

UNIVERSITY of HOUSTON
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Procurement
AREA: Contract Administration

Number: 04.04.01A

SUBJECT: Contracting - General

I. PURPOSE AND SCOPE

This document sets forth requirements applicable to all contractual instruments for services, including but not limited to contractual documents, terms and conditions, leases, letters of agreement, letters of intent, memoranda of understanding, and interagency or intercampus agreements,

- A. Executed on behalf of the University of Houston for and on behalf of and/or any unit of the university (collectively, "the university");
- B. Intended to be binding on the university; and
- C. To which the university is a party or signatory in any capacity, regardless of funding source, amount of funds expended or generated, and whether or not remuneration, monetary or in-kind, is involved, and/or contracts that are not required to be administered with the Office of Contract Administration (OCA).

This document was created to comply with Board of Regents [Policy 55.01](#), [Policy 53.04](#), UH [System Administrative Memorandum \(SAM\) 03.A.05](#), and applicable federal and state laws, regulations, agency advisory opinions and judicial and administrative determinations.

This document does not cover contracts for consulting or outside employment entered into by a university employee where the university employee acts as an independent consultant or contractor; contracts pertaining to sponsored projects, programs, activities for research and/or intellectual property which are funded by grants or other external funding sources; or procurement of supplies, goods or equipment that are normally provided by the university Purchasing Department.

II. POLICY

- A. No person has the authority to bind the university contractually, except in accordance with this policy.
- B. All contracts shall have all applicable administrative and legal reviews completed and be signed by all parties prior to commencement of any duties/actions by the parties as stipulated in the contract. Board of Regents approval must be obtained in an Open Meeting for certain contracts (see Section III. K of this document).
- C. Contracts are legally binding on the university only upon execution of the contract by the university official with delegated contractual signatory authority. All delegations of contracting authority must be made [in writing](#), approved by the President, and filed with the Office of Contract Administration by September 1 of each fiscal year in which they will be effective. No employee, officer or agent of the System shall have the authority to execute contracts unless expressly delegated such authority pursuant to this document.

- D. Amendments, changes, extensions or renewals to the original contract must be processed in the same manner as the original contract. A copy of the original contract must be included with the amendment, change, extension or renewal at the time the documents are processed for approval. In instances where the original contract was approved by the Board and the aggregate revised contract amount does not exceed 25% of the original contract, the President is authorized to execute the amendment, change, extension, or renewal without further action from the Board. In instances where the original contract was not approved by the Board and the aggregate revised contract amount will exceed \$1,000,000, the Board must approve the amendment, change, extension, or renewal.

III. GENERAL PROVISIONS

- A. Originating Unit Responsibilities: The originating unit assumes primary responsibility for a contract, from inception to completion of the transaction. The originating unit is responsible for monitoring and assuring performance in accordance with provisions of the contract and for reporting non-compliance to the College/Division Business Administrator and, as appropriate, to the appropriate Vice President. With regard to real estate matters, the Office of Real Estate Services (ORES) is the originating unit and is solely responsible for submitting real estate contracts to OCA. Departments of the university must work with ORES on real estate matters. The OCA will provide needed assistance as requested.
- B. College/Division Business Administrator Responsibilities: The College/Division Business Administrator supporting the originating unit must:
1. Review the contractual documents for business terms, accuracy, appropriateness, availability of funds, and compliance with university policy.
 2. Certify approval of the contractual documents and transaction by signing the Contract Cover Sheet.
 3. Work with the originating unit to obtaining any documents referenced in the contract, such as proof of insurance, exhibits, or attachments, and forward copies with contracts to the OCA.
 4. Develop and maintain a contract management system to ensure that the terms and conditions of each contract are performed in an appropriate manner. The individual(s) responsible for ensuring that the terms and conditions of the contract are met shall sign an appropriate statement acknowledging this important responsibility (See Addendum B). Such documentation, to include an acknowledgement statement and the person's name, title, signature and date of signature, shall be maintained with the records associated with each contract.
 5. Report all contracts with a dollar amount exceeding \$0.00 which are executed on or after September 1, 2015, whether reviewed by OCA or not, in the manner required by the Division of Administration and Finance for purposes of listing on the university's web site.
- C. Office of Contract Administration (OCA): The OCA processes and maintains contractual instruments not otherwise processed by the Division of Research, or processed in accordance with Sections V.C.4. and V.C.5. This office shall: receive and review all standard and non-standard contracts not otherwise the responsibility of the Division of Research; provide training for all university departments to facilitate compliance with this

MAPP; and provide required notices to the Legislative Budget Board (LBB) and other required state reporting offices within the specified time frame.

