

**The University of Texas System  
Office of General Counsel  
Outside Counsel Billing Guidelines**

These guidelines are intended to give structure and predictability to our relationship. From The University of Texas System's perspective, teamwork is the key to quality and cost-effective legal representation. The University of Texas System and The University of Texas System institutions (collectively, UT System) expect to be billed in accordance with the following Outside Counsel Billing Guidelines:

1. Hourly Rates. The hourly rates for each partner, of counsel, associate and paralegal working on UT System matters will be in accordance with the hourly rate ranges designated in the firm's Response to Request for Information or as agreed between UT System and the firm (not to exceed \$500 per hour).
  
2. Billable Time.
  - A. UT System will only pay for the services of attorneys, paralegals, patent agents, and technical specialists. All time must be billed in no more than quarter hour increments, and must reflect only actual time spent. Block billing will not be reimbursed. Time entries must note the date performed, identify the legal professional performing the task, describe the task(s) completed, show the time taken to complete each task, and state the applicable hourly rate. Tasks referencing correspondence and filings must describe the document received or authored. UT System expects to be billed for the actual time it takes to modify standardized forms, filings, and/or correspondence for use on the matter you are billing. We will not reimburse you for the time it originally took you to prepare them. UT System will not pay for review, execution, and processing of the standard Outside Counsel Contract. No formula or value billing is permitted.
  
  - B. UT System will not pay for attorneys or paralegals of the firm educating themselves, training, or doing work of a transient nature on a UT System matter. Each designated professional is expected to perform work of a type commensurate with his/her professional title. Without prior approval, UT System will not pay for more than one attorney or legal professional to perform any task. UT System will also not pay for duplicate review and/or analysis of documents or legal research. UT System's view is that the most efficient use of attorney time is to maintain continuous contact with the file so that it is not necessary to review the file to reacquaint themselves. Thus, repeated time spent reviewing the file should not be necessary and will not be reimbursed.
  
  - C. Legal research must be pre-approved by UT System. A request to undertake legal research should provide UT System with an estimate of either time or dollar amount to be expended. The need for legal research will be addressed on a case-by-case basis. In general, UT System should be paying outside counsel to apply their knowledge and expertise for which it was hired, not paying them to obtain that knowledge. However, UT System understands that situations arise that justify research on how best to proceed in order to achieve a desired result.

- D. All conferences must describe the attendees and purpose of the meeting, and, if more than one firm member is in attendance, a justification for multiple attendees from the firm.
  - E. UT System will not pay for Administrative Staff, such as secretarial support, case clerks, and accounting and billing clerks, including but not limited to the following: overtime, file opening, file organization, docketing or other administrative tasks; preparation of billing, invoice review, budget preparation or communications regarding same or any other accounting matter.
3. Expenses. UT System expects you to anticipate and include expenses and disbursements as part of your overhead and, therefore, part of your basic hourly rate. Accordingly, UT System will not reimburse the firm for:
- A. Copying charges (routine, day-to-day);
  - B. Fax charges;
  - C. Routine postage;
  - D. Office supplies;
  - E. Local, long distance or cellular telephone charges;
  - F. Local travel (within 20 mile radius of office), including mileage, parking and tolls; and
  - G. All delivery services incurred by in-firm staff.

UT System will reimburse the actual cost for the following expenses:

- A. Pre-approved volume copying;
- B. Overnight courier charges and third party courier services, with an explanation of the nature and purpose of the charge (i.e., why the task was not completed in a timely manner to permit reduced rates); and
- C. Travel expenses as stated in the Outside Counsel Contract.

All other expenses must be included within the hourly rates of the firm unless they are truly extraordinary and UT System advance approval has been obtained prior to incurring the expense.

4. Invoices. UT System expects a firm's invoices to show the same high quality and care it takes with its legal work. Professional time and disbursements should be reviewed by the billing partner and those portions that are not necessary for the legal task(s) described should be deleted before the bill is submitted for payment.

A. Invoices for legal services shall be submitted to the person designated in the Outside Counsel Contract, preferably in electronic form via email, within 10 business days of the end of the month in which legal services are rendered.

B. Each statement should indicate the UT System institution for which the legal services were performed and the Outside Counsel Contract number under which the legal services were performed.

C. Allowable costs and expenses should be billed in accordance with the guidelines set forth in paragraph 3 above and supported by attached copies of invoices for amounts in excess of \$50.00.

D. UT System prefers that, for each matter, fees and/or expenses in a given month totaling less than \$500.00 be held for billing until the total amount of fees and expenses for that matter is equal to or greater than \$500.00.

E. A summary sheet should be included indicating the total legal fees and expenses, the amount of the contract and the total legal fees and expenses invoiced to date.

It is the responsibility of the firm to monitor the total amount of fees and expenses invoiced under the contract. Once 75% of the contract amount has been invoiced and the remaining 25% will not cover the estimated legal fees and expenses for the remaining term of the contract, the firm should advise the UT System Office of General Counsel (OGC) in writing requesting an increase in the contract amount and stating the reason for the additional legal fees and expenses. An amendment will be prepared for signature by the firm, UT System and the Attorney General. Legal services rendered exceeding the contract amount are not allowed and will not be paid. It is the firm's responsibility to advise the Office of General Counsel prior to exceeding the contract limit.

UT System tracks the quality and cost effectiveness of each law firm on its approved counsel list and assesses the relative cost effectiveness of each firm by analyzing each firm's legal fees and expenses in light of the results achieved by each firm. Based on our continuous evaluation of a firm's services, UT System may increase or decrease the use of a firm. UT System may request invoice reductions, reimbursements, reassignment of firm personnel assigned to UT System matters, or new fee arrangements.

If you have questions regarding these guidelines or any outside counsel matters, please contact:

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