

Memo to: All UH-Downtown/PS Holders
From: Max Castillo, President
Subject: Contract Administration Policy

UH-Downtown/PS 05.A.06
Issue No. 3
Effective date: 07/11/01
Page 1 of 1

1. PURPOSE

The purpose of this PS is to set forth guidelines for the approval and awarding of contracts in accordance with Administrative Memorandum 03.A.05, Board of Regents Policy 47.01 et al, and Board of Regents Bylaws. No person has the authority to bind the University of Houston - Downtown (UHD) contractually except in accordance with this policy.

2. POLICY/PROCEDURES

2.1 All delegations of contracting authority must be made in writing, approved by the President, and filed with the Board. No employee, officer, or agent of the University shall have the authority to execute contracts unless expressly delegated such authority pursuant to this policy.

2.2 The form of all contracts must be reviewed and approved by the Office of General Counsel before execution. Uniform contracts may be approved and used thereafter without additional review and approval by the Office of the General Counsel.

2.3 The Office of Facilities Planning and Construction must review all plans and specifications and bidding documents concerning facility construction and renovation for compliance with state laws regarding competitive bidding and applicable fire and safety codes prior to being released for bidding.

2.4 All expenditures for professional service or consulting contracts must be coded as indicated in Exhibit A.

2.5 Contracts for the procurement of goods and services which are processed through the Purchasing Department should also be administered in accordance with current purchasing guidelines.

2.6 The following contracts must be approved by the Board of Regents in an open meeting:

2.6.1 Contracts for the purchase, sale, or conveyance of real property, which includes the conveyance of any rights in real property if value of the property is more than \$300,000.

2.6.2 Real estate leases and lease renewals and extensions, whether as lessor or lessee if the obligation of the lease is equal to or greater than the submittal threshold requiring Texas Higher Education Coordinating Board action.

2.6.3 Banking and investment agreements.

2.6.4 Any single procurement contract for any equipment, goods, and services, not specified above, which is expected to exceed \$1,000,000 in a fiscal year.

2.6.5 Any series of contracts as described in items 2.6.2 or 2.6.4 which are initiated in the same department for the same goods or services with the same party within a fiscal year, that, if combined in one contract, would require Board approval.

2.6.6 Any other contract the Board might designate as having significant importance.

2.6.7 In instances where the Board approved the original contract, the Chancellor is authorized to execute the amendment, change, extension or renewal without further action by the Board of Regents.

2.7 Following the end of each fiscal year, a report shall be submitted to the Board of Regents listing all professional service or consulting contracts where total compensation from System-wide sources to a single entity exceeded \$250,000 during the fiscal year.

2.8 Subsequent to the Chancellor's delegation, the President may negotiate, execute and administer all contracts and related necessary legal documents and instruments not requiring Board approval as designated in section 2.6.

2.9 Prior to the beginning of each fiscal year, the President may delegate to the vice presidents and other officers the authority to negotiate, execute, and administer contracts and related necessary legal documents and instruments not requiring Board of Regents approval. This delegation will be kept on file in the President's Office, Business Office and Board of Regents System Office. A copy will be forwarded to the vice presidents.

2.10 Each vice president to whom authority has been delegated in section 2.9 may execute contracts for new construction, contracts for repair and rehabilitation, or contracts for furnishings and equipment related to new construction or repair and rehabilitation when the expenditure is not expected to exceed \$300,000.

2.11 The Office of the Contract Administrator has been established as the central repository for all contracts.

2.11.1 The UHD Contract Administrator will be responsible for drafting, reviewing, revising, and negotiating contracts on behalf of the University; advising originating departments as to what type of contract should be used for specific types of agreements; maintaining files; preparing reports on contract activity; and preparing requests for proposals for both revenue-generating and non-revenue generating contracts for services. The Contract Administrator also will conduct workshops for University business personnel; act as a liaison between the originating department and the Office of General Counsel; and serve as UHD's primary contact with the major auxiliary service providers, such as the bookstore, food service and vending operations.

2.11.2 Three contracts bearing original signatures, along with the *Contract Cover Sheet and Approval Form* (Exhibit B), must be forwarded to the Contract Administrator for review. Once the final approval is obtained, one contract will be retained as part of the master file, one contract will be sent to the contractor, and one contract will be returned to the originating department.

3. REVIEW AND RESPONSIBILITIES

Responsible Party (Reviewer): Vice President for Administration

Review: Biennial

President

Policy History

Issue #1: 04/25/94

Issue #2: 01/08/01

**UNIVERSITY OF HOUSTON - DOWNTOWN
PROFESSIONAL AND CONTRACT SERVICES SUBCODE LISTING**

Listed below are the most commonly utilized subcodes for professional and contract services. For a complete listing, refer to the Subcode Listing, distributed by the Business Affairs Department.

I) Contract Services: Professional and Other Personnel (3004 – 3099)

These services are defined as contractual agreements with individuals for specific services which may include those acquired through the procurement process, provided the contract is more than a simple agreement to purchase goods. It excludes charges for intra-university services.

