's page 2, Section 2, Item b. Continue listing the portions of work (subcontracting opportunities) you will subcontract. Also, based on the total value of the contract, identify the percentages of the contract you expect to award to Texas certified HUBs, and the percentage of the contract you expect to award to vendors that are not a Texas certified HUB (i.e., Non-HUB).

	Subcontracting Opportunity Description	HUBs		Non-HUBs
		Percentage of the contract expected to be subcontracted to HUBs with which you have a <u>continuous contract*</u> in place for five (5) years or less.	Percentage of the contract expected to be subcontracted to HUBs with which you have a <u>continuous contract*</u> in place for <u>more than five (5) years.</u>	Percentage of the contract expected to be subcontracted to non-HUBs.
16		%	%	%
17		%	%	%
18		%	%	%
19		%	%	%
20		%	%	%
21		%	%	%
22		%	%	%
23		%	%	%
24		%	%	%
25		%	%	%
26		%	%	%
27		%	%	%
28		%	%	%
29		%	%	%
30		%	%	%
31		%	%	%
32		%	%	%
33		%	%	%
34		%	%	%
35		%	%	%
36		%	%	%
37		%	%	%
38		%	%	%
39		%	%	%
40		%	%	%

**Continuous Contract: Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.*

HSP – SECTION 2
(Continuation Sheet)

Enter your company's name here: _____ Requisition #: _____

SECTION-3: SELF PERFORMING JUSTIFICATION (If you responded "No" to SECTION 2, Item a, you must complete this SECTION and continue to SECTION 4)

Check the appropriate box (Yes or No) that indicates whether your response/proposal contains an explanation demonstrating how your company will fulfill the entire contract with its own resources.

- Yes (If *Yes*, in the space provided below list the specific page(s)/section(s) of your proposal which explains how your company will perform the entire contract with its own equipment, supplies, materials and/or employees.)
- No (If *No*, in the space provided below explain how your company will perform the entire contract with its own equipment, supplies, materials and/or employees.)

SECTION-4: AFFIRMATION

As evidenced by my signature below, I affirm that I am an authorized representative of the respondent listed in SECTION 1, and that the information and supporting documentation submitted with the HSP is true and correct. Respondent understands and agrees that, if awarded any portion of the requisition:

- The respondent will provide notice as soon as practical to all the subcontractors (HUBs and Non-HUBs) of their selection as a subcontractor for the awarded contract. The notice must specify at a minimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity they (the subcontractor) will perform, the approximate dollar value of the subcontracting opportunity and the expected percentage of the total contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract no later than ten (10) working days after the contract is awarded.
- The respondent must submit monthly compliance reports (Prime Contractor Progress Assessment Report – PAR) to the contracting agency, verifying its compliance with the HSP, including the use of and expenditures made to its subcontractors (HUBs and Non-HUBs). (The PAR is available at <http://www.window.state.tx.us/procurement/prog/hub/hub-forms/progressassessmentrpt.xls>).
- The respondent must seek approval from the contracting agency prior to making any modifications to its HSP, including the hiring of additional or different subcontractors and the termination of a subcontractor the respondent identified in its HSP. If the HSP is modified without the contracting agency's prior approval, respondent may be subject to any and all enforcement remedies available under the contract or otherwise available by law, up to and including debarment from all state contracting.
- The respondent must, upon request, allow the contracting agency to perform on-site reviews of the company's headquarters and/or work-site where services are being performed and must provide documentation regarding staffing and other resources.

 Signature Printed Name Title Date

(mm/dd/yyyy)

Reminder:

- If you responded "Yes" to SECTION 2, Items c or d, you must complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed in SECTION 2, Item b.
- If you responded "No" SECTION 2, Items c and d, you must complete an "HSP Good Faith Effort - Method B (Attachment B)" for each of the subcontracting opportunities you listed in SECTION 2, Item b.

--	--

IMPORTANT: If you responded "Yes" to SECTION 2, Items c or d of the completed HSP form, you must submit a completed "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed in SECTION 2, Item b of the completed HSP form. You may photo-copy this page or download the form at <http://window.state.tx.us/procurement/prog/hub/hub-forms/hub-sbcont-plan-gfe-achm-a.pdf>.

SECTION A-1: SUBCONTRACTING OPPORTUNITY

Enter the item number and description of the subcontracting opportunity you listed in SECTION 2, Item b, of the completed HSP form for which you are completing the attachment.

Item Number: _____ Description: _____

SECTION A-2: SUBCONTRACTOR SELECTION

List the subcontractor(s) you selected to perform the subcontracting opportunity you listed above in SECTION A-1. Also identify whether they are a Texas certified HUB and their VID number, the approximate dollar value of the work to be subcontracted, the expected percentage of work to be subcontracted, and indicate whether the company is a Texas certified HUB

Company Name	Texas certified HUB	VID Number (Required if Texas certified HUB)	Approximate Dollar Amount	Expected Percentage of Contract
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%

REMINDER: As specified in SECTION 4 of the completed HSP form, if you (respondent) are awarded any portion of the requisition, you are required to provide notice as soon as practical to all the subcontractors (HUBs and Non-HUBs) of their selection as a subcontractor. The notice must specify at a minimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity they (the subcontractor) will perform, the approximate dollar value of the subcontracting opportunity and the expected percentage of the total contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract no later than ten (10) working days after the contract is awarded.

HSP Good Faith Effort - Method B (Attachment B)

Enter your company's name here: _____	Requisition #: _____
---------------------------------------	----------------------

IMPORTANT: If you responded "Yes" to SECTION 2, Items c or d of the completed HSP form, you must submit a completed "HSP Good Faith Effort - Method B (Attachment B)" for each of the subcontracting opportunities you listed in SECTION 2, Item b of the completed HSP form. You may photo-copy this page or download the form at <http://window.state.tx.us/procurement/prog/hub/hub-forms/hub-sbcont-plan-gfe-achm-b.pdf>.

SECTION B-1: SUBCONTRACTING OPPORTUNITY

Enter the item number and description of the subcontracting opportunity you listed in SECTION 2, Item b, of the completed HSP form for which you are completing the attachment.

Item Number: _____ Description: _____

SECTION B-2: MENTOR PROTÉGÉ PROGRAM

If respondent is participating as a Mentor in a State of Texas Mentor Protégé Program, submitting its Protégé (Protégé must be a State of Texas certified HUB) as a subcontractor to perform the subcontracting opportunity listed in SECTION B-1, constitutes a good faith effort to subcontract with a Texas certified HUB towards that specific portion of work.

Check the appropriate box (Yes or No) that indicates whether you will be subcontracting the portion of work you listed in SECTION B-1 to your Protégé.

- Yes (If Yes, to continue to SECTION B-4.)
- No / Not Applicable (If No or Not Applicable, continue to SECTION B-3 and SECTION B-4.)

SECTION B-3: NOTIFICATION OF SUBCONTRACTING OPPORTUNITY

When completing this section you MUST comply with items a, b, c and d, thereby demonstrating your Good Faith Effort of having notified Texas certified HUBs and trade organizations or development centers about the subcontracting opportunity you listed in SECTION B-1. Your notice should include the scope of work, information regarding the location to review plans and specifications, bonding and insurance requirements, required qualifications, and identify a contact person. When sending notice of your subcontracting opportunity, you are encouraged to use the attached HUB Subcontracting Opportunity Notice form, which is also available online at <http://www.window.state.tx.us/procurement/prog/hub/hub-subcontracting-plan>.

Retain supporting documentation (i.e., certified letter, fax, e-mail) demonstrating evidence of your good faith effort to notify the Texas certified HUBs and trade organizations or development centers. Also, be mindful that a working day is considered a normal business day of a state agency, not including weekends, federal or state holidays, or days the agency is declared closed by its executive officer. The initial day the subcontracting opportunity notice is sent/provided to the HUBs and to the trade organizations or development centers is considered to be "day zero" and does not count as one of the seven (7) working days.

