



TEXAS TECH UNIVERSITY

Operating Policy and Procedure

OP 72.24: Auxiliary Enterprise Contractors

DATE: November 14, 2023

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to establish the requirements for a contractor operating an auxiliary enterprise on Texas Tech University campuses as required by [Texas Government Code §§ 2252.061–2252.064](#).

REVIEW: This OP will be reviewed in November of odd-numbered years by the Assistant Vice President and Chief Procurement Officer with substantive revisions forwarded to the Senior Vice President for Administration & Finance and Chief Financial Officer.

POLICY/PROCEDURE

1. General

The [Texas Government Code, Sections 2252.061–2252.064](#), establishes certain criteria for contractors who contract with TTU to provide services and are not paid with appropriated funds (funds 11–14).

2. Policy

No contract or other legal instrument shall be executed or made with a contractor without the provisions required by [Texas Government Code, Sections 2252.061–2252.064](#). All contracts for services relating to this OP shall be procured in accordance with [OP 72.09, Procurement of Goods and Services](#), and routed through Procurement Services for the required review and approval by the authorized TTU personnel.

3. Definitions

- a. Auxiliary Enterprise – A business activity that is conducted at a state agency, provides a service to the agency, and is not paid for with appropriated money (Texas Government Code § 2252.061 (1)). Examples include food operations, concessions, and bookstores.
- b. Contractor – An individual, association, corporation, or other business entity that operates an auxiliary enterprise or performs a service of the auxiliary enterprise to the system or any component institution.
- c. Performance Bond – An instrument executed, subsequent to award, by a successful proposer or bidder (known as a contractor after award of the contract) that protects the institution from loss due to the contractor’s inability to complete the contract as agreed.
- d. Service(s) – The furnishing of labor, time, and effort by a contractor or auxiliary enterprise, which may involve, to a lesser degree, the delivery or supply of goods.

- e. State – The State of Texas.

4. Contractor Requirements

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

- a. The contractor must provide to TTU, at the time of contract execution, a financial statement prepared by a certified public accountant.
- b. The contractor must provide to TTU annual payment statements derived from sales tax reports prepared by a certified public accountant licensed to conduct business in the State of Texas.
- c. The contractor shall execute a performance bond that is payable to TTU in an amount to be determined by TTU, but in no event shall it exceed the contract price. The bond must be payable to the state and conditioned on the faithful performance of the terms of the contract.
- d. The contractor shall provide workers' compensation or an alternative acceptable to the TTU System Risk Manager, or as required by state law, for any employee working on the TTU campus.
- e. The contractor shall furnish automobile insurance, as in the minimum amounts required by state law, for any business-owned or leased automobile that is operated on the TTU campuses.
- f. The contractor shall provide comprehensive general liability insurance in the amount required by TTU.
- g. The contractor shall provide property damage liability insurance in the amount required by TTU.
- h. All sex offenders required to register with local law enforcement authorities under [§ 62.064 of the Texas Code of Criminal Procedure](#) and who intend to work or carry on a vocation (full-time or part-time) on any TTU campus 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 within seven days of beginning work on any TTU campus.
- i. The contractor shall comply with any and all operating policies and procedures including those related to campus safety and technology requirements.