1) Professional Services (3004 – 3014)

Services as cited in the Texas Revenue Civil Statute Annotated 664-4, Professional Services Procurement Act. Includes services which require a state license for performance. These services do not include consulting. Travel and related costs should be included in the appropriate category.

- 3004 Auditing/Accounting Services
- 3007 Architectural Services (Not Construction)
- 3008 Engineering Services (Not Construction)
- 3009 Other Licensed Professional Services

2) Professional Consulting Services (3015 – 3018)

Consulting is defined herein as the practice of studying an existing or proposed operation or project and advising the agency with regard to the operation or project. It also includes the creation, design or development of a project. This section is applicable to both individuals and firms. Travel and related costs should be included in the appropriate category.

- 3015 Consulting - Computer
- 3016 Consulting - Other
- 3017 Receipted Expenses of Computer Consultants
- 3018 Receipted Expenses of Other Consultants

3) Entertainment Production Services

These are services which provide a cultural experience or extracurricular activity, such as guest lecturers, concerts, theater, and/or events for which Student Service Fees may be expended. Travel and related costs should be included in the appropriate category.

- 3025 Entertainment Agents and Production Services
- 3095 Lecturers and Artists
- 3097 Receipted Expenses for Lecturers and Artists

4) Other Services

This category includes a myriad of commonly used contract services.

- 3030 Temporary Personnel Services
- 3045 Construction Services
- 3081 Educational/Training Services
- 3082 Referees/Statisticians
- 3090 Course Development

II) Contract Services: Other than Professional and Other Personnel (3100 – 3990)

These services are defined as contractual agreements with business entities for specific services which may include those acquired through the procurement process from business entities outside the university if the contract is more than a simple agreement to purchase as evidenced by a purchase order. It excludes charges for intra-university services.

- 3100 Off-Campus Academic Printing/Copying
- 3220 Electricity
- 3240 Water
- 3260 Other Utilities
- 3390 Electronic Communications Services
- 3400 Advertising - General
- 3422 Promotion/Public Relations Public Information

- 3590 Rental - Other Space
- 3700 Repairs/Maintenance Equipment
- 3990 Services - Other

III) Professional Services - Legal Fees (5010 – 5019)

Includes, but is not limited to, legal services which require the Attorney General's approval and services rendered by the Attorney General's Office.

- 5010 Legal Counsel - Private
- 5012 Attorney General's Fees

IV) Capital Real Property - Building Construction (8100 – 8199)

- 8110 Buildings-Construction
- 8130 Site Preparation
- 8140 Surveys and Testing
- 8150 Architectural/Engineering Services
- 8160 Consulting Services – Construction

UNIVERSITY OF HOUSTON-DOWNTOWN

CONTRACT ADMINISTRATION INTERNAL PROCEDURES

Three originals of all contracts will be forwarded to the Contract Administrator for review. Upon receipt, the following steps will take place:

- 1) A contract number will be assigned and posted on the *Contract/Agreement Cover Sheet*. The contract number will have the configuration YYCXXX, for example 94C001, which denotes the following:

YY	=	Fiscal Year
C	=	Denotes Contract
XXX	=	Sequential numbers beginning with 001
- 2) An entry will be made in the computerized master file, (*Exhibit A*) based on the information provided by the originating department, on the *Contract Agreement Cover Sheet* (All contracts will be entered with a "Pending" status until approved by the Contract Administrator.).
- 3) The three originals will be forwarded to the Contract Administrator. Four possible outcomes may arise from this review:
 - a) APPROVED: All three copies will be signed by the appropriate vice president or other officer to whom the President had delegated this authority. The status in the computer will be changed to APPROVED. A fully executed copy will be returned to the originating department for enforcement. Two copies will be retained in the Contract Administrator's office. One copy will be filed in the contract master file in sequential order by contract number. The second copy will be filed in the alpha file by topic.
 - b) PENDING: Two copies will be returned to the department to resolve any discrepancies. A copy will be kept in the master file for future reference. Once the revised copy is received from the department, the pending file copy will be replaced by the new copy.
 - c) DENIED: Two copies will be returned to the originating department and a copy will be kept in the master file.
 - d) COUNSEL: Should the contract need legal counsel approval, two copies will be forwarded to the Legal Counsel Office and one copy will be retained for the master file. Once a response is received from Legal Counsel, it will be sent back to the Contract Administrator for approval or denial. The new status will be posted in the computerized master file as either approved, pending or denied.
- 4) The Contract Administrator will indicate the status on the *Contract/Agreement Cover Sheet* which will be posted in the computerized master file.

**UNIVERSITY OF HOUSTON - DOWNTOWN
CONTRACT COVER SHEET AND APPROVAL FORM**
Office of Contracts Administration

Contract No: _____
(To be entered by Contracts Administration)

Purchase Order No./Voucher No.: _____

General Information

UHD Department: _____

Contact Person: _____

Campus Address: _____

Telephone: (_____) _____ Fax: (_____) _____ Email: _____

Business Administrator: _____

Telephone: (_____) _____ Fax: (_____) _____ Email: _____

Summary of Contract Terms

Contract with: _____
Name(s)

Description: _____
GOODS AND/OR SERVICES TO BE PROCURED, PHYSICAL LOCATION, ETC.