- a. Provide written notification of the subcontracting opportunity you listed in SECTION B-1, to three (3) or more Texas certified HUBs. Unless the contracting agency specified a different time period, you must allow the HUBs at least seven (7) working days to respond to the notice prior to your submitting your bid response to the contracting agency. When searching for Texas certified HUBs, ensure that you use the State of Texas' Centralized Master Bidders List (CMBL) and Historically Underutilized Business (HUB) Search directory located at <http://mycpa.state.tx.us/tpasscmbsearch/index.jsp>. HUB Status code "A" signifies that the company is a Texas certified HUB.
- b. List the three (3) Texas certified HUBs you notified regarding the subcontracting opportunity you listed in SECTION B-1. Include the company's Vendor ID (VID) number, the date you sent notice to that company, and indicate whether it was responsive or non-responsive to your subcontracting opportunity notice.

Company Name	VID Number	Date Notice Sent (mm/dd/yyyy)	Did the HUB Respond?
			<input type="checkbox"/> - Yes <input type="checkbox"/> - No
			<input type="checkbox"/> - Yes <input type="checkbox"/> - No
			<input type="checkbox"/> - Yes <input type="checkbox"/> - No

- c. Provide written notification of the subcontracting opportunity you listed in SECTION B-1 to two (2) or more trade organizations or development centers in Texas to assist in identifying potential HUBs by disseminating the subcontracting opportunity to their members/participants. Unless the contracting agency specified a different time period, you must provide your subcontracting opportunity notice to trade organizations or development centers at least seven (7) working days prior to submitting your bid response to the contracting agency. A list of trade organizations and development centers that have expressed an interest in receiving notices of subcontracting opportunities is available on the Statewide HUB Program's webpage at <http://www.window.state.tx.us/procurement/prog/hub/mwb-links-1/>.
- d. List two (2) trade organizations or development centers you notified regarding the subcontracting opportunity you listed in SECTION B-1. Include the date when you sent notice to it and indicate if it accepted or rejected your notice.

Trade Organizations or Development Centers	Date Notice Sent (mm/dd/yyyy)	Was the Notice Accepted?
		<input type="checkbox"/> - Yes <input type="checkbox"/> - No
		<input type="checkbox"/> - Yes <input type="checkbox"/> - No

HSP Good Faith Effort - Method B (Attachment B) Cont.

Enter your company's name here: _____ Requisition #: _____

SECTION B-4: SUBCONTRACTOR SELECTION

Enter the item number and description of the subcontracting opportunity you listed in SECTION 2, Item b, of the completed HSP form for which you are completing the attachment.

a. Enter the item number and description of the subcontracting opportunity for which you are completing this Attachment B continuation page.

Item Number: _____ Description: _____

b. List the subcontractor(s) you selected to perform the subcontracting opportunity you listed in SECTION B-1. Also identify whether they are a Texas certified HUB and their VID number, the approximate dollar value of the work to be subcontracted, the expected percentage of work to be subcontracted, and indicate whether the company is a Texas certified HUB.

Company Name	Texas certified HUB	VID Number (Required if Texas)	Approximate Dollar Amount	Expected Percentage of Contract
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%

c. If any of the subcontractors you have selected to perform the subcontracting opportunity you listed in SECTION B-1 is not a Texas certified HUB, provide written justification for your selection process (attach additional page if necessary):

REMINDER: As specified in SECTION 4 of the completed HSP form, if you (respondent) are awarded any portion of the requisition, you are required to provide notice as soon as practical to all the subcontractors (HUBs and Non-HUBs) of their selection as a subcontractor. The notice must specify at a minimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity it (the subcontractor) will perform, the approximate dollar value of the subcontracting opportunity and the expected percentage of the total contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract no later than ten (10) working days after the contract is awarded.



HUB Subcontracting Opportunity Notification Form

In accordance with Texas Gov't Code, Chapter 2161, each state agency that considers entering into a contract with an expected value of \$100,000 or more shall, before the agency solicits bids, proposals, offers, or other applicable expressions of interest, determine whether subcontracting opportunities are probable under the contract. The state agency I have identified below in **Section B** has determined that subcontracting opportunities are probable under the requisition to which my company will be responding.

34 Texas Administrative Code, §20.14 requires all respondents (prime contractors) bidding on the contract to provide notice of each of their subcontracting opportunities to at least three (3) Texas certified HUBs (who work within the respective industry applicable to the subcontracting opportunity), and allow the HUBs at least seven (7) working days to respond to the notice prior to the respondent submitting its bid response to the contracting agency. In addition, at least seven (7) working days prior to submitting its bid response to the contracting agency, the respondent must provide notice of each of its subcontracting opportunities to two (2) or more trade organizations or development centers (in Texas) that serves members of groups (i.e., Asian Pacific American, Black American, Hispanic American, Native American, Woman, Service Disabled Veteran) identified in Texas Administrative Code, §20.11(19)(C).

We respectfully request that vendors interested in bidding on the subcontracting opportunity scope of work identified in **Section C, Item 2**, reply no later than the date and time identified in **Section C, Item 1**. Submit your response to the point-of-contact referenced in **Section A**.

SECTION: A PRIME CONTRACTOR'S INFORMATION

Company Name: _____ State of Texas VID #: _____
 Point-of-Contact: _____ Phone #: _____
 E-mail Address: _____ Fax #: _____

SECTION: B AGENCY INFORMATION

Agency Name: _____
 Point-of-Contact: _____ Phone #: _____
 Requisition #: _____ Bid Open Date: _____
(mm/dd/yyyy)

SECTION: C SUBCONTRACTING OPPORTUNITY RESPONSE DUE DATE, DESCRIPTION, REQUIREMENTS AND RELATED INFORMATION

1. Potential Subcontractor's Bid Response Due Date:

If you would like for our company to consider your company's bid for the subcontracting opportunity identified below in Item 2, we must receive your bid response no later than Select on .
Central Time Date (mm/dd/yyyy)

In accordance with 34 TAC §20.14, each notice of subcontracting opportunity shall be provided to at least three (3) Texas certified HUBs, and allow the HUBs at least seven (7) working days to respond to the notice prior to submitting our bid response to the contracting agency. In addition, at least seven (7) working days prior to us submitting our bid response to the contracting agency, we must provide notice of each of our subcontracting opportunities to two (2) or more trade organizations or development centers (in Texas) that serves members of groups (i.e., Asian Pacific American, Black American, Hispanic American, Native American, Woman, Service Disabled Veteran) identified in Texas Administrative Code, §20.11(19)(C).

(A working day is considered a normal business day of a state agency, not including weekends, federal or state holidays, or days the agency is declared closed by its executive officer. The initial day the subcontracting opportunity notice is sent/provided to the HUBs and to the trade organizations or development centers is considered to be "day zero" and does not count as one of the seven (7) working days.)

2. Subcontracting Opportunity Scope of Work:

3. Required Qualifications: - Not Applicable

4. Bonding/Insurance Requirements: - Not Applicable

5. Location to review plans/specifications: - Not Applicable



HUB Subcontracting Plan (HSP) Prime Contractor Progress Assessment Report

Rev. 10/14

This form must be completed and submitted to the contracting agency each month to document compliance with your HSP.

Contract/Requisition Number: _____ Date of Award: _____ Object Code: _____

Contracting Agency/University Name: _____

Contractor (Company) Name: _____ State of Texas VID : _____

Point of Contact: _____ Phone #: _____

Reporting (Month) Period: _____ Total Amount Paid this Reporting Period to Contractor: \$ _____

Report HUB and Non-HUB subcontractor information

*Note: Texas certified HUB status can be verified on-line at: <https://mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp>

Subcontractor's Name	*Texas certified HUB? (Yes or No)	Subcontractor's VID or HUB Certificate Number (Required if Texas certified HUB)	Total Contract \$ Amount from HSP with Subcontractor	Total \$ Amount Paid this Reporting Period to Subcontractor	Total Contract \$ Amount Paid to Date to Subcontractor	Object Code (Agency Use Only)
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
			\$ -	\$ -	\$ -	
TOTALS:			\$ -	\$ -	\$ -	

Signature: _____ Title: _____ Date: _____

Printed Name: _____ Phone No: _____

Description of Investment Info Provided

This file includes the listing at 8/31/15 of UT System's Tech Stock and Horizon Fund investments that we believe to be in scope for this GASB 72 fair value project (i.e. those investments that are not publicly traded thus do not have publicly available market prices). This listing originated from the investments accounted for in UTIMCO's system.

