

# CONTRACTS TRAINING

# CONTRACT PROCESS

1. Department contacts vendor for proposal.
2. Department determines if threshold requires a bid (currently 15k).
3. Department ensures that vendor can be used.
4. Department prepares contract and obtains signatures. (request insurance from vendor)
5. Department enters contract requisition in PeopleSoft.
6. Obtain the required signatures on the requisition coversheet and the contract document(s). Print the requisition coversheet for execution of Department head & upload behind req.
7. Scan the fully executed contract along with all supporting documentation (including COI) and upload to the contract requisition.
8. Enter the contract requisition into workflow.
9. Contract Administration processes the requisition and issues a contract number. Contract number is emailed to the department/requestor.
10. For Services - Vendor submits an invoice.
  - Department submits a Receiving Report & Invoice to AP.
8. For Delivered Goods – The dock submits the receiver reports to AP.
9. AP pays vendor via ACH (or exception method requested).



University  
of Houston  
Clear Lake

# UHCL CONTRACT PROCUREMENT PROCEDURES



University  
of Houston  
Clear Lake

**\$0 - \$15,000** No bid is required.

**\$15,001 plus** A Procurement Method is required for these goods or services.

- Acceptable Procurement Methods –

Approved sole source justification; Bid Solicitations; Cooperative Contracts; Emergency Purchases; other exceptions as approved)

**Above \$50,000** ALL contracts (including Standard Agreements) must be sent to Office of the General Counsel (OGC) for review. OCA Coversheet is required for legal.

# FORMAL AND INFORMAL BIDS



University  
of Houston  
Clear Lake

## Informal Bids

\$15,001 - \$25,000

- Departments are required to recommend a vendor for the item(s) to be purchased.
- The Procurement Department will solicit a minimum of three (3) informal bids.
- A minimum of two (2) HUB Vendors will be solicited for bids.

## Formal Bids

Above \$25,000

- Departments are required to recommend a vendor for the item(s) to be purchased.
- The Procurement Department will solicit a minimum of three (3) formal written bids.
- A minimum of two (2) HUBs will be solicited.
- The bid will be posted to the Electronic State Business Daily (ESBD) for a minimum of 14 days.
- Emergency purchases may be posted for less than 14 days.



# LIABILITY & RISK MANAGEMENT

- **Certificates of Insurance Requirements**
  - UHCL listed as the Certificate Holder
  - UHCL listed as Additional Insured
  - Waiver of Subrogation
  - Limits must match the limits within the Insurance Clause in the Contract
  
- **Insurance Waiver Consideration Basis**
  - Risk Levels
  - Premises Liability
  - Consequences

# CONTRACT REQ

## When and Why?

Vendor renders a service to the University.

- Facilities
- Catering
- Speaker
- Performer

Other services to the University.

**\*\*Services cannot be purchased on a p-card.\*\***

# Most Common Type of Contracts



University  
of Houston  
Clear Lake

- Standard Agreement
- Non-Standard Agreement
- Services Agreement (Revenue)
- Performance Agreement
- Speaker Agreement
- Affiliation Agreement
- Memorandum of Understanding

# STANDARD CONTRACTS

- Legally Approved Agreement Templates
- Vendor signs without changes
- Identified by legal stamp of approval

Office of the General Counsel  
Standard Purchasing Agreement  
OGC-S-2010-06 Revised 04.29.2019  
Page 1 of 4



University  
of Houston  
Clear Lake



# NON-STANDARD CONTRACT

## Contract using Vendor's Template

When is Legal review not necessary?

Exceptions:

- Vendor accepts our Standard Contract Addendum (SCA) (attached without changes)
- Agreement is below 50k AND
- Vendor's Contract does not contain language that states that their Contract prevails over the SCA.

\*\*\*\*This does not apply to revenue agreements\*\*\*\*



University  
of Houston  
Clear Lake

# Standard Contract Addendum (SCA)

Used WITH a non-standard agreement to bring the entire agreement into compliance with Texas Government Code and UH System standards.

UHCL Procurement Office should review the terms of the non-standard agreement; Procurement may make some revisions as to not void the use of the SCA

Department submits SCA to Vendor after receiving approval by Procurement

If vendor accepts Procurement's revisions and SCA terms, the agreement will **only** require legal review if it is above 50,000.

# SERVICES (REVENUE) AGREEMENT



**ALL** Revenue Agreements over \$50,000 **MUST** be approved by the UH System tax office prior to execution.

**ALL** Services Agreements over \$50,000 **MUST** be submitted to Contract Administration along with the Revenue Contract Coversheet AND an OCA Coversheet.