Contract Term: Start _____ End _____

The Amount of Contract: _____

Source of Funds: Expense Account No.: _____ Revenue Account No.: _____

Subcode: _____ Subcode: _____

Authorized Signatory: _____
IDENTIFY WHO WILL SIGN CONTRACT ON BEHALF OF THE UNIVERSITY OF HOUSTON SYSTEM PUSUANT TO PS, SAM, AND BOARD POLICIES

Checklist: Complete before sending with contract to Office of Contracts Administration.

<u>REQUIREMENT</u>	<u>ACKNOWLEDGED BY</u>	<u>DESCRIPTION</u>
Originating Unit	_____	Ensures primary responsibility for the contract, from inception to completion of the transaction.
Original Contracts And Signatures	_____	Three (3) contracts (not facsimiles) bearing original signatures have been submitted prior to the beginning date of the contract.
Contract, Exhibits, And Appendices	_____	1) The contract and all documents incorporated by reference in the contract, including exhibits and appendices, are attached; and 2) All such documents have been read and agreed to in their entirety by originating department and any faculty and staff members who have obligations under this contract.
Contracting Party	_____	The name of the contracting party is stated as the University of Houston System or its component institutions (e.g., University of Houston, University of Houston – Victoria), and is not a department or program.
Posting Requirements	_____	Procurements for goods/services over \$25,000 must be posted on the Texas Marketplace website (independent of whether competitive bidding or posting is required).
Competitive Bid Requirements	_____	State funds of more than \$2,000 or local funds of more than \$5,000 are subject to competitive procurement requirements (See UHD PS 05.C.01).

Consulting and
Professional Services
Contracts _____

Consulting and Professional Services Contracts are subject to specific notice and reporting requirements that require the originating unit to contact the Office of Contracts Administration for assistance.

Standard Form of
Agreement _____

If a standard form of agreement, no substantive changes to the agreement have been made, including additional attachments or addenda.

Certification of University Employee(s) With Responsibility for Ensuring Contract Terms and Conditions are Met

I have read this contract entirely. I am satisfied with its description of the goods and services to be provided to the University (including, for example, warranties, delivery terms, acceptance period, and maintenance terms). I am also satisfied with the description of the University’s obligations (including, for example, scope of work, payment due dates, late charges, tax, charges, insurance, and confidentiality requirements) and all other provisions of this contract, except as noted in any attached memorandum. A memorandum [is], [is not], (circle one) attached. **I acknowledge responsibility to ensure that all good faith efforts are employed in seeing that all terms, conditions and responsibilities of the contract are met.**

Name Signature Date

Title

Name Signature Date

Title

UH Provisions – Each provision must be reviewed for contract applicability.

REVIEW COMPLETED BY:

Name Signature Date

- 1) **Nondiscrimination.** The parties agree to comply with all applicable state and federal laws, rules, regulations and executive orders governing equal employment opportunity, immigration, nondiscrimination, including the Americans with Disabilities Act.
- 2) **Payment of Taxes.** Contractor certifies that, upon the effective date of this agreement, either (1) it is not delinquent in payment of State of Texas corporate franchise taxes, or (2) is not subject to the payment of such taxes. Contractor agrees that any false statement with respect to franchise tax status shall be a material breach hereof, and the System shall be entitled to terminate this agreement upon written notice thereof to Contractor.
- 3) **Child Support.** Contractor certifies that the individual or business entity named in this Agreement is not ineligible to receive payment from the state and acknowledges that this Agreement may be terminated and payment may be withheld if this certification is inaccurate.
- 4) **Financial Obligations to the State of Texas Government Code § 403.055.** Contractor acknowledges that, pursuant to Government Code § 403.055, that if the Texas Comptroller of Public Accounts is currently prohibited from issuing a warrant to the Contractor, Contractor agrees that payments under the attached Agreement will be applied towards the debt or delinquent taxes owed to the State of Texas until the debt or delinquent taxes are paid in full.
- 5) **Out-of-State Vendor Certifications Government Code § 2155.004.** Contractor acknowledges that, pursuant to Government Code § 2155.004, the University may not accept a bid or award a contract to (i) any individual not residing in this State, or (ii) any business entity not incorporated in or whose principal domicile is not in this State, unless the individual or business entity: (1) Holds a permit issued by the Texas Comptroller of Public Accounts to collect or remit all state and local sales and use taxes that become due and owing as a result of the individual’s or entity’s business in this State; or (2) Certifies that it does not sell tangible personal property or services that are subject to the state and local sales and use tax. Under Government Code § 2155.004, the Contractor certifies that the individual or business entity named in this bid or contract is not ineligible to receive

the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

- 6) **University of Houston System Alternative Dispute Resolution Clause**. Effective August 30, 1999, Government Code Chapter 2260 requires that each contract entered into by the University of Houston System and its component institutions for goods or services, or for a building or construction contract under Government Code § 2166.001, include a provision, developed with the Attorney General's assistance, stating that the parties will use the dispute resolution process provided for in chapter 2260 to attempt to resolve disputes arising hereunder.