1) Columns A through G came directly from UTIMCO's CRIS reporting system, thus these columns present the information exactly how it appears in UTIMCO's system (our accounting system of record for these investments).

a) The book value (BV) listed represents the original cost of the investment. If BV is more than a dollar or two, it typically represents the purchase price of the investment.

b) Since these are all private investments and we have not historically accounted for them at fair value, the market values (MVs) currently equal the BVs.

2) Columns H through I contain information provided by the related UT institution regarding either the company issuing the investment or the investment itself. Most responses were obtained through a questionnaire sent to the institutions in mid-2015. These comments represent what the questionnaire respondent knew, to the best of their knowledge, at the time the questionnaire was submitted. We wanted to include these comments to show what the UT System Controller's Office was able to obtain from the related institutions.

3) Columns J through K were provided via independent research from the UT System Controller's Office. Column P lists any website found for what we believe to be the issuing company of the investment. Column Q includes additional notes if the investment listed changed between August 31, 2015 and the current period presented. For example, if investment listed was subsequently written off the books, that is detailed here.

	A	B	C	D	E	F	G	H	I	J	K
1	University of Texas System										
2	Tech Stocks and Horizon Fund Holdings - Private										
3	As of 8/31/2015										
4											
5	Data from UTIMCO's Database							Information obtained from Institutions or System OTC		Obtained by Independent Research	
6	Security Name	Book Value	Market Value	Par Value/Shares	Asset Description	Inst.	Institution	Are periodic financial statements received from issuing company?	Notes	Issuing Company Website	Notes
7	TECH STOCKS										
8	ENERGYTRONIX, INC	1.00	1.00	10,000.00	DOMESTIC COMMON STOCKS	ARL	UT Arlington	NO		http://www.energytronix.com	
9	INKNOWLEDGE, INC.	2.00	2.00	6,500,000.00	PREFERRED STOCKS	ARL	UT Arlington	NO		http://www.inknowledge.com	
10	ZT SOLAR, INC.	1.00	1.00	500,000.00	DOMESTIC COMMON STOCKS	ARL	UT Arlington	NO		http://www.ztsolar.com	
11	ACTACELL, INC	2.00	2.00	257,500.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO		http://www.actacell.com	
12	ADVANCED HYDRO, INC.	1.00	1.00	1,041,667.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO	Expect company to be terminated if not already. Suggest keeping investment on the books at \$1 as placeholder until we know for sure that we can write off.		not found
13	ALAFAIR BIOSCIENCES, INC.	2.00	2.00	187,200.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO		http://alafairbiosciences.com	
14	BIOTECT INC.	3,000.00	3,000.00	300,000.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO		https://sbirsource.com/sbir/firms/21418-biotect-inc	
15	CAMBRIOS TECHNOLOGIES CORPORATIN	1.00	1.00	381,000.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO		http://www.cambrios.com	
16	CYTERNEX, INC.	1.00	1.00	135,000.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO	Company changed name to Cyclene Pharmaceuticals, Inc. f/k/a Cyternex, Inc.	http://www.cylenepharma.com	
17	EMIT CORPORATION	1.00	1.00	50,000.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO	Horizon fund also has investments in this co.	http://www.emitcorp.com	
18	LABNETICS, INC	1.00	1.00	880,000.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO			not found
19	M87, INC	1.00	1.00	393,731.00	PREFERRED STOCKS	AUS	UT Austin	NO	Horizon fund also has investments in this co.	http://www.m-87.com/#rate	
20	M87, INC.	2.00	2.00	1,084,197.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO	Horizon fund also has investments in this co.	http://www.m-87.com/#rate	
21	NANOTECH BIOMACHINES, INC.	1.00	1.00	41,506.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO		http://www.nanotechbio.com	
22	PARKER KINETIC DESIGNS, INC	1.12	1.12	112.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO		http://www.parkerdrilling.com/about-us.aspx	
23	PLATINA ENERGY GROUP INC	1.00	1.00	8,000.00	CONVERTIBLE SECURITIES-STOCK	AUS	UT Austin	NO	Platina Energy Group acquired Enhanced Oil Recovery Technologies, Inc. 3/26/2008 (didn't find anything in curmchbase under this name either)		
24	POWER STANDARDS LAB, INC	1.00	1.00	1,250.00	PREFERRED STOCKS	AUS	UT Austin	NO		http://www.powerstandards.com/	
25	ROTATING SLEEVE ENGINE TECHNOLOGIES,	1.00	1.00	30,000.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO	Incorporated in Texas in 2000, the venture is an extension of a currently funded project at the Engine Research Program at The University of Texas at Austin.	http://www.rotatingliner.com/company.html	
26	SPECTRACELL LABORATORIES, INC	1.00	1.00	100,687.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO		http://www.spectracell.com/	
27	TERRA PAVE INTERNATIONAL INC	1.00	1.00	62,436.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO		http://terrapaveinternational.com	
28	WINDMILL CARDIOVASCULAR SYSTEMS INC	0.50	0.50	85,000.00	DOMESTIC COMMON STOCKS	AUS	UT Austin	NO		http://www.windmillcvs.com	
29	2LUX MEDIA INC	1.00	1.00	102,500.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO		http://www.2luxmedia.com/	
30	CIRASYS INC	4.00	4.00	800,000.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO		http://www.cirasys.com/	
31	DENA TECHNOLOGIES, INC.	4.00	4.00	1,275,000.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO		http://dena-technologies.com/	
32	DIAGTRONIX INC	2.00	2.00	263,413.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO		http://www.diagtronix.com/	
33	ENCEPHRX INC	1.00	1.00	50,000.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO			Written Off in Dec. 2015
34	HYGEIATEL, INC.	4.00	4.00	13,000.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO		https://www.hteldemo.info/	
35	INTEROPERATE.BIZ, INC.	3.00	3.00	34,000.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO		http://www.interoperate.biz/index.php	
36	KAIROS MICROSYSTEMS CORPORATION	1.00	1.00	61,600.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO	No URL listed; some information available on www.sbir.gov		
37	MEDICAL NANOTECHNOLOGIES, INC.	4.00	4.00	72.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO		http://www.biospace.com/News/medical-nanotechnologies-inc-awarded-phase-1-small/187239_	
38	MICROTRANSPONDER INC.	1.00	1.00	150.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO	Horizon fund also has investments in this co.	http://www.microtransponder.com	
39	PUNGO INC	1.00	1.00	160,000.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO		http://pungoinc.com/	
40	SOLARNO, INC.	1.00	1.00	100,000.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO		http://www.solarno.com/	
41	SPEETRA INC.	4.00	4.00	172,557.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO	No URL listed		
42	THE SYZGY MEMORY PLASTICS CORP	3.00	3.00	4,160.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO		http://www.memoryplastics.com/partners	
43	TURSIOP TECHNOLOGIES LLC	1.00	1.00	1.00	LIMITED PARTNERSHIPS	DAL	UT Dallas	NO			website not found; https://www.crunchbase.com/organization/tursiop-technologies#entity
44	ZW CORPORATION	4.00	4.00	28,732.00	DOMESTIC COMMON STOCKS	DAL	UT Dallas	NO			not found
45	CRYSTAL CLEAR TECHNOLOGIES, INC	1.00	1.00	10,000.00	DOMESTIC COMMON STOCKS	ELP	UT El Paso	NO			not found
46	LBS TECHNOLOGIES INC	1.00	1.00	5,500.00	DOMESTIC COMMON STOCKS	ELP	UT El Paso	YES			Not in crunchbase.com. Unable to locate any company information.
47	LBST - LASERGEN LLC	1.00	1.00	578.00	UNIT INVESTMENT TRUSTS	ELP	UT El Paso	NO			Not in crunchbase.com. Unable to locate any company information.
48	LBST - TIPPER LLC	1.00	1.00	92.00	UNIT INVESTMENT TRUSTS	ELP	UT El Paso	NO			Not in crunchbase.com. Unable to locate any company information.
49	MAYAN PIGMENTS INC	1.00	1.00	5,210.00	DOMESTIC COMMON STOCKS	ELP	UT El Paso	NO			Not in crunchbase.com. Unable to locate any company information.
50	PHOTOKINETICS INCORPORATED	1.00	1.00	28,000.00	DOMESTIC COMMON STOCKS	ELP	UT El Paso	NO			Not in crunchbase.com. Unable to locate any company information.
51	FIBERIO TECHNOLOGY CORPORATION	1.00	1.00	550,000.00	DOMESTIC COMMON STOCKS	P-A	UT Pan American	YES	Horizon fund also has investments in this co.	http://fiberiotech.com	
52	FIBERIO TECHNOLOGY CORPORATION, SERI	313,005.84	313,005.84	248,312.00	PREFERRED STOCKS	P-A	UT Pan American	YES	Horizon fund also has investments in this co.	http://fiberiotech.com	
53	FIBERIO TECHNOLOGY CORPORATION, SERI	699,999.62	699,999.62	260,592.00	PREFERRED STOCKS	P-A	UT Pan American	YES	Horizon fund also has investments in this co.	http://fiberiotech.com	
54	ILOWDERMILK	1.00	1.00	750.00	PREFERRED STOCKS	P-A	UT Pan American	YES			
55	AL PHAHELIX BIOMETRICS, INCORPORATED	1.00	1.00	120,000.00	DOMESTIC COMMON STOCKS	S-A	UT San Antonio	YES			
56	DEADEYE MARKSMANSHIP, INCORPORATED	1.00	1.00	2,000,000.00	DOMESTIC COMMON STOCKS	S-A	UT San Antonio	YES		http://www.deadeyemarksmanship.com	

