

1. Title

Procurement of Goods and Services; Contract Management Handbook

2. Rule and Regulation

Sec. 1 Purpose. This Rule establishes policies required by state law concerning the acquisition of certain goods and services.

Sec. 2 Code of Ethics. As required by *Texas Education Code* [Section 51.9337\(b\)\(1\)](#), the Board has adopted a Code of Ethics found in Regents' [Rule 30104](#) (Conflict of Interest, Conflict of Commitment, and Outside Activities) and implemented through associated U. T. Systemwide policies.

Sec. 3 Internal Investigations and Audit Protocols. As required by *Texas Education Code* [Section 51.9337\(b\)\(2\)](#), the Board has adopted policies for internal investigations and internal audit protocols, found in Regents' [Rule 20401](#) (Audit and Compliance Programs).

Sec. 4 Contract Management Handbook. As required by *Texas Education Code* [Section 51.9337\(b\)\(3\)](#), each institution and U. T. System Administration shall develop and maintain a Contract Management Handbook that provides consistent contracting policies and procedures, including a risk analysis procedure.

4.1 The Contract Management Handbook shall establish contract review procedures and a contract review checklist approved by the Office of General Counsel. The review procedures and checklist must include:

- (a) a description of each step of the procedure used to evaluate and process contracts;
- (b) a checklist that describes each process that must be completed before contract execution; and
- (c) a value threshold that initiates required review by legal counsel unless the contract is a standard contract previously approved by counsel.

4.2 Contract and Performance Monitoring. The Contract Management Handbook shall establish procedures to

ensure the Board of Regents is notified of any serious issue or risk that is identified with respect to certain contracts as required under *Texas Government Code Section 2261.253(c)*.

Contracts shall be monitored in accordance with the institution's policies and Contract Management Handbook.

- 4.3 Notice to the Board. As required by *Texas Government Code Section 2261.255(2)*, the Contract Management Handbook shall establish a procedure to assure the submission to the Board of any information on any potential issue that may arise in the solicitation, purchasing, or contractor selection process for any contract with a value exceeding \$5 million.

Sec. 5 Required Training. As required by *Texas Education Code Section 51.9337(b)(5)*, each institution and U. T. System Administration shall develop training for officers and employees authorized to execute contracts for the institution or to exercise discretion in awarding contracts, including training in ethics, selection of appropriate procurement methods, and information resources purchasing technologies. Training shall be conducted in accordance with the institution's Contract Management Handbook.

Sec. 6 Acquisition of Stationery, Printing, and Fuel. Each institution and System Administration may acquire goods and services covered by Texas Constitution, [Article XVI, Section 21](#) (including but not limited to stationery, printing, and fuel) from institutional departments or purchase the goods and services from external sources. If the goods or services are purchased from external sources, the goods and services shall be purchased as follows:

- 6.1 using the method that provides the best value to the institution or System Administration including competitive bidding, competitive sealed proposals, a catalog purchase, a group purchase program, or an open market contract; and
- 6.2 in accordance with (a) the requirements of *Texas Education Code Sections 51.9335, 73.115, or 74.008*, as applicable, (b) the Regents' *Rules and Regulations*,

(c) the U. T. System Administration policies, and (d) the policies and procedures of the institution or System Administration.

Sec. 7 Competitive Procurement. If an institution or System Administration wishes to purchase goods or services covered by Texas Constitution, [Article XVI, Section 21](#) from external sources, the purchase must utilize a competitive procurement method unless another procurement method is authorized by law. All procurements must comply with all applicable procurement policies including any applicable dollar limits.

3. Definitions

Fuel – for purposes of this Rule, means anything consumed to produce energy including coal, natural gas, oil, diesel fuel, gasoline, and propane.

4. Relevant Federal and State Statutes

Texas Constitution, [Article XVI, Section 21](#), Public Printing and Binding; Repairs and Furnishings; Contracts

Texas Education Code [Section 51.9335](#) – Acquisition of Goods and Services

Texas Education Code [Section 51.9337](#) – Purchasing Authority Conditional; Required Standards

Texas Education Code [Section 73.115](#) – Acquisition of Goods and Services

Texas Education Code [Section 74.008](#) – Acquisition of Goods and Services

Texas Government Code, [Chapter 2261](#) – State Contracting Standards and Oversight

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 10501](#) – Delegation to Act on Behalf of the Board

Regents' *Rules and Regulations*, [Rule 20401](#) – Audit and Compliance Programs

Regents' *Rules and Regulations*, [Rule 30104](#) – Conflict of Interest, Conflict of Commitment, and Outside Activities

[The University of Texas System Administration Policy UTS159, *Purchasing*](#)

[The University of Texas System Administration Policy UTS148, *Protest Procedures Related to Procurements of Goods and Services*](#)

[The University of Texas System Administration Policy UTS137, *Historically Underutilized Business \(HUB\) Program*](#)

[The University of Texas System Administration Policy UTS145, *Processing of Contracts*](#)

[The University of Texas System Administration Policy UTS156, *Purchaser Training and Certification*](#)

6. Who Should Know

Administrators

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

February 9, 2017

November 5, 2015

Editorial amendment to Number 5 made October 13, 2011

February 8, 2007

9. Contact Information

Questions or comments regarding this Rule should be directed to:

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