

Executive Vice Chancellor
for Business Affairs

MEMORANDUM

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February 12, 2018

TO: UT System Chief Business Officers
UT System Chief Procurement Officers
UT System Chief Legal Officers

FROM: Scott C. Kelley *Scott C. Kelley*

SUBJECT: **Effective January 1, 2018:** Restated Procedures related to Vendor Disclosure Requirements for Contracts Exceeding \$1 Million - Section 2252.908, Government Code (initially HB 1295, 83rd Legislative Session)

These procedures restate those published by me on December 17, 2015, and incorporate legislative and regulatory changes and clarifications.

Effective January 1, 2018, UT institutions should follow the following procedures in connection with Vendor Disclosure Requirements for Contracts Exceeding \$1 Million:

General Rule

Section 2252.908, Government Code, prohibits a state agency (including an institution of higher education) from entering into certain *new contracts* and *documents changing existing contracts* with a business entity (whether for profit and nonprofit) *unless* the business entity submits a Certificate of Interested Parties (Form 1295) to the agency at the time the business entity submits the signed contract or changed contract to the agency. Subject to certain exceptions, these requirements apply only to:

- 1) A *new contract* between a business entity and an agency that *either*:
 - a) requires an action or vote by the agency's governing body before the contract may be signed, *or*
 - b) has a value of at least \$1 million; and
- 2) *Documents changing an existing contract* in the following circumstances:
 - a) if a Form 1295 was not filed for the existing contract, then only if *either*
 - i) the changed contract requires an action or vote by the agency's governing body, *or*
 - ii) the value of the changed contract is at least \$1 million; *or*
 - b) if a Form 1295 was filed for the existing contract, then only if *either*:
 - i) there is a change to the information disclosed in Form 1295, *or*
 - ii) the changed contract requires an action or vote by the agency's governing body, *or*
 - iii) the value of the changed contract *increases* by at least \$1 million.

Exceptions

The Form 1295 process does not apply to the following contracts:

- A sponsored research contract of an institution of higher education;
- An interagency contract of a state agency or an institution of higher education;
- A contract related to health and human services *if*:
 - The value of the contract cannot be determined at the time the contract is executed; *and*
 - Any qualified vendor is eligible for the contract;
- A contract with a publicly traded business entity*, including a wholly owned subsidiary of that business entity;
- A contract with an electric utility*, as defined by Section 31.002, Utilities Code; or
- A contract with a gas utility*, as defined by Section 121.001, Utilities Code.

* new exemptions effective January 1, 2018

Filing Process

1. A business entity must use the [Form 1295 online filing application](#) created by the Texas Ethics Commission (TEC) to enter information required to complete Form 1295.
2. The business entity must print a copy of the completed Form 1295. Note: After submitted by the business entity in the TEC's Form 1295 online filing application, the Form will include a unique certification number, called a "certification of filing."
3. An authorized agent of the business entity must sign a printed copy of the Form 1295 affirming under penalty of perjury that the completed Form is true and correct. *This unsworn declaration* includes the date of birth and address of the authorized representative signing the Form.*
**unsworn declaration replaces the prior notary requirement effective January 1, 2018*
4. The completed, printed, and signed Form 1295 bearing the unique certification of filing number must be delivered to the agency with the signed contract document.

Agency Acknowledgement

Not later than the 30th day after the date the agency receives a completed Form 1295 and certification of filing from a business entity, the agency must acknowledge receipt of that Form using the certificate acknowledgment process in the TEC's [Form 1295 online filing application](#).

Helpful Links

[Section 2252.908, Government Code, Disclosure of Interested Parties](#)

[1 Texas Administration Code Chapter 46, Disclosure of Interested Parties](#)

[Rule 10501, Board of Regents Rules and Regulations](#)

[Texas Ethics Commission "Certificate of Interested Parties \(Form 1295\)" Web Page](#)

[Form 1295, Certificate of Interested Parties \(sample form\)](#)

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cc: UT System Administration Department Heads
UT System Administration Department Contract Administrators