25.07.99.C1 Contract Administration

Approved: January 15, 2016
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Revised: January 20, 2017
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Rule Summary

This rule is promulgated pursuant to Texas A&M University System Policy *25.07, Contract Administration* and constitutes the provisions that govern administration of Texas A&M University-Corpus Christi (university) contracting authority.

The purpose of the rule is to assist university employees with compliance in regard to the documents that govern administration of Texas A&M University-Corpus Christi contracting authority.

Rule

1. GENERAL

These procedures and limits of delegation of authority establish the process for university personnel to approve, sign, and execute contracts committing the university to the performance of any act. The Department of Contract Administration is responsible for creating and maintaining a well-defined administrative-controlled environment that assures management exercises its fiduciary responsibilities when executing contracts on behalf of the university.

Delegations of authority pursuant to this rule shall be valid only if in writing.

1.1. The executive vice president for finance and administration will establish a process to determine delegated authority, complete the delegation of authority required by the system, get presidential approval, and submit the approved document to the president and the appropriate system office.

1.2. Written contracts shall be executed whenever the university enters into a binding agreement with another party that involves any stated or implied consideration. The executive vice president for finance and administration or authorized designee may waive the requirement for a written contract if the stated or implied consideration is $5,000 or less. Such waiver shall be valid only if in writing.

1.3. Contracts are construed to include, but are not limited to, the following: contract for services, purchase orders, service agreements, cooperative agreements, memorandums of understanding (foreign or domestic), interagency contracts,

grants, loans, easements, licenses, leases, and permits. Contracts may be entered into with federal, state, and local agencies, nonprofit organizations, private businesses, partnerships, and individuals.

1.4. For purposes of this rule, agreements made by university departments for the reservation of hotel and/or conference facilities do not need to be routed through the Department of Contract Administration nor be reviewed by the system's Office of General Counsel (OGC), so long as the university department and the vendor sign the standard Facility Use Addendum (see Appendix), as provided by the Department of Contract Administration, in conjunction with the vendor's standard agreement. In the event the vendor objects to the use of the Facility Use Addendum, the vendor's agreement should then be sent to the Department of Contract Administration for review. The Facility Use Addendum is intended to assist departments in exercising care when a hotel or conference vendor agreement contains clauses that constitute a commitment by the university which could lead to monetary or legal liabilities. Such clauses generally mention liability on the part of the department for damages or require a guarantee of payment for unoccupied rooms or facilities. While the standard Facility Use Addendum attempts to mitigate these risks, departments should determine the availability of a funding source should circumstance dictate cancellations resulting in a penalty. Department heads may wish to establish specific departmental guidelines to avoid needless penalty payments. This rule authorizes respective department heads the authority to execute such agreements so long as the stated or implied consideration does not exceed the authority delegated by the president.

1.5. For purposes of this rule, agreements made by university departments with vendors to provide services internationally must be routed through the Department of Contract Administration. This applies to U.S.A.-based and international vendors providing services that include, but are not limited to, programs for the benefit of students, faculty, or staff on university related business or academic/research purposes. The Department of Contract Administration has coordinated with OGC on the development of a standard agreement with vendors for these services and will work with the vendor to coordinate an acceptable agreement. These agreements require the approval of the provost and executive vice president of finance and administration or president for those agreements that do not exceed the authority delegated by the president.

1.6. Vendor agreements providing lodging (hotel agreements) and/or travel (airfare, car rental, temporary bus transportation) do not need to route through the Department of Contract Administration. These itinerary-based confirmations for travel and lodging agreements may be signed by the respective department head (see section 1.4 of this rule).

1.7. All contracts in excess of $5,000 must be routed through the Department of Contract Administration to ensure appropriate review and assessment of risk to the university.

1.8. Approval and signatures on a contract constitute approval to establish an operating budget which does not exceed the consideration of the contract without further approval. The Department of Contract Administration is responsible for creating

and maintaining well-defined administrative controls that ensure management exercises its fiduciary responsibilities when executing contracts on behalf of the university. The executive director of administrative services shall serve as the university's primary contracts officer for the Department of Contract Administration.