- D. Office of General Counsel (OGC): The OGC, with the assistance of OCA will advise and assist the originating unit regarding the most appropriate contract form for the purpose specified and related legal issues. All non-standard contracts (with the exception of those that are the responsibility of the Division of Research) are to be forwarded to the OCA for legal review, recommendations, and/or revisions. The OGC may prepare and designate certain contracts as “standard” whereby further OGC review and approval as to form may not be necessary, so long as the standard form of agreements have not been altered and other policies related to standard contracts are followed.
- E. Legal Review: [Board Policy 55.01](#) requires review and approval as to form by the OGC of all non-standard contracts prior to execution by the university. See Section V.C. for a discussion of standard contracts.
- F. Duration: The duration of any contractual transaction cannot be specified in a contractual instrument to extend beyond a cumulative period of five consecutive years, including renewal terms. The official with delegated authority must approve exceptions to this time period in writing.
- G. Execution: Contracts are legally binding on the university only upon execution of the contract by the university official with delegated contractual signatory authority, as specified in Addendum A.
- H. Historically Underutilized Business (HUBs): The university will comply fully with the letter and spirit of [Chapter 2161](#) of the Texas Government Code (refer to [Board Policy 55.04](#) and [System Administrative Memorandum 03.B.02](#)).
- I. Record Retention: Each contracting party, including the originating unit, should retain one fully executed copy of the contract in their respective files. If OCA is required to review the contract prior to execution, in accordance with this policy, the originating unit shall forward an electronic copy of the fully executed contract to OCA immediately after contract execution.
- J. Audit Clause: All revenue-generating contracts and all contracts where payment by the university is contingent upon records processed and maintained by another party to the contract shall contain an audit clause. This clause shall give the university the right to access and audit any and all documents pertaining to the contractual relationship held by any party to the contract.
- K. Contracts Requiring Board Approval: Board approval must be obtained in an open meeting for contracts described in [Board Policy 55.01.1](#), including the following contracts:
1. Contracts for the purchase, gift or acquisition of real property;
 2. Contracts for the sale, or conveyance of any interests in real property; expressly excluded are utility easements to serve one or more component universities;
 3. Real Estate leases, lease renewals and extensions, as lessee, if the obligation of the lease is equal to or greater than \$1,000,000;
 4. Oil and gas leases with an expected bonus exceeding \$100,000;
 5. Banking agreements;

6. Any single procurement or revenue contract for construction, equipment, goods, and/or services, not specified above, that is expected to exceed \$1,000,000;
7. Any extension, modification, or renewal of an existing contract that would cause the revised aggregate contract amount to exceed \$1,000,000 or that increases the value of a contract previously approved by the Board by over 25%;
8. Any series of contracts that are initiated in the same department for the same goods or services with the same party within a fiscal year, that, if combined in one contract, would require Board approval; and
9. Any other contract the Board might designate as having significant importance to require Board approval.
10. The Board holds four regularly scheduled meetings per year. The current meetings schedule can be accessed at <http://www.uhsystem.edu/board-of-regents/mtg-calendar/index.php>. With the exception of Division of Research contracts, in order to submit a contract for Board approval, each submitter must send the contract with an accompanying, completed Board of Regents' Agenda Cover Sheet to the Office of the Senior Vice Chancellor for Administration and Finance.