	A	B	C	D	E	F	G	H	I	J	K
1	University of Texas System										
2	Tech Stocks and Horizon Fund Holdings - Private										
3	As of 8/31/2015										
4											
5	Data from UTIMCO's Database							Information obtained from Institutions or System OTC		Obtained by Independent Research	
6	Security Name	Book Value	Market Value	Par Value/Shares	Asset Description	Inst.	Institution	Are periodic financial statements received from issuing company?	Notes	Notes	
57	INVICTUS MEDICAL INC, SERIES A	2.00	2.00	515,652.00	PREFERRED STOCKS	S-A	UT San Antonio	YES		http://www.invictusmed.com	
58	LATAKOO, INC.	1.00	1.00	230,221.00	DOMESTIC COMMON STOCKS	S-A	UT San Antonio	YES	Horizon fund also has investments in this co. The Latakoo Inc. convertible bridge note on the Horizon fund books is in default. Will need to continue to monitor.	https://latakoo.com	
59	PREE, CORPORATION	1.00	1.00	300,000.00	DOMESTIC COMMON STOCKS	S-A	UT San Antonio	YES			
60	SYNSTEO, INC	1.00	1.00	1,200.00	DOMESTIC COMMON STOCKS	S-A	UT San Antonio	YES			
61	JOYANT PHARMACEUTICALS, INC.	1.00	1.00	61,278.00	PREFERRED STOCKS	SWM	UT Southwestern Medical Center	NO		http://www.joyantpharma.com [not in service]	
62	LONESTAR HEART, INC.	2.00	2.00	122,466.00	DOMESTIC COMMON STOCKS	SWM	UT Southwestern Medical Center	NO		http://www.lonestarheartinc.com	
63	MEDICAL NANOTECHNOLOGIES, INC.	1.00	1.00	30.00	DOMESTIC COMMON STOCKS	SWM	UT Southwestern Medical Center	NO			
64	MIRAGEN THERAPEUTICS INC	1.00	1.00	150,000.00	DOMESTIC COMMON STOCKS	SWM	UT Southwestern Medical Center	NO		http://miragentherapeutics.com	
65	OMEICOS THERAPEUTICS GMBH	1.00	1.00	1,000.00	FOREIGN COMMON STOCKS	SWM	UT Southwestern Medical Center	NO		http://www.omeicos.com	
66	PANAMAB, INC.	1.00	1.00	900,000.00	DOMESTIC COMMON STOCKS	SWM	UT Southwestern Medical Center	NO			
67	PELTON THERAPEUTICS INC	1.00	0.02	15,000.00	DOMESTIC COMMON STOCKS	SWM	UT Southwestern Medical Center	NO			
68	REATA PHARMACEUTICALS, INC.	4.00	4.00	2,123,214.00	DOMESTIC COMMON STOCKS	SWM	UT Southwestern Medical Center	NO		http://resettherapeutics.com	
69	RESET THERAPEUTICS INC	1.00	1.00	300,000.00	DOMESTIC COMMON STOCKS	SWM	UT Southwestern Medical Center	NO		http://reatapharma.com	
70	SIENNA CANCER DIAGNOSTICS LIMITED	1.00	1.00	4,614,208.00	DOMESTIC COMMON STOCKS	SWM	UT Southwestern Medical Center	YES	Institution said company is actually Geron. Sienna, sub-licensee, issued the shares of stock. Geron is a public company. Ticker GERN	http://www.geron.com/	
71	SPECTRAL MD, INC	1.00	1.00	1,750,000.00	DOMESTIC COMMON STOCKS	SWM	UT Southwestern Medical Center	NO		http://spectralmd.com/	
72	SYNALPHA THERAPEUTICS LLC	1.00	1.00	500,000.00	PREFERRED STOCKS	SWM	UT Southwestern Medical Center	NO		No URL listed	
73	VITRUVIAN BIOMEDICAL, INC.	1.00	1.00	561,111.00	DOMESTIC COMMON STOCKS	SWM	UT Southwestern Medical Center	NO		http://www.vitruvianbiomedical.com/	
74	APOLLO ENDOSURGERY INC	1.00	1.00	277,090.00	DOMESTIC COMMON STOCKS	GMB	UT Medical Branch - Galveston	No. Company has to provide annual and sales reports	Horizon fund also has investments in this co.	http://apolloendo.com	
75	APOLLO ENDOSURGERY INC	1.00	1.00	46,524.00	PREFERRED STOCKS	GMB	UT Medical Branch - Galveston	No. Company has to provide annual and sales reports	Horizon fund also has investments in this co.	http://apolloendo.com	
76	APTAMED INC	2,000.00	2,000.00	200,000.00	DOMESTIC COMMON STOCKS	GMB	UT Medical Branch - Galveston	No. Company has to provide annual and sales reports			
77	KROMATID, INC	3.00	3.00	123,931.00	DOMESTIC COMMON STOCKS	GMB	UT Medical Branch - Galveston	No. Company has to provide annual Progress and sales reports			
78	KROMATID, INC.	1.00	1.00	61,364.00	RIGHTS AND WARRANTS	GMB	UT Medical Branch - Galveston	No. Company has to provide annual Progress and sales reports			
79	NONINVASIX, INC	2.00	2.00	655,859.00	DOMESTIC COMMON STOCKS	GMB	UT Medical Branch - Galveston	No. Company has to provide annual Progress and sales reports		http://www.noninvasix.com	
80	RED STORM SCIENTIFIC INC.	1.00	1.00	1,844,051.00	DOMESTIC COMMON STOCKS	GMB	UT Medical Branch - Galveston	No. Company has to provide Annual reports	In July, 2015, the institution indicated that this one should be written off, but they need to go through a process before this will happen. Still working on it, Dec. 2015.		Written Off in Jan. 2016
81	REPRODUCTIVE HEALTH TECHNOLOGIES, INC	1.00	1.00	112.00	DOMESTIC COMMON STOCKS	GMB	UT Medical Branch - Galveston	No. Company has to provide Annual reports			
82	SENO MEDICAL INSTRUMENTS INC	2.00	2.00	171,000.00	DOMESTIC COMMON STOCKS	GMB	UT Medical Branch - Galveston	No. Company has to provide annual Progress and sales reports		http://senomedical.com	
83	ACCUMED SYSTEMS INC	1.00	1.00	68,167.00	DOMESTIC COMMON STOCKS	HHS	UT Health Science Center - Houston	YES		http://www.accumedsystemsinc.com/	
84	ALZECA BIOSCIENCES, LLC	1.00	1.00	4,808.00	UNIT INVESTMENT TRUSTS	HHS	UT Health Science Center - Houston	NO		http://www.alzece.com/	
85	COAGULEX, INC	1.00	1.00	360,000.00	DOMESTIC COMMON STOCKS	HHS	UT Health Science Center - Houston	NO			
86	DECISIO HEALTH INC, 8%	25,000.00	25,000.00	25,000.00	CONVERTIBLE SECURITIES-BONDS	HHS	UT Health Science Center - Houston		Horizon fund also has investments in this co.	http://decisiohealth.com	
87	DECISIO HEALTH, INC	1.00	1.00	133,333.00	DOMESTIC COMMON STOCKS	HHS	UT Health Science Center - Houston	NO	Horizon fund also has investments in this co.	http://decisiohealth.com	
88	EMIT CORPORATION	1.00	1.00	475,000.00	DOMESTIC COMMON STOCKS	HHS	UT Health Science Center - Houston	NO	Horizon fund also has investments in this co.	http://www.emitcorp.com	
89	EMIT CORPORATION, SERIES A	50,000.00	50,000.00	50,000.00	PREFERRED STOCKS	HHS	UT Health Science Center - Houston	NO	Horizon fund also has investments in this co.	http://www.emitcorp.com	