**\*\*\*Contract Administration will route all documents for approval.\*\*\***



University  
of Houston  
Clear Lake

# STANDARD CONTRACT AMENDMENT

Used to change an existing contract

- **MUST** be processed before the original contract expires.
- **MUST** be processed with the same approval level or higher as the original contract.
- **MUST** be sent to Legal for review.
- In most cases, Agreements are not to be extended pass five (5) year terms. Exceptions may occur.
- Always attach the original agreement



## Contract Coversheet and Approval Form

Office of Contract Administration  
 4802 University Drive, Room 311 • Ezekiel W. Cullen Building  
 Houston, Texas 77204-2028 • Phone (832) 842-7078

**General Information**

Campus:  [Click Here To Select](#) College/Division/Dept. Name:   
 Contact Person/Title:  Telephone:  Email:   
 Business Administrator:  Telephone:  Email:

**Summary of Contract Terms**

Contract with:  Contractor Contact Person:   
 Contractor Address:   
 City:  State:  Zip Code:   
 Contractor Phone:  Contractor Email:   
 Contract Description:

Provide a clear synopsis of the goods/services/events/etc. that will result by entering into this agreement

Contract Term: Start Date:  End Date:   
 Total Amount of Contract: \$  If Amended: Original Amt \$  + Amended Amt \$

**Source of Funds**

(if multiple cost centers are being utilized, please attach a supplemental page listing the appropriate codes)

Expense Cost Center: Fund  Dept ID  Prog  Proj  Acct  Amt \$   
 Revenue Cost Center: Fund  Dept ID  Prog  Proj  Acct  Amt \$

**Official Authorized to Sign:**

Identify, by name and title, the official authorized to sign the contract on behalf of the University of Houston System pursuant to MAPP, SAM, and Board Policies.

**Certifications**

Initial the certifications below **(or put "NA" if not applicable)** indicating compliance before submitting the agreement and required supporting documentation to the Office of Contract Administration.

- Responsibility I have primary responsibility for the contract, from inception to completion of the transaction.
- Complete Contract Package The contract and all documents that are incorporated by reference in the agreement, including exhibits and appendices are included for review by Contract Administration.
- Dept. Acceptance All contract documents have been read and the business aspects have been agreed to in their entirety by the originating department and any employees who have obligations under this contract, or a memorandum has been included describing the department's concerns with the business aspects that they do not agree with.
- 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, program, or person.
- Procurement The proper procurement method has been used providing the best value to UH. The Recommendation for Award Form is required for all contracts regardless of the source of funds.
- Standard Form of Agreement If a UH standard agreement is being used, I certify that no changes have been made, including additional attachments or addenda. If changes have been made, I have indicated those portions of the agreement in the attached memorandum.
- Risk Management Approval All changes to the contract insurance provision **MUST BE** approved by Risk Management prior to submission.

Yes  No **RUSH Justification**  **NEEDED BY:**

**NOTE:** If the contract is valued at \$1 million or more (revenue or expense), or otherwise requires Board of Regents approval, then the contract packet must include Board of Regents approval. The UH Office of the Controller will request a Certificate of Interested Parties form to be filled out online by the contractor or vendor and notify the department when signatures can be obtained on the contract.

**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, taxes, charges, insurance, and confidentiality requirements) and all other provisions of this contract. A memorandum  is,  is not, (select 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/Title:  Signature:  Date:   
 (Originator of contract who certifies that the requirements listed above have been met)

Name/Title:  Signature:  Date:   
 (Official with delegated authority to enter into contracts on behalf of the University)

**Note: Modification of this Form requires approval of OGC**



# Checklist for a Complete SPA

- UH-Clear Lake is selected in preamble
- Department is typed in
- Contractor's name is typed
- Contract Term (Begin and End dates)
- Services: Scope of Work Contractor will provide for UHCL
- Compensation (Select the 1<sup>st</sup> or 2<sup>nd</sup> option)
- Insurance Verification (COI) – Sec. 10 (SPA) & 9 (SCA)
- Notice – Section 23 (where to send terminations, claims, etc.)
- Foreign National Info. Addendum (Section 33)
- Signature box – Select UHCL in the drop-down option
- Contract is Fully Executed (without unapproved edits)
- Verify that attached Proposal/Quote is the same (or less) as the amount of Contract

# Submitting a Contract for Processing

- Obtain all required signature on Contract.
- Enter contract requisition in PeopleSoft.
- Approve and budget check the requisition.
- Print the requisition coversheet and obtain the required signatures on the requisition coversheet. This is the department head or delegated individual that can sign for budget approval.
- Scan the fully executed contract with **all** supporting documentation and upload it to the contract requisition.
- Enter the contract requisition into workflow.
- Contract Administration processes the requisition and issues a contract number via email.
- Send the fully executed Contract to the vendor and commence the service in accordance with the contract. *(Note: A PO will not be issued for Contracts.)*

# Most Common Contract Requisition Errors

- Vendor not eligible for use
- Contract Standard Comments not included (CHC)
- Certificate of Insurance not uploaded
- Contract is not Executed
- Account Code is incorrect (fund restricted)
- Category Code is incorrect
- Proposal/Quote exceeds the contract amount
- Proposal/Quote expired



A blue-tinted photograph of a modern university building with a courtyard and a fountain. The building has large windows and a modern architectural style. In the foreground, there is a grassy area and a circular fountain with water cascading down steps. The overall scene is bright and clear, with a consistent blue color cast.

# Discussion Time

***UHCL***