



Angelo State University
Operating Policy and Procedure

OP 30.01: Contracting Policy & Procedures

DATE: July 21, 2017

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to outline the policy/procedures to follow in the development, negotiation, and approval of all contracts and agreements, except for Facilities Planning & Construction (FP&C) contracts and external sponsored programs, for any purpose and for any amount between Angelo State University (ASU) and other parties.

REVIEW: This OP will be reviewed in March every five years, or as needed, by the executive director of materials management, who is responsible for the Contracting, with recommended revisions forwarded through the vice president for finance and administration to the president by April 15.

POLICY/PROCEDURE

1. Definitions

Contract: A legally binding written agreement executed between the Texas Tech University System (TTUS) or an Institution and a third part in which the parties agree to perform in accordance with the obligations therein. Contracts include, but are not limited to, letter agreements, cooperative agreements, memorandums of understanding (MOU), interagency contracts, interlocal contracts, purchase orders, easements, licenses, and leases.

Contract Administration: Following the award of a Contract, the department level actions to oversee full compliance with all of the terms and conditions contained within a Contract.

Contract Administrator: The Contract Administrator is the department level individual responsible for adherence to all provisions contained within a Contract and for managing the performance of a Contract.

Contract Close-out: The process conducted at the completion of the Contract during which the Contract Administrator confirms and documents compliance with the terms and conditions of the Contract, final Deliverables are received, and outstanding payments are made.

Contract Management: The complete contracting process from Planning through Contract Administration and concluding with Contract Close-out.

Electronic State Business Daily (ESBD): The electronic marketplace maintained by the Texas Comptroller's Office where State of Texas Solicitation opportunities over \$25,000 are posted.

Procurement (Procure): Purchasing, renting, leasing, or otherwise acquiring any Goods and Services, including all functions that pertain to the acquisition through Contract Close-out.

Vendor: An individual, business, or governmental entity that has a Contract to provide Goods or Services to the State of Texas. Used interchangeably with the term “Contractor.”

2. Approval and Execution of Contracts

No person has the authority to commit ASU for any purpose (e.g., enter into agreements) except as authorized in [Section 07.12, Regents’ Rules](#), and [OP 30.02 Contracting Authorities and Policies](#).

An individual executing a contract on behalf of a state agency, without the authority to do so may be personally liable for damages flowing from repudiation of the contract. (See Thomas, Richardson, Runden & Company, Inc. v. State of Texas, 683 S.W.2d 100) (Tex. App. - Tyler 1985 writ ref d n.r.e.).

This policy shall apply to all contracts for the initial periods, and for amendments, or extensions thereto. For the purpose of determining whether a contract requires approval of the board, any option(s) to extend or renew a contract shall be counted in the overall term of the contract.

3. General Guidelines for Processing Contracts

a. The department requesting the Goods or Services in consultation with the Purchasing Office shall first determine if a competitive solicitation is required:

- [OP 02.09 Conflict of Interest and Commitment](#)
- [OP 30.05 Use of Private Consultants](#)
- [OP 30.06 Professional Services](#)
- [OP 54.04 Purchase of Goods and Services](#)

A Contract Process Flowchart is provided below for your assistance.

b. Use the templates created by the Contracting Office:

(1) Clinical and Affiliation Contracts:

- For student internship agreements, use the *Institutional Affiliation Student Internship* template (Attachment A).
- For clinical agreements, use the *Combined Nursing & Physical Therapy* template (Attachment B).
- For teaching affiliation agreements, use the *Field Placement Interagency Affiliation Agreement* template (Attachment C).
- For clinical and affiliation agreements, use the *Clinical and Affiliation Contract Routing Sheet* (Attachment D).

(2) General, Professional, Consulting, Services, and Vendor Contracts:

- Use the *Professional Consulting Services Agreement* template (Attachment E) and follow the instructions (Attachment F) to develop contracts for professional consulting or services and complete the *Independent Contractor Checklist* (Attachment G).
- For guest speakers, guest lecturers, or performing artists who are not covered under a performing agency contract use the *University Agreement* template (Attachment H) and follow the instructions (Attachment I).
- For guest speakers, guest lecturers, or performing artists covered under an agency contract, submit the agency contract and technical rider, if applicable, to c_admin@angelo.edu. A *Performance Presentation Addendum* (Attachment J) may be required.
- Departments that receive a vendor contract must email the contract to the Contracting Office for review at c_admin@angelo.edu and complete the *Contract Routing Sheet* (Attachment K).
- For all non-template contracts, the Contracting Office will require vendors to sign the *Contract Dispute Resolution* (Attachment L) or the *Contract Addendum* (Attachment M) depending on the vendor contract terms and conditions.
- If a service is identified as a consultant by the Contracting Office, a *Notice to BOR Chairs for Consulting Contracts* (Attachment N) must be completed for contracts under \$25,000. Please note all consulting contracts over \$25,000 must be presented during the next scheduled BOR meeting and receive BOR approval prior to contract start date.
- All vendors and individuals doing business with ASU must have a W-9 on file in order to process the purchase order and related payment. The Contracting Office will request vendors and individuals to complete the *Form W-9* (Attachment O) if a W-9 hasn't been completed in the last 12 months.
- If it is necessary to amend a fully executed agreement, complete the *Contract Amendment* (Attachment P) and complete a Contract Routing Sheet.

Contact the Contracting Office if you have questions regarding developing contracts.

c. Contract Submission to the Contracting Office:

- (1) If possible, please initiate contract requests at least six (6) weeks prior to the start date of the contract to allow ample time for review and approval.
- (2) If a vendor contract is received, please e-mail the contract to the Contracting Office at c_admin@angelo.edu and complete the Contract Routing Sheet. The Contracting Office will review the contract and negotiate with the vendor then notify the department of any changes.

