



TEXAS TECH UNIVERSITY™

Operating Policy and Procedure

## **OP 72.02: Contracting Procedures**

**DATE:** January 17, 2020

**PURPOSE:** The purpose of this Operating Policy/Procedure (OP) is to outline the policy/procedures to be followed in the development, negotiation, and approval of all contracts between Texas Tech University (TTU)/ Texas Tech University System (TTUS) and other parties. This policy will apply to all contracts except for sponsored project proposals and related contracts, technology commercialization contracts, user agency contracts as described by the Department of Defense, contracts with an investment manager funded with assets owned or controlled by TTUS, and construction contracts processed by the TTUS Office of Facilities Planning and Construction.

**REVIEW:** This OP will be reviewed in June of odd-numbered years by the Chief Procurement Officer with substantive revisions forwarded to the Vice President for Administration & Finance and Chief Financial Officer (VPAF&CFO).

## **POLICY/PROCEDURE**

### **1. Definitions**

**Contract:** A legally binding written agreement executed between TTUS/TTU and a third party in which the parties agree to perform in accordance with the obligations therein. Contracts include, but are not limited to: letter agreements, co-operative agreements, memorandums of understanding (MOU), interagency contracts, Interlocal contracts, easements, licenses, leases, and Purchase Orders.

**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.

**Contractor:** An individual or legal entity that has a Contract to provide Goods or Services to TTUS/TTU. A Contractor includes, but is not limited to federal, state, and local agencies, nonprofit organizations, private businesses, corporations, partnerships, and individuals.

**Goods:** Supplies, materials, or equipment as defined in [Texas Government Code § 2155.001](#). Goods do not include Services or real property.

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

**Service(s):** The furnishing of labor, time, and effort by a Contractor or Auxiliary Enterprise, including for a Construction Project, which may involve to a lesser degree, the delivery or supply of Goods.

## 2. Approval and Execution of Contracts

No person has the authority to commit Texas Tech University (TTU) or the Texas Tech University System (TTUS) for any purpose (i.e., enter into contracts) except as authorized in [Section 07.12, Regents' Rules](#).

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. Procurement Services Office Responsibilities

The responsibilities of the Procurement Services office include:

- a. Verifying that all Contracts subject to this policy are in compliance with Texas state and federal laws and TTU Operating Policies and Procedures;
- b. Ensuring that all expenditure and revenue transactions comply with federal, state, and TTU Operating Policies and Procedures;
- c. Ensuring that Contracts subject to this policy are reviewed and signed by the appropriate personnel;
- d. Serving as the repository for TTU/TTUS Contracts, subject to this policy and TTU records retention policies (see [OP 10.10, Records Retention](#));
- e. Verifying that the Contractor is eligible to contract with TTU/TTUS in accordance with federal and state laws;
- f. Verifying that bonds and insurance are provided and are compliant with the requirements of the Contract and TTU/TTUS requirements;
- g. Ensuring that risk is analyzed and eliminated or reduced through insurance or contract provisions;
- h. Ensuring that departments encumber the funding for expense Contracts and that payments are made in compliance with the requirements of the Contract and [OP 72.11, Payment of Purchase Orders](#);
- i. Providing oversight to departments ensuring that each Contract is performed in accordance with the terms and conditions of the Contract as required by [OP 72.04, Contract Administration](#);
- j. Managing the Contract renewal and expiration process; and
- k. Providing enhanced contract monitoring for contracts exceeding \$1,000,000 annually.

#### 4. Guidelines for Processing Contracts

##### a. General Guidelines

Written Contracts shall be executed whenever TTUS/TTU enters into a binding agreement with another party that involves any material consideration.

##### b. Procurement Guidelines

The department requesting the Goods or Services in consultation with the Procurement Services office shall first determine if a competitive solicitation is required. See [OP 72.09, Purchase of Goods and Services](#).

For Contracts that require an expenditure, the department shall submit a requisition in TechBuy, and electronically attach the draft Contract and a signed Contract Routing Sheet demonstrating it has adequate funding and departmental approval. If the Contract does not require an expenditure of TTUS/TTU funds, the Contract and signed Contract Routing Sheet shall be emailed to the Procurement Services office at [contracting@ttu.edu](mailto:contracting@ttu.edu).

Procurement Services will work with the department and the Contractor to develop and negotiate a mutually satisfactory Contract that complies with the Contract Management Handbook and applicable statutes.

Procurement Services will obtain review and signature approval from the appropriate TTUS/TTU officials and the Contractor. Only individuals delegated authority and detailed in the Contract Management Handbook or by express authority of the Chancellor or President may sign Contracts.

A fully executed Contract will be retained in the Procurement Services Office contract repository system and distributed to both the department and the Contractor along with a summary of obligations.

##### c. Contract Management Handbook

All contracts are subject to the requirements detailed in the Contract Management Handbook adopted by the TTU System. In the event there is a conflict between the Contract Management Handbook and any applicable statutes, the statutes will prevail.

#### 5. Contract Renewals

The Procurement Services Office is the office of record for all TTUS/TTU Contracts subject to this policy. This responsibility requires that the Chief Procurement Officer and his/her delegates maintain files of all Contracts that fall under the purview of Procurement Services. The Chief Procurement Officer will maintain schedules that include a description of the Contract, the Contractor information, the start and the expiration dates of the Contract, the Contract value (if applicable), amendments, renewals, and other supporting documentation.

## 6. Contract Training

In accordance with Texas Education Code 51.9337 and Texas Government Code 2155.78, Texas Tech University (“TTU”) and Texas Tech University System (“TTUS”) officers and employees authorized to execute contracts on behalf of TTU or TTUS or to exercise discretion in awarding contracts are required to receive training, including training in ethics, selection or appropriate procurement methods, and information resources procurement technologies.

Training is required for:

- a. Staff with contract signature authority, which is delegated by the TTUS *Regents’ Rules* or further delegated in writing by the Chancellor or President.
- b. Faculty and staff with a Financial Manager role in TeamApp (<https://banapps.texastech.edu/team/QuickLinks.aspx>).
- c. Faculty and staff with authority to approve a transaction in TechBuy.
- d. Faculty and staff authorized to make a PCard purchase either by an individual PCard or a departmental PCard.

Faculty and staff are responsible for ensuring that the required training is completed every two years. A notification will be sent out from the Cornerstone training program. For any questions relating to the mandatory training, please email [contract.training@ttu.edu](mailto:contract.training@ttu.edu).

## 7. Inquiries

Any questions concerning this OP should be directed to the Procurement Services Office, 806.742.3844, or emailed to [contracting@ttu.edu](mailto:contracting@ttu.edu).