	A	B	C	D	E	F	G	H	I	J	K
1	University of Texas System										
2	Tech Stocks and Horizon Fund Holdings - Private										
3	As of 8/31/2015										
4											
5	Data from UTIMCO's Database							Information obtained from Institutions or System OTC		Obtained by Independent Research	
6	Security Name	Book Value	Market Value	Par Value/Shares	Asset Description	Inst.	Institution	Are periodic financial statements received from issuing company?	Notes	Issuing Company Website	Notes
90	ENDOTHELIX INC	1.00	1.00	26,400.00	DOMESTIC COMMON STOCKS	HHS	UT Health Science Center - Houston	NO		http://www.endothelix.com/	
91	FAIRWAY MEDICAL TECHNOLOGIES INC	1.00	1.00	4,000.00	DOMESTIC COMMON STOCKS	HHS	UT Health Science Center - Houston				
92	FMT PARTNERS LLC	1.00	1.00	4,000.00	UNIT INVESTMENT TRUSTS	HHS	UT Health Science Center - Houston				
93	GUIDE VUE, INC. - CLASS A	1.00	1.00	211,925.00	DOMESTIC COMMON STOCKS	HHS	UT Health Science Center - Houston	NO		http://www.guidevue.com/guidevue/author.php	
94	LIFEBOT, LLC / .6% OWNERSHIP/ OPERAT	1.00	1.00	0.06	UNIT INVESTMENT TRUSTS	HHS	UT Health Science Center - Houston	YES		http://www.lifebot.us/	
95	NANOMEDICAL SYSTEMS INC	1.00	1.00	196,000.00	DOMESTIC COMMON STOCKS	HHS	UT Health Science Center - Houston	YES		http://nanomedsys.com/	
96	NEOGENIS LABORATORIES, INC.	4.00	4.00	12,968.00	DOMESTIC COMMON STOCKS	HHS	UT Health Science Center - Houston	YES		https://www.neogenis.com/	
97	NIRF IMAGING, INC.	1.00	1.00	97,995.00	DOMESTIC COMMON STOCKS	HHS	UT Health Science Center - Houston	NO			
98	PANAMAB, INC.	1.00	1.00	1,350,000.00	DOMESTIC COMMON STOCKS	HHS	UT Health Science Center - Houston	NO			
99	PLXPHERMA INC.	1.00	1.00	971,250.00	DOMESTIC COMMON STOCKS	HHS	UT Health Science Center - Houston	YES	Horizon fund also has investments in this co.	http://www.plxpharma.com	
100	PLXPHERMA INC. SERIES G	100,000.00	100,000.00	35,715.00	CONVERTIBLE SECURITIES-STOCK	HHS	UT Health Science Center - Houston	YES	Horizon fund also has investments in this co.	http://www.plxpharma.com	
101	WINDMILL CARDIOVASCULAR SYSTEMS INC	0.50	0.50	115,000.00	DOMESTIC COMMON STOCKS	HHS	UT Health Science Center - Houston	YES		http://www.windmillcvs.com	
102	WINDMILL CARDIOVASCULAR SYSTEMS INC.	77,500.00	77,500.00	77,500.00	CONVERTIBLE SECURITIES-BONDS	HHS	UT Health Science Center - Houston			http://www.windmillcvs.com	
103	YOUR DOCTOR PROGRAM, LP 7% INT	2.00	2.00	0.07	LIMITED PARTNERSHIPS	HHS	UT Health Science Center - Houston	NO		http://www.yourdoctorprogram.com/ [site not in service]	
104	ADMITTANCE TECHNOLOGIES INC.	1.00	1.00	93,750.00	DOMESTIC COMMON STOCKS	SAH	UT Health Science Center - San Antonio	YES	Horizon fund also has investments in this co.	http://admittancetechnologies.com	
105	ALVEOLUS INC	2.00	2.00	75,000.00	DOMESTIC COMMON STOCKS	SAH	UT Health Science Center - San Antonio	YES	Not in crunchbase.com. 2/19/2009 - Merit Medical Systems, Inc. (Nasdaq:MMSI), a manufacturer and marketer of proprietary disposable devices used primarily in cardiology and radiology procedures, announced today that it has signed a definitive agreement to acquire the assets of Alveolus, Inc., located in Charlotte, North Carolina.	http://www.merit.com/	
106	ASPECT ONCOLOGY LIMITED	1.00	1.00	113,842.00	DOMESTIC COMMON STOCKS	SAH	UT Health Science Center - San Antonio	YES			
107	NANOTX THERAPEUTICS, INC	1.00	1.00	1,000,000.00	DOMESTIC COMMON STOCKS	SAH	UT Health Science Center - San Antonio	YES		http://www.nano-tx.com/	
108	PARAGONIX TECHNOLOGIES, INC.,SERIES	2.00	2.00	16,208.00	CONVERTIBLE SECURITIES-STOCK	SAH	UT Health Science Center - San Antonio	YES			
109	RAPAMYCIN HOLDINGS	1.00	1.00	33,434.00	DOMESTIC COMMON STOCKS	SAH	UT Health Science Center - San Antonio	YES	Horizon fund also has investments in this co.	http://rapamycinholdings.com	
110	STEMBIOSYS INC., SERIES A	1.00	1.00	18,086.00	PREFERRED STOCKS	SAH	UT Health Science Center - San Antonio			http://www.stembiosys.com	
111	SYNSTEOD, INC	1.00	1.00	1,200.00	DOMESTIC COMMON STOCKS	SAH	UT Health Science Center - San Antonio				
112	XENOTOPE DIAGNOSTICS, INC	1.00	1.00	40,000.00	DOMESTIC COMMON STOCKS	SAH	UT Health Science Center - San Antonio	YES		http://www.xenotope.com/	
113	AAVP BIOSYSTEMS INC	1.00	1.00	20,356.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center		Progress reports		
114	APOCELL INC.	1.00	1.00	661,111.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center			http://www.apocell.com	
115	ARGINOX, INC.	1.00	1.00	1,181,250.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center				
116	BRIDGETECH HOLDINGS INT'L INC	1.00	1.00	15,000.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center				
117	CAPITAL GENOMIX, INC.	1.00	1.00	173,880.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center				
118	CASTLE BIOSCIENCES, INC	1.00	1.00	299,298.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center	YES		http://castlebiosciences.com	
119	CELLCENTRIC LIMITED	1.00	1.00	1,015.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center				
120	DNATRIX, INC.	2.00	2.00	195,772.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center			http://www.dnatrix.com	
121	ELAN CORP PLC CONTINGENT VALUE	1.00	1.00	44,835.00	RIGHTS AND WARRANTS	MDA	UT M.D. Anderson Cancer Center				
122	FAIRWAY MEDICAL TECHNOLOGIES INC	1.00	1.00	4,000.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center				
123	GLOBAL ONCOLOGY ONE, INC	1.00	1.00	145,000.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center			http://globalonc.org/	
124	INGENERON, INC.	1.00	1.00	80,000.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center	NO		http://www.ingeneron.com/	
125	INTERPATH PHARMACEUTICALS, INC.	1.00	1.00	1,383,858.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center				
126	LASERONIX TECHNOLOGIES, INC.	1.00	1.00	75,000.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center				
127	MOLECULARMATCH, INC	1.00	1.00	450,000.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center		Horizon fund also has investments in this co.	https://www.molecularmatch.com	
128	NANOMEDICAL SYSTEMS INC.	1.00	1.00	124,000.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center			http://www.nanospectra.com	
129	NANOSPECTRA BIOSCIENCES, INC.	2.00	2.00	95,875.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center			http://nanomedsys.com	
130	NUVERA BIOSCIENCES INC	8.49	8.49	1,697,766.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center			http://www.nuverabio.com/	
131	PHOTONIFY TECHNOLOGIES, INC.	1.00	1.00	2,000.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center			No URL listed	
132	REATA DISCOVERY, INC.	1.00	1.00	34,371.00	PREFERRED STOCKS	MDA	UT M.D. Anderson Cancer Center		Per UTIMCO, this preferred stock was converted to common stock in 2010, but preferred shares were not previously removed from the books. Removed in Dec 2015.	http://reatapharma.com	Written Off in Dec. 2015
133	REATA PHARMACEUTICALS INC	1.00	1.00	39,693.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center			http://reatapharma.com/	
134	REATA PHARMACEUTICALS, INC.	1.00	1.00	49,999.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center			http://reatapharma.com	
135	SOLITON, INC.	2.00	2.00	425,000.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center			http://www.solitoninc.com/ [site not in service]	
136	THE MACROPHAGE COMPANY, INC	1.00	1.00	400,000.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center				
137	TYRX PHARMA, INC	1.00	1.00	2,357.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center				Written Off in Jan. 2016
138	VAPOGENIX, INC.	1.00	1.00	372,445.00	DOMESTIC COMMON STOCKS	MDA	UT M.D. Anderson Cancer Center			http://www.vapogenix.com	
139	LUNG THERAPEUTICS, INC.	1.00	1.00	1,000,000.00	DOMESTIC COMMON STOCKS	THC	UT Health Science Center - Tyler	NO	Horizon fund also has investments in this co.	http://www.lungtx.com/	
140	LUNG THERAPEUTICS, INC.	1.00	1.00	200,000.00	PREFERRED STOCKS	THC	UT Health Science Center - Tyler	NO	Horizon fund also has investments in this co.	http://www.lungtx.com/	
141	Subtotal - Tech Stocks, Private	1,270,682.07	1,270,681.09								

