



TEXAS TECH UNIVERSITY™

Operating Policy and Procedure

OP 72.24: Auxiliary Enterprise Contractors

DATE: October 22, 2009

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 managing director of Purchasing and Contracting with recommended revisions forwarded through administrative channels to the assistant vice president of procurement services (AVPPS) and chief operating officer and senior vice president for administration and finance (COO & SVPAF) by November 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 Purchasing and Contracting Office for the required review and approval.

3. Definitions

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

- a. “Auxiliary enterprise” means a business activity conducted at the university that provides a service to the university but that is not funded through 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.

- 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.
 - e. The contractor shall provide Workers' Compensation, as required by Texas law, for any employee working on the campus.
 - f. The contractor shall furnish automobile insurance, as required by Texas law, for any automobile that is operated on any of the university campuses.
 - g. The contractor shall provide comprehensive generally liability insurance in the amount required by the managing director of the Texas Tech University System Office of Risk Management.
 - h. The contractor shall provide property damage liability insurance in the amount required by the managing director of the Texas Tech University System Office of Risk Management.
 - i. 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 62.064 of the Texas *Code of Criminal Procedure*, within seven days of beginning work on any campus of the university.
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