



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 54.01, **Contracting Authority and Policy.**

PURPOSE: The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC 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 senior managing director of Contracting, with recommendations for revisions forwarded to the vice president of clinical administration (CAO), or designee by May 1.

POLICY/PROCEDURE:

I. Authorities of the Board of Regents.

- A. Authority for approval of TTUHSC El Paso contracts is vested in the Texas Tech University System (TTUS) Board of Regents. This approval authority applies to all contracts, regardless of the external agency or source of funds.
- B. The TTUS Board of Regents has established policies regarding contracting approvals, which are published in the ***Regents' Rules***.

II. 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: 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, 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 TTUS Board of Regents, 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:
- D. The president has delegated the authority to the 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 consideration 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 TTUS 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 TTUS Board of Regents 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 or the TTUHSC El Paso Contracting Office website, located at <https://www.fiscal.ttuhs.edu/contracting/>.

III. **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.

IV. **Familiarity with Regents' Rules.** Each fund manager and administrative officer should read and be familiar with the TTUS Board of Regent's contracting policies, namely *Regents' Rules*, Section 07.12.