



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 54.04, **Professional Services - Contracting**

PURPOSE: The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to establish policies and procedures for using the services of professional personnel to carry out the programs of TTUHSC El Paso.

REVIEW: This HSCEP OP will be reviewed on June 15 of each odd-numbered year (ONY) by the managing director of Purchasing, the senior managing Director of Contracting, and the executive director for Business Affairs, with recommendations for revisions submitted to the chief financial officer or designee by July 1.

POLICY/PROCEDURE:

I. Policy.

- A. The services of professional personnel may be acquired when there is a need for such services which cannot be performed by TTUHSC El Paso personnel. When these personnel are used, they will be selected on the basis of demonstrated competence and qualifications at a fair and reasonable cost that does not exceed any maximum allowances authorized by TTUHSC El Paso regulations or state law.
- B. The provisions of this HSCEP OP apply to professional services as defined in the Texas Government Code, Chapter 2254, Subchapter A, Section 2254.002.2.A. These include services within the scope of the practice of a person who is licensed or registered in the practice of accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising or professional nursing.

Professional services for accounting, medicine, optometry, and professional nursing are processed as an expense contract in accordance with HSCEP OPs 54.02 and 54.04.
- C. This policy is not applicable to the use of private consultants which is covered in HSCEP OP 50.27, "Use of Private Consultants". It is also not applicable to the services of any person who, during the past twelve months, has been an employee of TTUHSC El Paso. Any payment to such a person must be made through the Payroll Office.
- D. A state agency may not enter into an employment contract, a professional services contract under Chapter 2254, or a consulting services contract under Chapter 2254 with a former or retired employee of the agency before the first anniversary of the last date on which the individual was employed by the agency, if appropriated money will be used to make payments under the contract.

II. Administrative Procedures.

- A. The administrator responsible for an activity may arrange directly with professional personnel for their services listed in Section 1.c. above, on a purchase order (no contract is required) when the services are not to exceed \$10,000 per year. A statement must be

typed in the body of the order that states “services by this provider will not exceed \$10,000 this fiscal year and there is no contract pending.”

- B. A formal agreement is required when the amount to be paid is in excess of \$10,000 per year for professional services as defined in Section 1.b. above. This agreement will be prepared by the requesting department and forwarded to the Contracting Office. A sample of the format to be used for Professional Services Contracts is included in the contracting manual and on the contracting SharePoint website.

III. Financial Procedures – No Contract Required.

- A. Ordering of services that do not require an agreement or contract will be made by submitting a TechBuy requisition. TechBuy may be accessed at <http://techbuy.ttu.edu>.
- B. New vendor setups will require a completed Internal Revenue Service (IRS) Form W-9, “Request for Taxpayer Identification Number and Certification”. If related to individuals and businesses operated as a sole proprietorship, an Independent Contractor Questionnaire, should accompany the TechBuy requisition.
- C. Payments to providers must not be split to avoid the \$10,000 limit. When payments to medical service providers equal or exceed \$10,000 for the fiscal year, the Purchasing Office will notify the department that a Professional Services Contract must be executed before further payments can be processed to the provider.

IV. Financial Procedures - Contract Required

- A. When the contract manager has to submit a contract, a TechBuy requisition must be completed to authorize service and payment.
- B. New vendor setups will require a completed IRS Form W-9, “Request for Taxpayer Identification Number and Certification”, and an Independent Contractor Questionnaire should accompany the TechBuy requisition if the contract is with an individual.
- C. An electronic copy of the contract should be attached and submitted with the TechBuy requisition.
- D. The quantity and unit must be applied as most appropriately applies to the terms of the contract. The dollar value of the TechBuy requisition should be provided as the best estimate of the current fiscal year anticipated expense.
- E. The TechBuy requisition will not be finalized to a purchase order until all of the required signatures have been obtained and the contract is activated in the contracting system.
- F. The contract number assigned in the contracting database will be provided to the contract manager when the routing process begins so that contract tracking will continue to be available in the contracting database.
- G. A department does not have the authority to obligate the institution. Therefore, services are not to begin without a properly and fully executed contract, i.e, a contract that has been (1) submitted via the appropriate TTUHSC El Paso HSCEP OP review and approval process, and (2) signed by the authorized signatories of each party to the contract. Contract managers must submit the contract allowing enough lead time for the contracting process prior to the date services are needed. No invoice will be paid until the contract has been fully executed.

- H. In unusual circumstances, chief financial officer, or a designee, may approve payment of invoices for which the contract has not yet been fully executed in order to provide that vital functions of TTUHSC El Paso are not interrupted. This is only in unusual circumstances and should not be expected by the department on routine items.