

University of Houston  Clear Lake  
Procurement Manual ~ Contracting Policies

I. PURPOSE AND SCOPE

The purpose of these university policies and the supporting procedures are to provide guidelines for the execution and administration of contracts, agreements, and amendments entered into by the University of Houston-Clear Lake (UHCL) in pursuit of the mission of the university. Its purpose is also to ensure compliance with University of Houston System (UH System) Board Policy 55.01; UH System Administrative Memorandum 03.A.05; and all applicable university, state, and federal laws and regulations.

All UHCL contracts and agreements, regardless of the source of funds involved or whether or not money is exchanged between the parties, are subject to these guidelines.

General procurement guidelines, in addition to policies and procedures related specifically to procurement through requisitions and purchase orders, are detailed in the [UHCL Procurement Manual](#).

II. POLICY STATEMENT

UH System Board Policy 55.01 prescribes that only the Board of Regents, the chancellor of the UH System, and the chancellor's expressly designated agents may enter into contracts or agreements or modifications, amendments, and renewal of existing contracts or agreements that commit or obligate the resources of the UH System or its components. The Board of Regents identifies those contracts and agreements that require approval and execution by the Board of Regents, those that require execution by the chancellor or his or her designee, and those that may be delegated to or by the president.

This UHCL process outlines the prescribed contractual authorities, including those that the Board of Regents and/or the chancellor of the UH System have delegated to the president of UHCL and other university officials.

No person has the authority to bind UHCL contractually except in accordance with this process. Any exceptions to the approval procedures outlined must have explicit approval of the president or his or her authorized representative.

Contractual agreements are subject to the Texas Comptroller of Public Accounts, Statewide Procurement Division (CPA-SPD) regulations and institutional guidelines covering procurement as defined in the [State of Texas Procurement Manual](#).

III. DEFINITIONS

- A. Approve: Acceptance of a contract as satisfactory by the appropriate delegated university official.
- B. Consulting Services: According to State of Texas definition, the practice of studying and advising a state agency in a manner not involving the traditional employer/employee relationship. A consultant may be an individual or business that provides this service. (Government Code Section 2254)
- C. Contract: A promise or agreement made by one party and agreed to by the other party, or an agreement entered into between two or more parties with a promise made on either side. University contracts for services must always be in writing and processed in accordance with the process outlined on the [UHCL Contract Administration web page](#), even if money is not exchanged between the parties.

- D. UHCL Contract Administration: That section of the UHCL Procurement Department, under the Executive Director of Procurement and Payables, that has responsibility for processing UHCL contracts, providing campus guidance with regard to the contracting process, and maintaining copies of all UHCL contracts.
- E. Execute: Entering into or signing by a delegated university official, and thus agreeing to be bound by contract terms.
- F. Professional Services: Those services directly related to the professional practices as defined by the Professional Services Procurement Act (Government Code 2254). These include services within the scope of the practices of accounting, architecture, optometry, medicine, land surveying, and professional engineering. Services provided by professionals outside the scope of their profession, e.g. management consulting services provided by accounting firms, are not considered professional services for the purposes of this definition.
- G. Purchase Order: A binding agreement created by the Procurement Department under the authority of the Executive Director of Procurement and Payables, initiated by a department through a requisition that describes the requested goods or services and lists an estimated price for each requested item. Purchase orders are used to purchase, lease, or rent supplies, material, and equipment, or to purchase standard service agreements. "Standard service agreements" are agreements for those services that a company offers routinely to a wide variety of customers, such as copier maintenance agreements, which are accepted without negotiation other than price, and in which the university does not materially influence the outcome.
- H. Invitation to Bid (ITB): The soliciting document sent to qualified and interested vendors detailing precise specifications for the commodity or service that the university requires and on which detailed bids for the commodity or service are tendered. The award is made to the signed, sealed, low bid meeting the specifications.
- I. Request for Proposal (RFP): The soliciting document sent to qualified and interested vendors for goods or services the university intends to acquire by means of the competitive sealed proposal procedure. This procedure allows a negotiation phase from which a best and final offer is accepted. Broadly speaking, this vehicle is used when precise specifications or methodology for a demonstrated need are not known.
- J. Reviewed by Office of General Counsel (OGC): Review of a contract for its legality, proper form, and compliance with the rules and regulations of the UH System for the purpose of protecting the university's interest.
- K. Short Term: When used to describe contracts or agreements, usually means less than 30 days.
- L. Sponsored Program, Project, and Activity: Projects funded by external agencies for research, training, etc., over which the Office of Sponsored Programs (OSP) has stewardship authority. Such projects may involve the preparation of contracts, grants, cooperative agreements, memorandums of understanding, and special research support agreements by federal and non-federal agencies and organizations, and by the institution itself. This funding usually, but not always results from the submission of a project proposal describing the work to be performed and generally requires technical and/or fiscal reporting during or at the end of the activity.
- M. Standard Agreement: An agreement form that has been pre-approved by the OGC.

## IV. CONTRACTUAL AUTHORITY

A. Delegated Contractual Authority

The Board of Regents, the chancellor of the UH System, and/or the president of UHCL have delegated responsibilities for executing contracts.

B. Vice President Approval

All academic contracts must be routed through the Provost office for approval. Administrative contracts must have approval of Vice President of Administration and Finance.

