



Angelo State University
Operating Policy and Procedure

OP 30.04: Auxiliary Enterprise Contractors

DATE: October 24, 2016

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to establish the requirements for a contractor operating as an auxiliary enterprise on Angelo State University (ASU) campuses as required by *Texas Government Code*, §§ 2252.061 - 2252.064.

REVIEW: This OP will be reviewed in September every five years, or as needed, by the executive director of materials management and director of business services with recommended revisions forwarded through the vice president for finance and administration to the president by October 15.

POLICY/PROCEDURE

1. General

The *Texas Government Code*, Chapter 2252, establishes certain criteria for persons who contract with the state.

2. Policy

No agreement, contract, or other legal instrument shall be executed or made with a contractor, as defined in § 2252.061(2), without the provisions required by *Texas Government Code*, Chapter 2252. All agreements for services relating to this OP shall be procured in accordance with university policies and routed through the Office of Materials Management for the required review and approval.

3. Definitions

*In Accordance with *Texas Government Code*, § 2252.061

- a. "Auxiliary enterprise" means a business activity that is conducted at the university, provides a service to the university, and is not paid for with appropriated money.
- b. "Contractor" means an individual, association, corporation, or other business entity that operates an auxiliary enterprise or performs a service of the auxiliary enterprise.

4. Contractor Requirements

*Summary of requirements of *Texas Government Code*, §§ 2252.062 – 2252.064

- a. The contractor must provide to the university, at the time of contracting, a financial statement prepared by a certified public accountant.

[Minor revisions: October 24, 2016]

- b. The contractor must provide to the university annual payment statements based on sales tax reports prepared by a certified public accountant who is licensed in the state.
- c. The contractor must furnish a performance bond that is payable to the university in an amount to be determined by the university, but in no event shall it exceed the contract price.
- d. The bond must be payable to the state and conditioned on the faithful performance of the terms of the contract.

5. Contractor Insurance Requirements

**As required by the State of Texas Contract Management Guide*

- a. The contractor shall provide Workers' Compensation for any employee working on the campus.
- b. The contractor shall furnish automobile insurance for any automobile that is operated on any of the university campuses.
- c. The contractor shall provide comprehensive general liability insurance in the amount required by the director of environmental health, safety and risk management.
- d. The contractor shall provide property damage liability insurance in the amount required by the director of environmental health, safety and risk management.

6. Chapter 62 of the Texas Code of Criminal Procedure:

All sex offenders required to register with local law enforcement authorities under Chapter 62 of the *Texas Code of Criminal Procedure* and who intend to work or carry on a vocation (full-time or part-time) on any campus of the university for a consecutive period exceeding 14 days or for an aggregate period exceeding 30 days in a calendar year are required to register (or verify registration) with the law enforcement authority for campus security, in accordance with Article 62.151-62.153 of the *Texas Code of Criminal Procedure*, within seven days of beginning work on any campus of the university.