1.9. For all agreements, including those large-scale agreements specific to a university operational or academic unit, the respective operational or academic unit to which an agreement pertains will be responsible for all financial and operational elements, for verifying that all contractual obligations have been fulfilled, and for closing out the contract.

2. CONTRACTS REQUIRING BOARD OF REGENTS APPROVAL

2.1. Contracts requiring Board of Regents approval shall be forwarded through the executive vice president for finance and administration, who will prepare the agenda item and appropriate documentation in support of the agenda item.

2.2. Contracts shall be signed by the chancellor or the president, as specified in the board minute order in which they are approved.

3. CONTRACTS REQUIRING CHANCELLOR APPROVAL

Contracts requiring chancellor approval, unless delegated to the president under System Policy *25.07, Contract Administration*, shall be forwarded through the university's delegated contracts officer, CFO, and president to the chancellor for execution.

4. PRESIDENT DELEGATION OF AUTHORITY TO VICE PRESIDENTS

4.1. The president retains overall authority to approve and sign any and all contractual documents. In accordance with System Policy *25.07 Contract Administration*, the president may delegate authority to a designee to approve and sign specific contracts, but retains overall responsibility for their actions. All delegations given herein are per the president's delegation of authority for contract administration. Delegation of authority may only be re-delegated, in writing, with a copy provided to the Department of Contract Administration.

4.2. The delegation of authority shall be that which is stated in the official President's Delegation of Authority for Contract Administration as approved by the president and submitted to the system.

4.3. The president has delegated authority to approve and sign contracts that involve a stated or implied consideration (both cash and non-cash) of $749,999 or less to the executive vice president for finance and administration.

4.4. The president has delegated authority to approve and sign contracts and grants to perform educational, research, and service activities consistent with the university's mission, involving a total stated or implied consideration of less than $500,000, to the executive vice president for finance and administration.

4.5. The Division of Research, Commercialization & Outreach currently administers certain sponsored contracts and other research-related contracts and agreements. The vice president for research, commercialization & outreach (or designee) may approve such agreements/contracts.

5. OTHER DELEGATION OF AUTHORITY

5.1. The president has delegated authority to approve and sign contracts ($100,000 or less) to the executive director of administrative services, which may be processed through the state catalog, appropriate bid process, or vendor contract in accordance with university procedure *25.07.03.C0.01 Purchasing Administration*. The purchase of goods from outside vendors via state contracts will be processed in accordance with guidelines established by the Texas Comptroller of Public Accounts.

5.2. The president has delegated authority to approve and sign contracts for athletic events and athletic contest contracts to the athletics director.

6. OFFICE OF GENERAL COUNSEL REVIEW OF TEXAS A&M UNIVERSITY-CORPUS CHRISTI CONTRACTS

Administrative officers' with delegated authority to approve and sign contracts must ensure that such documents have received prior review as to form and legal sufficiency by the Department of Contract Administration and OGC as required. Requests for OGC contract review shall be routed through, and administered by, the executive director of administrative services or their designee.

All contracts or agreements that have a stated or implied consideration of $100,000 or more, must be submitted to OGC for review and approval as to form and legal sufficiency when required by OGC guidelines that have been approved by the chancellor.

Related Statutes, Policies or Requirements

System Policy *25.07, Contract Administration*
System Regulation *25.07.01, Contract Administration, Delegations, and Reporting*
University Procedure *25.07.03.C0.01, Purchasing Administration*
System Policy *51.04, Delegation of Authority on Construction Projects*
System Regulation *51.04.01, Chancellor's Delegation of Authority on Construction Projects*
Texas A&M University-Corpus Christi President's Delegation of Authority for Contract Administration

Appendix

Facility Use Addendum

Contact Office

Contact for interpretation and clarification:	Executive Director of Administrative Services (361) 825-2495