



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSC OP: 54.01, **Contracting Authority and Policy**

PURPOSE: The purpose of this Texas Tech University Health Sciences Center El Paso Operating Policy and Procedure (HSCEP OP) is to state the institutional policy relating to the approval and execution of contracts and agreements.

REVIEW: This HSCEP OP will be reviewed by April 15th of each odd-numbered year (ONY) by the Managing Director of Contracting, with recommendations for revisions submitted to the Chief Operating Officer (COO), or designee by May 1.

POLICY/PROCEDURE:

1. Authorities of the Board of Regents.

- a. Authority for approval of TTUHSC El Paso contracts is vested in the TTU System Board of Regents. This approval authority applies to all contracts, regardless of the external agency or source of funds.
- b. The TTU System Board of Regents has established policies regarding contracting approvals, which are published in the **Regents' Rules**.

2. Contracting Policies.

- a. Written contracts shall be executed whenever TTUHSC El Paso enters into a binding agreement with another party which involves any material consideration. Contracts are construed to include, but not be limited to: letter agreements, cooperative agreements, memorandums of understanding, interagency contracts, grants, loans, easements, licenses, leases, permits and restrictions on acceptances of gifts and bequests. Other parties include, but are not limited to: federal, state and local agencies, nonprofit organizations, private businesses, corporations, limited liability entities, partnerships and individuals. Search firms are not considered to be consultants and should be processed through Purchasing.
- b. 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 the approval of the board, any option(s) to extend or renew a contract shall be counted in the overall term of the contract. For example, a contract for a lease of land for three years that has an option to extend the lease for an additional three years shall be considered to be a lease of land for more than four years.
- c. *Regents' Rules*, Section 07.12, governs the contracting procedure and signatory authority and is summarized as follows:

Contract Terms	Regents' Rules Section Citation	Approval Required
Contracts in excess of \$1,000,000 over the entire term of the contract	07.12.3.a	Board or delegated to Chancellor or President

Contracts in excess of \$1,000,000 total but less than \$1,000,000 per annum	07.12.4.a	Chancellor or President, as appropriate
Contracts for real property: sale or purchase; and lease for more than 4 years (<i>unless the contract can be terminated without cause with notice of 120 days or less</i>)	07.12.3.d(1)(a)	Board
Contracts in excess of four years (<i>unless the contract can be terminated without cause with notice of 120 days or less</i>)	07.12.2.d(1)(b)	Board
Renewals, extensions or amendments	07.12.3.b	Board
	07.12.4.d; and 07.12.5.b. or 07.12.6.b	Chancellor or President
Contracts for construction projects	07.12.4.c	Chancellor (<i>for TTU System projects</i>) or President (<i>for institutional projects</i>)
Consulting contracts in excess of \$25,000, and all modifications that increase such contracts	07.12.4.e.(1)	Board
Consulting contracts of \$25,000 or less	07.12.4.e(2)	Chancellor or President, as appropriate – <i>with prior notice to chairs of Board and F&A Committee</i>
Contracts with search firms (<i>so long as contract amount does not exceed \$1.0 million per year</i>)year	<i>due to</i> 07.12.3.f(3) and 07.12.4.a: 07.12.5 or 07.12.6	Chancellor (<i>for TTU System searches</i>) or President (<i>for institutional searches</i>)
Initial contracts for vending machines	07.12.3.f	Board
Location of vending machines	07.12.3.f	President
TTU System contracts of \$1,000,000 or less per year	07.12.4.a and 07.12.5	Chancellor
Component institution contracts of \$1,000,000 or less per year; amendment or renewal of such component institution contracts	07.12.4.a and 07.12.6	President
Sponsored program project contracts	07.12.4.b	President
Employment contracts	[see Appendix A]	-- varies --

- d. The President has delegated the authority to the Chief Operating Officer (COO) and Chief Financial Officer (CFO) to approve and sign the following contracts:
 - contracts in consideration up to \$1,000,000 over the term of the agreement; and
 - contracts in excess of \$1,000,000 or less per annum.
 - e. The President has delegated the authority to approve and sign sponsored program project contracts to the Vice President of Research. Sponsored program contracts are those grants, contracts, and cooperative agreements from either the public or private sectors that support research, instructional, and service projects. The Vice President of Research will prepare a list of contracts he/she has approved and signed in excess of \$1,000,000 per annum as an information item for the next regular TTU System Board of Regents meeting.
 - f. ***No officer or administrator is authorized to approve or execute contracts or agreements with an external agency unless that authority has been delegated in accordance with Regents' Rules or TTUHSC El Paso Operating Policies and Procedures.***
 - g. Approval and signature of a contract constitutes approval to establish an operating budget, which does not exceed the consideration of the contract without further board approval. The operating budget will then be considered approved in accordance with the provisions of Section 07.04, *Regents' Rules*, and in related implementing procedures.
 - h. Questions concerning contracting approval authorities and related procedures for processing contracts may be directed to the Contracting Office at ElpContractDept@ttuhsc.edu or the TTUHSC El Paso Contracting Office website, located at <http://elpaso.ttuhsc.edu/fiscal/contracting/>.
3. **Commitments Prior to Contract Approval.**
- a. No officer or administrator should make any commitment of any nature **prior** to the approval of the availability of funds, either through the allocation of internal fund balances or execution of contracts or agreements.
 - b. No officer or administrator should make any statement or take any action which would cause that officer or administrator to appear to a third party as having the authority to commit the institution **prior** to the execution of contracts or agreements and approval of the availability of funds. This policy is effective for all contracting approvals regardless of the external agency or source of funds.
- 4 **Familiarity with *Regents' Rules*.** Each fund manager and administrative officer should read and be familiar with the TTU System Board of Regents' contracting policies, namely *Regents' Rules*, Section 07.12.