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- (3) Departments using an approved template must follow the template instructions and email it to c_admin@angelo.edu.
- (4) The Contracting Office will route all contracts and amendments that involve information technology components or services to the Office of Information Technology for review and approval.
- (5) Contracts are not to be signed until they have been reviewed and approved by the Contracting Office.

4. Procurement Guidelines:

- a. Departments requesting to enter into a contract must first determine if procurement is required and if quotes are necessary according to purchasing policies (see contract flowchart). The Contracting Office will assist departments with determining required competitive bidding requirements.
- b. Departments are responsible for ensuring that necessary funding is available for expense contracts. The Contracting Office will email the Purchasing Office a copy of the contract and routing sheet once a signed contract is received to create the purchase order and copy the department contact on the email. Procurement must be secured prior to commencement of services or receipt of goods.

5. General Guidelines for Processing Renewal Contracts:

The Contracting Office is the office of record for all ASU contracts, except for construction and external sponsored programs. This responsibility requires that the Contracting Office maintain files of all contracts executed by ASU. The Contracting Office will keep track of contract information, such as name of vendor and purpose of contract, beginning and ending dates, contract amount, and date to begin renegotiation of the contract (the renegotiation date will be determined based upon the amount and/or the complexity of the contract):

- a. Written contracts shall be executed whenever the university enters into a binding agreement with another party that involves any amount and for any purpose between ASU and other parties.
- b. For contracts previously approved by the Contracting Office, departments must submit the appropriate Contract Routing Sheet and a copy of the renewal if received. Please note on the contract routing sheet that the contract is a renewal and was previously approved by the Contracting Office. The Contracting Office will contact departments and contractors to renew contracts.
- c. All renewal contracts not previously reviewed by the Contracting Office must be submitted to the Contracting Office for review. Departments must submit a copy of the contract and appropriate Contract Routing Sheet. Please note on the contract routing sheet that the contract is a renewal. If applicable, the Contracting Office will negotiate terms with vendors.
- d. The Contracting Office will route contracts to university officials for signature and to vendors.

6. Department Responsibilities:

Departments must ensure that ASU operating policies are followed prior to submitting contracts to the Contracting Office. Departments must assign a contract administrator to each contract. The contract administrator's responsibilities are outlined in [OP 30.03 Contract Administration](#).

7. The Contracting Office's Responsibilities:

- a. Ensure contracts are in compliance with the requirements listed in the [TTUS Contract Management Handbook](#).
- b. Review contracts for institutional risks through appropriate risk management procedures.
- c. Ensure that all expenditure and revenue transactions are in compliance with ASU operating policies and the requirements of the contract.
- d. Verify that contracts subject to this operating policy are in compliance with Texas state and federal laws.
- e. Verify that the Contractor is eligible to contract with ASU in accordance with Texas state and federal laws.
- f. Submit contracts for legal review, as deemed necessary. The Office of General Counsel requests to have thirty (30) days to review pending contracts.
- g. Assist departments with the Notice to BOR Chairs for Consulting Contracts.
- h. Assist departments with the Independent Contractor Checklist.
- i. Notify the vice president for finance and administration of all contracts in excess of \$100,000 that must be reviewed by the TTUS General Counsel and all consulting contracts for BOR review or approval.
- j. Notify departments on the status of the contracts as they progress through the review process.
- k. Route contracts to authorized university officials and to vendor for signatures. Departments will be IDT'd for postage charges related to obtaining vendor signatures on contracts if applicable.
- l. Disseminate contracts to the department, the vendor and retain one copy for its files.
- m. Verify that bonds and insurance are provided as required by the contract or university policy.
- n. Negotiate contract terms and conditions with vendors.
- o. Notify departments when contracts are expiring and require procurement or renewal.

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- p. Provide contract management oversight to departments to ensure contracts are performed in accordance with contract terms and conditions as required by [OP 30.03 Contract Administration](#).
- q. Provide oversight of the contract close-out process.
- r. Serve as the repository for all university contracts subject to this operating policy and [OP 02.07 Records Retention](#).
- s. Report non-compliance of contracting policies to the Office of Internal Auditing.
- t. Report to the LBB all major contracts, amendments, modifications, renewals, extensions, requests for proposals, invitations to bid or comparable solicitations related to major contracts.
- u. Report to the Texas Tech University System Board of Regents all consulting agreements executed prior to each Board Meeting.

Attachment A: [*Institutional Affiliation Agreement Student Internship*](#)

Attachment B: [*Combined Nursing & Physical Therapy Agreement*](#)

Attachment C: [*Field Placement Interagency Affiliation Agreement*](#)

Attachment D: [*Clinical and Affiliation Contract Routing Sheet*](#)

Attachment E: [*Professional Consulting Services Agreement*](#)

Attachment F: [*Professional Consulting Services Agreement Instructions*](#)

Attachment G: [*Independent Contractor Checklist*](#)

Attachment H: [*University Agreement*](#)

Attachment I: [*University Agreement Instructions*](#)

Attachment J: [*Performance Presentation Addendum*](#)

Attachment K: [*Contract Routing Sheet*](#)

Attachment L: [*Contract Dispute Resolution*](#)

Attachment M: [*Contract Addendum*](#)

Attachment N: [*Notice to BOR Chairs for Consulting Contracts*](#)

Attachment O: [*Form W-9*](#)

Attachment P: [*Contract Amendment*](#)

CONTRACT PROCESS FLOWCHART