	A	B	C	D	E	F	G	H	I	J	K
1	University of Texas System										
2	Tech Stocks and Horizon Fund Holdings - Private										
3	As of 8/31/2015										
4											
5	Data from UTIMCO's Database							Information obtained from Institutions or System OTC		Obtained by Independent Research	
6	Security Name	Book Value	Market Value	Par Value/Shares	Asset Description	Inst.	Institution	Are periodic financial statements received from issuing company?	Notes	Issuing Company Website	Notes
142											
143											
144	HORIZON FUND										
145	ADMITTANCE TECHNOLOGIES, INC, SERIES	224,998.63	224,998.63	56,709.00	PREFERRED STOCKS	SAD	UT System – Benefit of System		SAH also has investments in this co.	http://admittancetechnologies.com	
146	AEGLEA BIOTHERAPEUTICS HOLDINGS LLC,	1,000,000.00	1,000,000.00	2,000,000.00	PREFERRED STOCKS	SAD	UT System – Benefit of System			http://aegleabio.com/	
147	AEGLEA BIOTHERAPEUTICS HOLDINGS LLC,	1,200,000.25	1,200,000.25	1,411,765.00	PREFERRED STOCKS	SAD	UT System – Benefit of System			http://aegleabio.com/	
148	APOLLO ENDOSURGERY INC., SERIES C	1,499,999.23	1,499,999.23	1,227,194.00	CONVERTIBLE SECURITIES-STOCK	SAD	UT System – Benefit of System		GMB also has investments in this co.	http://apolloendo.com	
149	APOLLO ENDOSURGERY, INC., SERIES B	999,999.08	999,999.08	818,129.00	CONVERTIBLE SECURITIES-STOCK	SAD	UT System – Benefit of System		GMB also has investments in this co.	http://apolloendo.com	
150	CARDIOVATE, INC.	50,000.00	50,000.00	50,000.00	CONVERTIBLE SECURITIES-BONDS	SAD	UT System – Benefit of System			http://www.cardiovate.com/	
151	DECISIO HEALTH, INC	475,000.00	475,000.00	475,000.00	CONVERTIBLE SECURITIES-BONDS	SAD	UT System – Benefit of System		HHS also has investments in this co.	http://decisionhealth.com	
152	EMIT CORPORATION, SERIES A	430,000.00	430,000.00	430,000.00	PREFERRED STOCKS	SAD	UT System – Benefit of System		AUS & HHS also have investments in this co.	http://www.emitcorp.com	
153	FIBERIO TECHNOLOGY CORP, SERIES C	999,998.70	999,998.70	372,274.00	CONVERTIBLE SECURITIES-STOCK	SAD	UT System – Benefit of System		P-A (now RGV) also has investments in this co.	http://fiberiotech.com	
154	FIBERIO TECHNOLOGY CORPORATION, SERI	169,999.99	169,999.99	4,579,741.00	PREFERRED STOCKS	SAD	UT System – Benefit of System		P-A (now RGV) also has investments in this co.	http://fiberiotech.com	
155	LATAKOO, INC	192,225.87	192,225.87	192,225.87	CONVERTIBLE SECURITIES-BONDS	SAD	UT System – Benefit of System		S-A also has investments in this co. The Latakoo Inc. convertible bridge note on the books is in default. Will need to continue to monitor.	https://latakoo.com	
156	LATAKOO, INC.	8,200.96	8,200.96	15,966.00	CONVERTIBLE SECURITIES-STOCK	SAD	UT System – Benefit of System		S-A also has investments in this co. The Latakoo Inc. convertible bridge note on the books is in default. Will need to continue to monitor.	https://latakoo.com	
157	LUNG THERAPEUTICS	510,739.00	510,739.00	2,422,801.00	CONVERTIBLE SECURITIES-STOCK	SAD	UT System – Benefit of System		THC also has investments in this co.	http://www.lungtx.com/	
158	LUNG THERAPEUTICS, INC.	100.00	100.00	1,000,000.00	DOMESTIC COMMON STOCKS	SAD	UT System – Benefit of System		THC also has investments in this co.	http://www.lungtx.com/	
159	LUNG THERAPEUTICS, INC.	200.00	200.00	200,000.00	PREFERRED STOCKS	SAD	UT System – Benefit of System		THC also has investments in this co.	http://www.lungtx.com/	
160	M87, INC	594,634.54	594,634.54	594,634.54	CONVERTIBLE SECURITIES-BONDS	SAD	UT System – Benefit of System		AUS also has investments in this co.	http://www.m-87.com/#rate	# shares increased in FY16 due to accrued interest
161	M87, INC.	733,753.42	733,753.42	2,279,178.00	CONVERTIBLE SECURITIES-STOCK	SAD	UT System – Benefit of System		AUS also has investments in this co.	http://www.m-87.com/#rate	
162	MICROTRANSPONDER, INC., SERIES B	336,369.60	336,369.60	90.00	CONVERTIBLE SECURITIES-STOCK	SAD	UT System – Benefit of System		DAL also has investments in this co.	http://www.microtransponder.com	
163	MOLECULARMATCH INC, SERIES A	593,767.09	593,767.09	595,733.00	PREFERRED STOCKS	SAD	UT System – Benefit of System		MDA also has investments in this co.	https://www.molecularmatch.com	
164	OCCIPITAL INC	69,725.95	69,725.95	95,513.96	DOMESTIC COMMON STOCKS	SAD	UT System – Benefit of System				Corrected # of Shares in UTIMCO's System in FY16
165	PLXPHARMA INC. SERIES G	400,000.00	400,000.00	142,858.00	CONVERTIBLE SECURITIES-STOCK	SAD	UT System – Benefit of System		HHS also has investments in this co.	http://www.plxpharma.com	
166	RAPAMYCIN HOLDINGS	250,000.00	250,000.00	250,000.00	DOMESTIC COMMON STOCKS	SAD	UT System – Benefit of System		SAH also has investments in this co.	http://rapamycinholdings.com	
167	RAPAMYCIN HOLDINGS, INC.	121,976.47	121,976.47	121,976.47	CONVERTIBLE SECURITIES-BONDS	SAD	UT System – Benefit of System		SAH also has investments in this co.	http://rapamycinholdings.com	
168	Subtotal - Horizon Fund, Private	10,861,688.78	10,861,688.78								