IV. SPECIAL CONTRACTING REQUIREMENTS

- A. Competitive Procurement Requirements: The university may acquire goods or services by the method that provides the best value, including competitive bidding; competitive sealed proposals; a catalogue purchase; a group purchasing program; or, an open market contract. The following criteria shall be considered in determining best value: the purchase price; the reputation of the vendor and of the vendor's goods or services; the quality of the vendor's goods or services; the extent to which the goods or services meet the institution's needs; the vendor's past relationship with the institution; the impact on the ability of the institution to comply with laws and rules relating to historically underutilized businesses and to the procurement of goods and services for persons with disabilities; the long-term cost to the institution of acquiring the vendor's goods or services; any other relevant factor that a private business entity would consider in selecting a vendor; and, the use of material in construction or repair to real property that is not proprietary to a single vendor unless the institution provides written justification in the request for bids for use of the unique material specified. Furthermore, the following additional criteria shall be considered in determining best value: a vendor proposal must meet the requirements of the university's solicitation document; and a vendor proposal that is non-responsive to the criteria set forth in the university's solicitation document shall be rejected.
- B. Recommendation for Award Form (Addendum C): Regardless of the source of funds or whether a contract is a revenue or expense contract, all contracts must be submitted for processing with a completed Recommendation for Award form showing the basis by which an award is recommended, and the reasons for entering into the contract. The Recommendation for Award form must provide information pertinent to all of the following: which procurement method was used (see Section A above); price tabulations outlining the price acquisition process; prices obtained in arriving at best value to the university; bases for best value to the university; and the name of the preferred vendor.
- C. Lease of Space by a University Unit: The Chancellor must approve all leases, regardless of the source of funding.

An originating unit that desires to lease space should anticipate working with ORES and OCA at least six months prior to the proposed effective date/start date for the resulting lease agreement to allow sufficient time to formulate lease specifications, evaluate bids, and develop the appropriate lease agreement. With respect to the foregoing, an originating unit must confirm the source of funds before submission of the lease.

- D. Consulting or Professional Services Contracts: See [Texas Government Code, Chapter 2254](#).
1. Consulting Services: “Consulting Service” is the service of studying and advising a state agency in a manner not involving the traditional employee/employer relationship. To “study” means to consider some aspect of the agency in detail. To “advise” means to provide a recommendation or identify options with respect to some course of action. Generally, a true “consultant” delivers information or provides assistance that enables the state agency to take some course of action. When a contract involves a mix of deliverables, it is considered a consulting contract only when consulting services, as defined above, are the primary objective of the contract.

There are numerous state requirements governing filing of notices to solicit and award consulting contracts and to process renewals, amendments and extensions. An originating unit must work with the OCA and allow sufficient time to complete publication and notice requirements as set forth by Section V.I.7. Failure to comply with these requirements will render the contracts void.
 2. Professional Services: “Professional Services” are those services directly related to the professional licensed practices, such as accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraisal, or professional nursing. Services provided by professionals outside the scope of their profession, e.g., management-consulting services provided by accounting firms, are not considered professional services for the purposes of this policy.

State law requires that selection and award of contracts for professional services be based on the professional’s demonstrated competence, the professional’s qualifications for the type of services to be performed, and a fair and reasonable price, rather than on the basis of competitive bids.
 3. State Agency Reporting: The university is required by the LBB by directive letter dated August 2014 and by law to provide written notice to the LBB not later than the tenth day after the date on which the component enters into contracts for professional services, other than contracts for physician or optometric services, valued at over \$14,000, including an amendment, modification, renewal, or extension of the contract ([Texas Government Code, §2254.006](#)). Furthermore, the university is required to provide written notice to the Texas Secretary of State for publication in the [Texas Register](#) of the university’s intent to enter into a major consulting services contract, defined as a consulting service agreement exceeding \$25,000 for an institution of higher education, not later than thirty days before the university will enter into that contract. The notice must include a finding by the President that consulting services are necessary, an explanation of that finding, and information about how prospective consultants can submit offers for consulting services for this contract (see Texas Government Code, Sections [2254.028](#) and [2254.029](#) for details). In addition, not later than twenty days after entering into a major consulting services contract, the component university must publish specific information about the consulting contract in the [Texas Register](#)

(see [Texas Government Code, Section 2254.030](#) for details). Also, the university is required by law to provide written notice to the LBB not later than the tenth day after the date on which the university enters into contracts for construction projects valued at over \$14,000, including an amendment, modification, renewal, or extension of the contract ([Texas Government Code, §2166.2551](#)).

