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CONTRACTS & AGREEMENTS

Session Purpose

Training will help you understand:

- Types of contracts
- Contract process
- Compliance requirements
- How to satisfy University policies, federal and state laws, and regulations.



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Contract Types

Standard

- Uses a basic contract template developed by UH System.
- The vendor makes no changes to the terms and conditions.

Non-Standard

- Uses a vendor's contract agreement
- Or a UHS template with changes to the terms and conditions.



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Standard Agreements - Examples

Contract/Agreement	Use
* <u>Standard Purchasing Agreement</u>	For any type of services [not goods]
* <u>Performer Agreement</u>	For musicians, DJ's, dancers
* <u>Speaker Agreement</u>	For workshops, presentations or any speaker event
* <u>Professional Services Agreement</u>	For for any medical professionals
* <u>Revenue Contract</u>	For anticipated revenue of \$50k or more



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Other Less Common Agreements

Interagency Agreement

- Agreement between two or more Texas agencies

Interlocal Agreement

- Agreement between UHCL and local government



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Other Less Common Agreements Cont'd

Affiliation Agreement/Credit & Non-Credit

- Use for field practicum and internships

Facility License Agreement

- Use for campus special events
- Can be zero-dollar
- Has strong indemnification/hold harmless terms

Memorandum of Understanding

- Formalizes a relationship, arrangement or understanding between UHCL and another party
- *May not be legally binding unless so specified in the agreement



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Contract Threshold Tips

Dollar Amount	Tip
\$0-\$15k	No bid required
Over \$15k	Specify procurement method: <ul style="list-style-type: none">• Sole source• Bid Solicitations• Cooperative Contracts• Emergency Purchases
Over \$50k Not Construction	Needs OCA cover sheet (Even if standard contract) Legal review Procurement manages document flow
Over \$100k Construction	Needs OCA cover sheet Legal review Procurement manages document flow



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Non-Standard Contracts

A non-standard contract happens when your vendor has different terms and conditions than our basic contract template contains.

Either use a Standard Contract Addendum (SCA) to add their terms to ours – Procurement then legal review required.

Or, the vendor uses their own template – Procurement then legal review required.



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Amendments

Any change to an existing contract requires the following:

- Attach the *original contract*
- Process it *before* the original contract expires.
- Same *approval level* or higher as the original contract.
- Legal review required; allow *adequate time*.
- Typically, no extensions past *5 years*.



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Bids - Summary

Informal Bids - \$15,001 - \$25,000 – Not posted to ESBD

- Department recommends a vendor in writing
- Procurement will solicit a minimum of three (3) informal bids
 - Two must be Historically Underutilized Business (HUB) vendors
- Bids are not posted to Texas Electronic State Business Daily

Formal Bids – Over \$25,000 – Posted to ESBD

- Department recommends a vendor in writing
- Procurement will solicit a minimum of three (3) formal, *written* bids
 - Two must be HUB vendors
- Bid posted to TX Electronic State Business Daily for minimum of 14 days
- Emergency purchases – contact Procurement for details



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Revenue Agreements - Over \$50K

Allow adequate review time!

- UHS Tax office must review prior to execution. Please allow time for this step.

Submit a complete packet!

- Procurement needs BOTH:
 - *Revenue Contract Coversheet **and**
 - *OCA Coversheet
- UHCL procurement routes documents for approval by tax & legal departments



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Legal Review

- **When is it required?**

- *Any change in contract terms and conditions
- *Exceeding threshold limits (See slide #10)

- **Submit a complete packet!**

- *OCA Coversheet
 - *Fill in editable areas (vendor name, address, cost center, amount, a brief description of scope of work, etc.)
 - *Initial first five lines under certification (left side)
 - *Indicate if request is a rush
 - *Authorized Signatory
- *Procurement Method (if applicable)
- *All contract documentation (Agreement, T&Cs, COI, Etc.)

Do Not sign the agreement before legal review.



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After Legal Review

Department steps

- Reviews documentation / obtain corrections if needed
- **DO NOT SIGN YET**
- Send to vendor for review/approval
- Vendor returns signed contract
- UHCL authorized signatory signs contract
- Sends fully executed copy to Procurement

Has final stamp

APPROVED AS TO FORM BY:
(AS MODIFIED) BY:

OFFICE OF THE GENERAL COUNSEL
UNIVERSITY OF HOUSTON SYSTEM



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Risk Management

Certificate of Insurance (COI)

- Required for any vendor providing services on campus.
 - *Limits must match contract or addendum insurance clauses
 - *Services are intangible benefits, not tangible goods.
- List UHCL as Certificate Holder and Additional Insured.
- Waiver of subrogation required
 - *Endorsement required from vendors to avoid being held liable for claims that occur on their jobs here.
- UHS reviews any / all insurance waivers
 - *Allow 7-14 days



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Information Security Hosted Services Contract Checklist

This form is an assessment of information security items to be completed for contracts that include hosting of University information on non-UHS servers.

- This includes information specific to individual persons.
- This sheet should be submitted along with the proposed contract to the procurement department.
- After assessment by UHS Information Security, this completed checklist will be included in the packet submitted to the Office of Contracts Administration (OCA).



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Checklist

- Determine the type of contract / agreement
 - SPA SCA MOU Affiliation Articulation vendor provided
 - Is amount >50K yes no, (if yes fill out OCA Coversheet to legal)
 - Is the contract a service yes no, if yes need COI
- Is the contract >15K yes no, if yes, need Procurement Method
 - Sole Source Emergency COOP Bid
- Has UHCL contract been changed/redlined yes no, if yes need OCA

- Typical contract packet to legal should include:
 - OCA Coversheet
 - Procurement Method (if applicable)
 - Contract / Agreement
 - COI (if applicable)
 - Additional Documentation (terms & conditions, policies, proposal/quote, etc.)



Time Required

TIME REQUIRED FOR CONTRACT PROCESSING BY UHCL OFFICE OF CONTRACTS	
AGREEMENT TYPE	# BUS. DAYS REQUIRED
Standard contract	13
Non-standard contract	18
Requiring Chancellor/Pres. signature	Add 10 days to above
Requiring Board approval	90

* Leases may require additional time, depending upon complexity



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- Don't forget to obtain signatures on your contract after legal review is completed.
- Submit a requisition to obtain a contract number and complete the procurement cycle.
- Submit fully executed agreement to vendor with contract number so they will be able to invoice once services are completed.



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