1. Can you provide a list of the holdings to be valued?

Please refer to Package 4 posted to the RFP site on 1/20/16 for a list of the investments as of 8/31/15.

2. During the information gathering phase of the project, will the hired firm have access to the underlying data associated with the investment, and with key people?

Yes, the hired company will have access to whatever records are available after a nondisclosure agreement is signed and will be able to speak to key personnel at each institution with the most knowledge of the investment holdings.

3. Should we assume that the values of the investments in the Horizon Fund are more readily available and how are those investments currently being valued?

Yes, the information related to the Horizon Fund investments is more robust, and although those investments are currently carried on the books at original cost, they have been internally valued based on the latest round of financing.

4. What proportion of Horizon Fund investments need to be valued, compared to the investment in the total fund.

100% of the Horizon Fund investments need to be valued as all Horizon Fund investments are private investments and currently accounted for at original cost.

5. Are the Tech Stock investments held in another fund?

No, the Tech Stock investments are all individual investments (common stock, preferred stock, convertible debt, etc.), and are not part of any commingled fund. However, some of the Tech Stock investments are with companies in which other Tech Stock investments and/or the Horizon Fund also have investments.

6. In Appendix Two, AGREEMENT BETWEEN THE UNIVERSITY OF TEXAS SYSTEM AND CONTRACTOR, Section 12.21, Ethics Matters; No Financial Interest., the first link regarding the Conflicts of Interest Policy appears to be broken. Would you please post the correct link?

A new file for Appendix Two has been posted with the correct link.

7. Is there a targeted decision date for selecting a vendor and starting the project?

We hope to have a firm selected and contract negotiated by the 1st of April.

8. Please provide an explanation of the current UTS process to assign an estimated fair value to the in scope investments.

The in scope investments have not been assigned a fair value and are currently carried at original cost. If the investment received is purchased, the original cost is the purchase price. If the investment received is not purchased, then the original cost equals the value of the investment received if one can be determined. For example, if an institution receives a convertible note in lieu of cash owed for royalty payments, the value of the convertible note investment received should equal the note face value; otherwise, a nominal value of \$1.00 is assigned as the original cost/initial value of the investment, as a "place-holder." If more shares are subsequently received, then generally another \$1 is added to the value.

9. Please explain how you determined the value of the in scope investments that were purchased. How did you determine or evaluate the price to pay for the securities (e.g., financial models, business plan review, etc.)?

Answer likely varies based on individual investment. Hired firm can inquire of primary institution or U. T. Horizon Fund (UTHF) contact in the information gathering phase of the project. Furthermore, very few of the non-Horizon Fund investments were purchased. For the UTHF generally, all prices paid for securities are based on current pricing for a given round of financing. UTHF does not lead or price a given round of financing.

10. Please provide a description of how the in scope investments are monitored to assess their development and operational performance, the achievement of meaningful qualitative milestones, or other metrics.

UTHF actively monitors the portfolio through board meetings, continual dialogue with company management, and evaluation of industry/market trends and developments. For the non-Horizon Fund investments the answer varies by institution and investment held and will need to be determined by the hired valuation specialist.

11. Please clarify the type of investments held by UTS: Common stock, Preferred stock, Warrant, Debt, Convertible debt?

See Package 4 on the RFP website which contains the list of holdings as of 8/31/15. Column E lists the types of investments held.

12. When receiving securities as a gift, how is the Book Value referenced in the investment listing calculated?

Securities received as a gift are out of the scope of this project.

13. Have any of the in scope investments been received in lieu of a cash payment?

For the Tech Stocks, some investments been received in lieu of a cash payment. The hired firm can inquire of primary institution contact in the information gathering phase of the project.

14. What is the expected holding period of the in scope investments? What is the typical form of exit for the in scope investments (i.e. sale or IPO)?

The holding period of the investments is varied and not predictable as it depends upon the success or failure of the endeavor from which the transaction was generated. For investments held outside of the Horizon Fund, on rare occasions the company has gone public and the institution determines if they want to sell their shares. Many holdings have been on the books for years, and we expect that this Fair Value Project may bring to light the investments that are worthless and should be written off. For the UTHF, there is no specified holding period but we use 3-5 years as a general guideline. Trade sales and IPOs are the typical forms of exit.

15. How involved are you in the exit process (i.e. negotiated sale, sale through strategic, sale through financial buyer)?

Our investment company is involved in helping the institutions sell stocks if they go public. For tendered sales, mergers and acquisitions, the institutions typically handle these on their own. They may work with the banks handling the cash payouts for the equity, so they, themselves, are not very involved.

16. Please confirm if the in scope investments are minority interest positions. Do you have any co-investors? Do you have a controlling interest in any of the in scope investments?

At this time, we do not believe that we have enough information on the non-Horizon Fund holdings to accurately answer this question, as we, at the Controller's office, are not actively involved in managing these investments. We asked the institutions this question in mid-2015, and the answers were varied. It appears that we may have a controlling interest in a few of the companies, but that would need to be further verified. We hope that as the Fair Value Project evolves we will gain much more information in this area from the valuation expert we hire.

For the UTHF, it holds minority interest positions, does have co-investors, and does not have a controlling interest in any of the in-scope investments.

17. Please explain if any of the in scope investments raised capital in the past 36 months.

For the non-Horizon Fund holdings, we do not have enough information to answer this question, as the institutions are more closely involved with managing these investments. That being said, to our knowledge, the focus of the Offices of Technology Commercialization at the various campuses has not been aimed at evaluating the current holdings for things such as capital campaigns, changes in value, potential of the company going public, etc. Again, we hope that the Fair Value Project helps us gain information in these areas.

For the UTHF, all of the in-scope investments in the portfolio have raised capital in the past 36 months. More details can be provided around the investments once a vendor has been contracted.