4. Yearly Report to the Board of Regents: OCA, in consultation with units reporting to the Senior Associate Vice President for Finance, shall compile a report of all contracts for consulting or professional services, where total compensation from system-wide sources to a single entity exceeded \$250,000 during the fiscal year, for submission by the Senior Vice Chancellor for Administration and Finance to the Board of Regents at the first meeting of the next fiscal year (refer to [Board Policy 55.01.4](#)).
- E. Revenue-Generating Contracts. All contractual transactions for which revenues will be generated for the university and/or any unit of the university must comply with requirements set forth in this MAPP, including review by the OCA, the Office of Tax Compliance (to determine if unrelated business income might be affected and review by such office should occur prior to submission of the contract to OCA), Senior Associate Vice President for Finance or Associate Vice President for Administration, and processing by the OCA and execution by the appropriate university official. University units are authorized to arrange for contractual opportunities that generate revenue, if the transaction is directly related to furthering the university's educational, research, extension, public service, or campus support functions. The originating unit is responsible for reporting all revenue and related expense information to the Office of Tax Compliance.
- F. Contracts for Legal Services: Originating units cannot initiate contracts for legal services. All contracts for legal services are initiated only by the OCA and only after approval has been obtained from the Office of the Attorney General for the State of Texas (refer to [SAM 01.D.02, Employment of Outside Legal Counsel](#)).
- G. Contracts for Major Information Systems: The university is required by law ([Texas Government Code §2054.008](#)) to provide written notice to the LBB, not later than the tenth day after the date on which the university enters into a contract for a major information system that, in the aggregate, cost more than \$1,000,000; a service related to computers, including computer software, that costs more than \$1,000,000; and a telecommunications apparatus or device that serves as a voice, data, or video communications network for transmitting, switching, routing, multiplexing, modulating, amplifying, or receiving signals on the network and costs more than \$1,000,000. The Office of Information Technology is responsible for providing appropriate written notice to the LBB.
- H. Contracts for Leased Space: The OCA compiles and maintains information regarding leased space pertaining to local funds by the university pursuant to delegated authority from the Texas Facilities Commission (TFC). On a yearly basis, OCA updates this information and prepares and submits a report to the Vice Chancellor for Administration and Finance. In turn, the Vice Chancellor for Administration and Finance forwards the report to the TFC.
- I. Electronic State Business Daily (ESBD): The university will post notification on the ESBD of formal procurement solicitations for which the agency expects to pay more than \$25,000 when any non-federal funds will be used to pay for the contract, and more than \$150,000 when only federal funds will be used to pay for the contract. The ESBD can be accessed at <http://esbd.cpa.state.tx.us>. A unit that desires to post notification should

contact the university's Purchasing Department for assistance with ESBD posting requirements.

- J. Vendor Identification: The University shall report to the Texas Office of the Comptroller each vendor who is indebted to the State or has a tax delinquency. The report must contain information and be submitted in a manner and frequency required by the Comptroller's Office. The contracting unit must obtain the needed vendor information by accessing the Texas Office of the Comptroller at <http://www.window.state.tx.us/procurement/>; or by contacting the Accounts Payable Department.
- K. Agreements With Other State and Local Government Entities: The university may contract with another state agency for the provision of necessary and authorized services and resources by Interagency Agreement, subject to the requirements of this policy. Assistance may be requested from the OCA.

V. CONTRACT PREPARATION

- A. Necessary Information: In order to prepare documents necessary for a transaction, the originating unit must obtain and verify the following information:
- the name, street address, city, state, e-mail address and phone number of the non-university party;
 - the name and title of the person(s) who will sign on behalf of the non-university party, if the party is a corporation;
 - the amount that will be paid or received (if a revenue-generating contract) for the goods or services;
 - the university cost center and account code from which payments will be made or into which revenues will be deposited;
 - a detailed description of goods or services that the university is procuring or providing (if a revenue-generating contract);
 - the start date for rendition of services or delivery of goods or the effective date/start date upon which the term of the contract will commence;
 - the date on which the services will be completed or the goods will be delivered or the term of the contract will expire; and
 - confirmation from the Texas Comptroller that all contracting parties are in good standing with the State of Texas, having no unpaid financial obligations when local (non-state) funds will be used to pay the contractor.
- B. Contract Cover Sheet (Addendum B): An electronic copy of the Contract Cover Sheet form should be obtained from the [OCA web site](#). The originating unit should complete the Contract Cover Sheet, including obtaining all required signatures.
1. Contracting Accounts: If the contract procures professional services or consulting services, then the correct account must be included on the Contract Cover Sheet.
 2. Amendments: If submitting an amendment to a contract, a Contract Cover Sheet for the amendment must be prepared. The amendment must be accompanied by copies of the original contract (and all addenda) with its Contract Cover Sheet