C. The Board of Regents

The Board of Regents must approve specific contracts as described below in an open meeting:

- Contracts for the purchase, gift or acquisition of real property;
- Contracts for the sale of real property or conveyance of any rights in real property, if the value of the property is more than \$300,000;
- Real estate leases, 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;
- Banking and investment agreements;
- Any single procurement contract for any equipment, goods and services, not specified above, which is expected to exceed \$1,000,000 over the life of the contract;
- Any series of contracts 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 or reporting;
- Any other contract the board might designate as having significant importance to require board approval.

D. The State of Texas

All consulting and professional service contracts must comply with specific provisions of state law. Under certain conditions, consulting and professional service contracts may require notification, public notice, and reporting to the Governor's Office, the Legislative Budget Board, and other state agencies and committees.

All consulting, professional services (as defined herein), or construction contracts for which the total value exceeds \$14,000 shall be reported to the Legislative Budget Board, the House Appropriations Committee, the Senate Finance Committee, and the appropriate House and Senate oversight committees no later than the tenth day following university execution of the contract using the prescribed Legislative Budget Board reporting procedures. This notification requirement applies to any amendment, modification renewal, or extension of such contract, excluding professional services contracts for medical or optometric services. The UHCL Contract Administration office shall be responsible for reporting to the state.

Contracts and agreements are subject to CPA-SPD regulations and institutional guidelines covering procurement from state or local funds and may, therefore, require submission to the bidding process depending upon the level of expenditure involved. Contracts expending dollars

of \$25,000 or more may be posted to the Electronic State Business Daily (ESBD). The Procurement Department should be consulted and sufficient time allowed for bidding in cases where bidding is required. In no case may services be broken into more than one separate contract to circumvent a bidding or other procurement requirement.

State regulations require that the selection and award of contracts for professional services be based on demonstrated competence and qualifications for the type of professional services to be performed and a fair and reasonable price, rather than on the basis of competitive bids.

The UHCL Contract Administration office or OSP, depending upon source of funds, should be contacted when planning the use of consultants or professional services.

## V. GENERAL PROVISIONS

- A. **Originating Unit Responsibilities:** The originating unit assumes primary responsibility for a contract, from inception to completion of the purchase. The originating department is responsible for monitoring and assuring performance in accordance with provisions of the contract and for reporting non-compliance to the College/Division Business Administrator and, as appropriate, to the appropriate Vice President. UHCL Procurement/Contract Administration will provide needed assistance as requested. The individual(s) responsible for ensuring the terms and conditions of the contract are met shall sign an appropriate statement acknowledging this important responsibility (receiving report).
- B. All university contracts and agreements must reflect the legal name of the institution, "University of Houston-Clear Lake."
- C. All contracts must be fully executed prior to the start date of the agreement.
- D. With the exception of those contracts for services which may be processed on a requisition through the Procurement Department, those allowable on a standard agreement form and approved by the college or division administrator, all contracts for services require the review of and processing through the UHCL Contract Administration office. All university contracts should be sent to the UHCL Contract Administration office where they will be kept electronically.
- E. Any contractual arrangement contemplated by a department should involve the UHCL Contract Administration office in the early stages of negotiation when the contract or agreement involves any of the following:
  - a lease or a contract with a commercial establishment that generates revenue at a level that requires Board approval;
  - an expenditure or revenues of more than \$5,000;
  - the long-term commitment of space or other resources;
  - the potential for significant university-wide impact;
  - the potential for controversy or publicity.
- F. UH System Board Policy 55.01 requires that university counsel approve all contracts or agreements to form prior to submission for execution by any party. Services may be contracted using standard agreement forms pre-approved by the OGC without further legal review.
- G. The name of the University of Houston-Clear Lake may appear as a party on a contract or agreement only if in fact the agreement involves official university business.
- H. The originating department is responsible for ensuring that the contractual concept has the support of the pertinent authorities prior to finalization of negotiations. The processing of the contract must, likewise, involve the responsible business coordinator.

- I. When an employee of any component of the UH System performs work at UHCL, including work beyond the scope of his/her regular employment, that individual must be paid through the personnel/payroll system.
- J. An individual who has been an employee of any component of the UH System within the past 24 months may not be paid from university funds to contract as a consultant (as defined).
- K. The UHCL Office of Facilities Management and Construction (FMC) must review, approve, and process all plans, specifications, and bidding documents relating to architectural, engineering, construction, renovation, and remodeling projects (including electrical, plumbing, or painting contracting, maintenance, etc.) for compliance with state laws regarding competitive bidding and applicable fire and safety codes prior to being released for bidding. This provision applies to procurement agreements of any form, including those made through the requisition process.
- L. As required by UH System Administrative Memorandum 01.D.02, contracts for legal services must be coordinated with the OGC.
- M. It is the process of UHCL to include on the vendor list businesses certified by the State of Texas as Historically Underutilized Businesses (HUBs).

#### VI. USE OF STANDARD AGREEMENTS

Standard agreement forms have been developed for commonly contracted university services and are available through the UHCL Contract Administration office. In addition, this department will assist a university user in developing specialized agreements and contracts.

- A. Standard agreement forms are provided for commonly contracted services such as guest lectures, seminar presentations, master classes, short-term instruction, etc., involving funding from all sources. When these forms are used as defined, they may be approved by the department and appropriate Vice President without further approval of the OGC. The use of any form other than the pre-approved contract is subject to approval by the OGC.
  - 1. A standard agreement form requires legal review and approval of the OGC if the standard language has been altered in any way.

#### VII. USE OF NON-STANDARD AGREEMENTS

All non-standard agreements require review by the OGC prior to commitment of services.

#### VIII. REFERENCES

Board of Regents Policies 55.01  
UH System Administrative Memorandum 03.A.05  
Procurement Manual, Section 3  
Government Code Section 2254