18. We note the support you provided includes an investment listing indicating whether periodic financial statements are received from the issuing company. What information access rights are generally obtained for the in scope investments?

Do you have access to documents including security specific agreements stating rights and terms of securities present in the capital structure?

Do you have access to any other financial data and if so, what type of data (i.e. board presentations, capitalization tables)?

Information access rights vary for the non-Horizon Fund holdings on a company by company basis depending upon underlying agreements in place, the sensitivity of the information, and the length of time the investment has been held. We are unable to answer this question with more specificity since the details needed to answer this question are spread across the 11 institutions that entered into these deals. That being said, the investment listing provided in package 4 that indicates whether periodic financial statements are received from the issuing company may include outdated information. In preparing for this fair value project, it is possible that the institutions are able to obtain more financial statement information than what is currently indicated in that file.

For the UTHF, the rights vary on a company by company basis. Information access rights generally obtained include: financial statements, visitation, inspection, observation, and board meeting minutes. UTHF has access to documents including security specific agreements stating rights and terms of securities present in the capital structure. UTHF has access to board presentations, cap tables, financial models and budgets.

- 19. For the investments where full financial statements are periodically provided, please confirm: How often is UTS receiving financial statements (i.e. quarterly, semi-annually, yearly)? Are the financial statements received typically audited? Which firms are auditing the financials?**

At this time, we do not believe that we have enough information on the non-Horizon Fund holdings to accurately answer this question, as we, at the Controller's office, are not actively involved in managing these investments. We asked the institutions this question too in mid-2015, and the answers were varied. Some said "annually," some said "quarterly," some said "periodically," some said "never," and many did not specify how often. We do not have any information on if these statements are audited, or by whom. We envisioned that the firm that we hire will delve into this area when they visit the institutions to find out more about their investment holdings. For the UTHF, unaudited financial statements are received quarterly.

- 20. For the investment where financial statements are not provided, does UTS receive any relevant financial metrics for the in scope investments (i.e. EBITDA, revenue, or other industry-specific metrics?) If so, please provide frequency and type of information available.**

For the non-Horizon Fund holdings, we do not believe that the institutions receive this type of financial data (see question #17), but it's possible they do for a small number of companies in which they still have ongoing relationships. The UTHF does not receive any relevant financial metrics.

- 21. Are financial projections included as part of the financial package?**

For the non-Horizon Fund holdings, we do not believe that the institutions receive financial projections (see question #17), but it's possible they do for a small number of companies in which they still have ongoing relationships. For UTHF, financial projects are not included but they are generally requested.

- 22. Is UTS in direct contact with the underlying companies' management?**

The institutions may, or may not, be in direct contact with the underlying companies' management depending upon whether there is current activity with a particular company. For example, a stock transaction may have been entered into a number of years ago, and there is no current activity related to that company. In these cases, the institution may not have interacted with the company in years. For UTHF, the managing staff is in direct contact with a majority of the companies in the portfolio.

- 23. Please confirm all parties (e.g. Texas commissioner, attorney general, etc.) who will be provided the Deliverables resulting from this valuation engagement.**

UT System's external auditor will be provided the information, in detail. Otherwise, the values obtained just become part of the total Unrestricted Investments reported in UT System's Statement of Net Position and reported as part of the appropriate investment category in the footnotes in the Annual Financial Report. The information contained in the Annual Financial Report is public and available to everyone.

- 24. Does UTS have a valuation committee that reviews and signs off on the selected fair value? How many UTS individuals will be assisting in the process to obtain access to the requisite information to develop the valuations?**

Because the investments have not been carried on the books at fair value, no committee currently exists. Going forward, the deliverables obtained from the valuation specialists will be scrutinized by UT System's auditor who will either accept the determined value, or ask for more support to assist them in understanding how the value was determined.

The Controller's office has asked each institution to provide a primary contact at their institution that will be responsible for working with the valuation specialists on this project. The number of people may vary by institution depending upon the number of investments held (some only have a handful of investments), and the manpower available at each institution. Two or three people will be available to assist with the UTHF valuations. The UT System office has communicated the importance of the project and has asked the institutions to start gathering everything they can in preparation for the arrival of the valuation experts in a few weeks.

25. Please discuss the expectations from the selected contractor for valuing investments where financial and other pertinent information is not available.

If a company is determined to be defunct, then we can reasonably determine that the investment holding is worthless and should be written off the books. If a company is not determined to be defunct, yet no pertinent information is available to assist in assigning a value, we would look to the hired valuation specialist for guidance, but we suspect that we would keep these investments on the books at a nominal place-holder value so that valuations can be done in the future. We will also be looking for guidance from the hired firm on what to do in these situations. Documentation will need to be prepared and presented to the external auditor to support either of these conclusions.

26. Please explain how the valuations will be used:

- Record value in financial statements
- Disclosed in footnotes
- Budget process

The valuations will be recorded in the financial statements as part of the Unrestricted Investments amount, along with the required note disclosures. We are not aware of any budgeting processes that depend upon the valuation of these investments.

27. It is our understanding that information pertaining to some of the various investments (the "Investments" or singularly an "Investment") in the subject companies (the "Subject Companies", or individually a "Subject Company") may be available at various levels of detail, some probably more robust than the others. In situations wherein information is either unavailable or minimally/inadequately available for an Investment or a Subject Company (both with respect to either initial data requested and/or material follow-up questions we may have during our analysis), will one of the following be found to be applicable:

- A contact at the Subject Company can be provided to us in order for us to make reasonable efforts to obtain the necessary information
- The valuation prepared/opinion provided for the Investment may be qualified with the appropriate limitations
- Such Investment may be removed from the scope of work

Please refer to question #25 above to address the situation when no information is available. The institutions will be working with the valuation expert (after signing a non-disclosure agreement) in contacting the companies to obtain the needed information.

28. Under Section 5.4.4 of the RFP, it is noted that the individual Offices of Technology Commercialization at eleven UT institutions retain information for the agreements and investment holdings pertaining to the Tech Stocks. With regard to this, can you please address:

- **Will it be possible to provide a delineation of the Tech Stocks by the 11 institutions?**
- **Will site visits be required to the 11 locations for purposes of locating and gathering financial information (historical statements, budgets/forecasts, capitalization tables and other financial information as deemed relevant) and organizational documents (articles of incorporation, other operating documents) for the Subject Companies and/or will it be possible for our UT system contacts and their UT colleagues to locate, gather and upload the requested information to the Contractor's secure site?**

See Package 4 on the RFP website, Column G, which contains the institution holding each investment.

We envision that site visits will be needed in some cases, likely to M.D. Anderson, UTHSC Houston, UT Austin, and UT System Administration, because these entities hold the vast majority of the investments. The hired firm may need to visit all of the sites. We will leave it up to the hired firm to work with each institution to work out the details of how information will be exchanged for the project. Scanning and uploading multiple annual reports or other data may not be feasible for the institutions' available manpower to handle. Travel costs should be included in the bid.

29. With regard to deliverables and activities subsequent to the remittance thereof, we are of course pleased to include in our fee quote your requests under Exhibit A sections 5 and 6, including a summary of the inputs and methodology used to value the Investments (Exhibit A, section 5) as well as supporting documentation to the auditors upon request (Exhibit A, section 6), respectively. Please clarify whether we can also expect (should the situation arise) that any additional requests made by you or the auditor beyond those currently detailed in Exhibit A sections 5 and 6 that cause us incur more than one hour of professional time per Subject Company (or relevant Investment therein) analyzed will be considered by UTS to require "Payment for work not in scope," as described in Exhibit C.

Yes, time spent answering questions beyond those detailed in Exhibit A, sections 5 and 6, will be addressed as payment for work not in scope. Note, that in section 6, the auditor's questions may not come all at one time. Sometimes the initial auditor will have questions at one point in the audit, and then the reviewing partner may have additional questions later on. All of these questions, regardless of the timing of when they occur during the course of the audit, should be considered within scope.