and prior amendments, if any, and with a Contract Cover Sheet submitted for each amendment.

3. Amendment – Authorized Signatories: The authorized representatives of the university (or their designees) and the contractor who signed the original contract must sign the amendment. If, however, the amendment significantly increases the total amount of funds expended by the university, then the next level administrator, in accordance with Addendum A, is the appropriate university signatory.
- C. Standard Contracts: Standard contracts are forms that have been approved as such by the OGC pursuant to [SAM 03.A.05](#), Section 6.2. Such forms are available from the OGC or from the OCA.
1. Use: Review by the OGC is unnecessary for a standard contract unless substantive changes have been made in the new agreement, or if the value of the contract, including any amendments thereto, exceeds \$25,000. Examples of “non-substantive changes” include changes in the names of the parties, amount of consideration, and the date of entry of the agreement. Substantive changes include the addition or deletion of provisions in a standard agreement or purchase order, or additions of attachments or addenda to a standard agreement or purchase order that contain additional terms and conditions.

Requests for a standard contract designation must be made to the OCA.

2. Limitations: Under Section 6.2 of [SAM 03.A.05](#), unless a contract has been designated as a standard contract by the OCA, the contract must be reviewed and approved as to legal form by the OCA before execution. For the purpose of this section, a contract includes but is not limited to any document, which purports to create binding obligations, rights and/or duties between the university or its component entities and any third party. Contracts requiring OCA review and approval includes documents entitled: “Agreement,” “Memorandum of Understanding,” “Statement of Intent,” or similar designations. Prior review and approval is also required for any addenda or additions to a standard contract or a standard university purchase order or other similar documents that contain additional terms and conditions that have not been reviewed by the OCA.
3. Sponsored Projects: When contracts are generated pursuant to sponsored projects and are funded with sponsored project funds, including line-item appropriated funds, federal funds, or other external funds, the originating unit or program must use the Division of Research’s Office of Contracts and Grants (OCG) standard contracts and must process these contracts through the OCG, rather than through OCA.
4. Recurring, Revenue-Generating Services: Certain standard contracts for recurring, revenue-generating services provided by the university that are based on uniform price lists are not processed through OCA. Rather, the originating unit is responsible for processing the documents and maintaining an executed original of each contract. Examples of recurring, revenue-generating services contracts include those for underwriting at Houston Public Media that is under \$25,000, child care services (Child Care Center), student housing, campus card accounts (Cougar 1 Card), and short-term space rental (for example, Cullen Performance Hall, University Hilton, Student Center).

5. Small Contracts: Standard Contracts (as defined in this subparagraph C) which are less than \$25,000, including any amendments thereto, and not within any of the special contracting requirements set forth in Section IV of this MAPP, are to be administered by the appropriate departmental business personnel in accordance with this MAPP. This category of contracts need not be administered and routed to the OCA.
 6. The Business Administrator for the originating unit is solely responsible for ensuring that the wording in standard contracts has not been altered from that approved by the OCA/OGC. If wording has been altered, the contract must be forwarded to the OGC for review and approval as to form.
- D. Non-Standard Contracts: Some non-university parties prefer to use their contract for a transaction. If a non-standard contract will be used for a transaction, then the contract will be routed through the OCA to the OGC for review.
 - E. Description: The contract must contain enough detail so that the respective responsibilities of the parties are clearly delineated.
 - F. Authorized Signatures: Addendum A lists appropriate signatories for contract types and levels of funds paid or generated.
 - G. Contract Completion: An originating unit should complete the appropriate contract template by downloading the current electronic file of the template and completing the contract. Contracts should not contain handwritten information. A contract is a legal document; therefore, only the parties' signatures should be handwritten.
 - H. Contract Documents: The completed Contract Cover Sheet, an appropriate number of originals must be submitted to the OCA for processing, with any exhibits or attachments to the contract. The OCA will forward a copy of the executable contract to the originating unit.
 - I. Late Justifications: The originating unit, if submitting a contract to OCA after the planned start or effective date, must provide written justification for such late submission, in form and substance acceptable to OCA.
 - J. Insurance Provisions: The originating unit must confirm all insurance provisions with the Office of Risk Management prior to submitting a contract to OCA. Unless a waiver is granted, a Certificate of Insurance (COI) must be secured from the contractor to verify coverages.
 - K. Processing Time Frames
 1. Processing Time: Contracts should be processed as far in advance as possible before the effective date/start date of the contract or before the start date for rendition of services, delivery of goods, or occupancy of leased space. An originating unit should be cognizant of the time periods required for processing different kinds of contracts. For example, a contract for consulting services as explained in Section IV.D.1 must be processed far enough in advance of the effective date/start date of the contract to effect compliance with state rules and regulations, and/or Texas Government Code requirements ([Chapter 2254](#)). Rush requests for contract review must be sent in writing to OCA with a justification for such rush based on external objective business factors, and OCA shall consider but is not obligated to grant such requests.

2. Effective Date/Start Date: The effective date/start date of the contract and/or the start date for rendition of services, for delivery of goods, for occupancy of leased space, or for use of leased equipment should be specified with a specific effective date (which is the preferred method), or as follows: “upon execution by the authorized representatives of the parties.” In the alternative, the effective date/start date should be no sooner than the date on which all applicable administrative and legal reviews have been completed and signed by all parties prior to commencement of any duties/actions by the parties as stipulated in the contract.
3. Competitive Procurement Requirements: All university contractual procurements, whether for goods and services are subject to Section IV.A of this MAPP. Consult [MAPP 04.01.01](#) or the Purchasing Department to select the appropriate procurement method based on the expected dollar value of the contract, type of contract, and type of funds used to pay for the contract. An originating unit must allow sufficient time for submittal and processing of solicitations by Purchasing to assist with soliciting, receiving, and processing as follows:
 - a. Invitations to Bid (ITB): ITBs are posted on the ESDB for a minimum of 14 calendar days before bids are due to the Purchasing Department. ITBs are issued for well-defined goods, but may include ancillary services such as installation of training. Vendor selection is based on the lowest bidder. An originating unit that contemplates issuance of an ITB should anticipate working with the Purchasing Department at least 60 days prior to the proposed effective date/start date for the resulting contract to allow sufficient time to develop specifications for the ITB, post the ITB on the ESDB, review bids to determine which were responsive (i.e., met the requirements of the ITB), and execute a contract with the lowest responsive bidder. ITBs do not permit negotiation with the selected vendor.
 - b. Request for Proposal (RFP): RFPs are posted on the ESDB for a minimum of 21 calendar days but may be posted for 30 calendar days or longer for complex solicitations that require additional time to prepare a response. RFPs are issued for consulting, construction, and other contracts where services are a major component of the resulting contract, though RFPs may include goods as well. Vendor selection involves a committee that evaluates responsive vendor proposals using the criteria in the RFP. An originating unit that contemplates issuance of an RFP should begin working with the Purchasing Department at least 120 days prior to the proposed effective date/start date for the resulting contract in order to have sufficient time to develop the requirements of the RFP, post the RFP on the ESDB, review proposals to determine which are responsive (i.e., have met all requirements of the RFP), evaluate and rank responses, conduct vendor interviews, if needed, re-evaluate and re-rank responses after interviews, if needed, and negotiate and execute a contract with the selected vendor.
 - c. Request for Offers (RFO): RFOs are just like RFPs as far as the posting period on the ESDB and vendor selection process, except RFOs are specifically for information technology contracts, including hardware, software, and/or services. Departments anticipating issuance of a RFO should begin working with Purchasing at least 120 days prior to the proposed effective date/start date for the resulting contract.

- d. Request for Qualifications (RFQ): RFQs are issued for specialized services, including professional services, and include a scope of work to be performed. Vendor selection is based on the qualifications of the respondents for the type of work needed. Once the most qualified respondent is chosen by the selection committee, the university attempts to negotiate a contract with that vendor at a fair price. If unable to contract with that vendor, the university breaks off negotiations with that vendor and may attempt to contract with the next highest ranked vendor. The posting period on the ESD and vendor selection process are the same as the RFP, except price is not considered during vendor selection. Departments anticipating issuance of a RFQ should begin working with Purchasing at least 120 days prior to the proposed effective date/start date for the resulting contract.
- e. Informal Bids: Informal bids are quotes from vendors in response to an emailed request for bids. Informal bids are required when the expected contract requires competition but does not require a formal solicitation process (see [MAPP 04.01.01](#) for requirements) and may be obtained by the originating unit or the Purchasing Department. However, the Purchasing Department may verify bids obtained by the department or request additional bids at its discretion. If informal bids will be obtained, the originating unit should submit a purchase requisition to Purchasing Department at least 15 days prior to the proposed effective date/state date for the resulting contract. Any quotes obtained by the department should be attached to the requisition.
- f. Sole Source: If only one vendor can provide the good or service needed and competition is not possible, a sole source justification form must be completed by the originating unit and sent to Purchasing for approval. If the Purchasing Department approves, a contract can be issued to the vendor without competition. If the Purchasing Department does not approve, Purchasing will conduct the appropriate solicitation process to verify no other vendors can provide the good or service.

The OCA should review all ITB, RFPs, RFOs, and RFQs for compliance prior to the university's release for matters that require Board of Regents' approval or relate to the construction or demolition of any structures on university property.

4. Board of Regents' Approval: Contracts requiring Board of Regents' approval, as specified in Section III.K. and Addendum A of this document, must be submitted for processing to the OCA and to the Senior Vice Chancellor for Administration and Finance a minimum of 60 calendar days prior to the date of the Board meeting at which approval will be sought.
5. Standard Contracts: All standard contracts should be submitted for processing to the appropriate contracting office at least 10 business days prior to the effective date/start date of the contract (see Section V.C.).
6. Non-Standard Contracts: All non-standard contracts should be submitted for processing to the appropriate contracting office at least 15 business days prior to the effective date/start date. The additional time is needed for legal review.
7. Contracts for Consulting Services: Contracts for consulting services for which payment of more than \$125,000 will be made, in whole or in part, from state or federal funds must be submitted to the OCA at least 60 business days prior to

the effective date/start date. The additional time is needed to effect compliance with state law.

VI. PAYMENT

Payment on Contracts:

- A. Contract Number and Dates: Payments must be initiated by an originating unit on a PO voucher sent to Accounts Payable. The PO voucher makes payment against the purchasing order used to encumber the contract. The appropriate account(s) must be used, and the authorized voucher approver for the originating unit must approve the PO voucher. The “contract number” is defined as the number issued by the OCA or the originating unit, as applicable (see Section V.C.5.). The contract number and contract start and end dates must be typed in the PO Comments field of the PO, which is linked to the PO voucher.
- B. Completion, Submittal of Documentation: The originating unit is responsible for attaching all pertinent documents and providing all required information on the PO voucher submitted to the Accounts Payable Department.
- C. Payment or Reimbursement for Contractor’s Expenses: Contractor expenses may only be directly paid by the university or reimbursed to the contractor if the contract permits the payment or reimbursement of expenses. The contract must indicate the maximum amount of expenses that can be paid or reimbursed. All expenses must be supported by detailed receipts or invoices.

VII. REVIEW AND RESPONSIBILITY

Responsible Parties: Associate Vice President for Administration
Senior Associate Vice President for Finance

Review: Every three years on or before September 1

VIII. APPROVAL

Jim McShan
Senior Vice President for Administration and Finance

Renu Khator
President

Date of President’s Approval: _____ February 23, 2017

IX. REFERENCES

- [Office of Contract Administration Web Site](#)
- [Contract Management Handbook](#)
- [Division/Department Delegation of Authority Memorandum](#)

REVISION LOG

Revision Number	Approved Date	Description of Changes
1	05/03/1994	Initial edition (Originally a Policy and a Procedure)
2	07/19/1996	Applied revised redlines per current documentation standards (originally a Policy and a Procedure)
3	11/05/2002	Combined policy and procedure into one document. Drafted SAM 03.A.05 to address system-related contracts. Added MAPP revised template. Revised contents to reflect current operating requirements; revised Addendums to reflect current documentation
Interim	04/09/2015	<p>Applied revised MAPP template and added new Revision Log. Corrected links and board policy references as needed. Changed Vice President for Administration and Finance to Executive Vice President for Administration and Finance as needed in text. In Section IV.A, added criteria for determining "best value" in contract decisions. Removed Section IX, Index Terms.</p> <p>This MAPP will be part of the Quarter 1, FY 2016 review cycle to remove Interim designation, with all appropriate updates to the contents to meet current operating requirements</p>

Revision Number	Approved Date	Description of Changes
Interim 2	08/27/2015	<p>Interim 2 release due to Texas Legislature changes to contracting by state entities. Abbreviated Office of Contract Administration to OCA, and Office of General Counsel to OGC throughout text. Added rule of revised contract amount not exceeding 25% of total amount does not need to go to Board of Regents in Section II.D; however, if revised contract amount exceeds \$1,000,000, then Board of Regents must approve the amendment, change, extension or renewal. Added Office of Real Estate Services (ORES) to Section III.A as originating unit for real estate contracts. Included Section III.B.5 to report all contracts exceeding \$0.00 to an applicable web site after September 1, 2015. Removed "Intellectual Property" from Division of Research throughout text. Added process of forwarding an electronic copy of the contract to OCA after contract execution in Section III.I. Indicated exclusion for utility easements to Section III.K.2. Added threshold of \$1,000,000 for real estate leases to Section III.K.3. Added Section III.K.4 on oil and gas leases with a bonus exceeding \$100,000, and added Section III.K.7 on Board of Regents review for contracts over \$1,000,000 or increases the value of contract by 25%. Revised Section IV.B, removing state and local funds, and added Office of Real Estate Services to process of creating contracts for leased space, adding a parameter of six (6) months to begin work on the contract. Updated Section IV.C.3 to post contract information on the Texas Register, without other requirements by the LBB. Added Office of Tax Department to Section IV.D on revenue generating contracts. Removed original Section IV.G. Updated requirement to report to Administration and Finance yearly for leased space contracts in Section IV.G. Updated Section IV.H reference Electronic State Business Daily (ESBD) instead of Texas Electronic Marketplace. Changed contact for vendor identification to the Accounts Payable Department in Section IV.I. Added e-mail address, phone number, and account code to necessary requirements for contracts to Section V.A. Changed parameter for review by OGC to contracts with value exceeding \$25,000 to Section V.C.1. Added underwriting at Houston Public Media that is under \$25,000 to recurring revenue-generating services in Section V.C.4. Changed requirement for contact completion to electronic submission in Section V.G. Added Late Justifications and Insurance Provisions to Section V.I and Section V.J. Updated Invitation to Bid, Request For Proposal, Request for Offers, Request for Qualifications, Informal Bids, and Sole Source in Section V.K.3; the OCA reviews all ITBs, RFPs, RFOs, and RFQs for compliance. Updated Section VI.A and Section VI.C for PO Vouchers and contractor expenses. Added Associate Vice President for Finance to responsible parties. Added Addendum A for Delegated Signature Authority, Addendum B for Contract Coversheet, and Addendum C for Recommendation for Award as links; removed original Addendum A through Addendum E.</p>

Revision Number	Approved Date	Description of Changes
4	12/04/2015	This document was submitted to remove the “Interim 2” designation
5	02/23/2017	Added information to Section II.C on delegation of authority being made in writing and filed with the OCA by September 1 st of each fiscal year. Made modification to Section V.J regarding the Office of Risk Management needing COI unless a waiver is granted. Updated titles and links as applicable. Added Section IX, References

Addendum A
Delegated Signatory Authority Table
See information at this [link](#).

Addendum B

Contract Coversheet

See document as this [link](#).

Addendum C
Recommendation for Award Form
See document at this [link](#).