

Title

Vending Machine Services Contracts

Sec. 1 Purpose

All vending machine services contracts must be awarded, entered into, and managed in accordance with applicable laws and The University of Texas System policies and procedures, in a fiscally prudent and ethical manner.

Sec. 2 Principles

This policy is intended to provide specific guidance to University of Texas System institutions regarding vending machine services contracts given the significant state regulation of those contracts. Each UT institution will process vending machine services contracts in accordance with this policy.

Sec. 3 Authority

Texas law authorizes installation and operation of vending machines on property owned or controlled by UT System institutions pursuant to a written agreement approved by the Board of Regents, in areas designated in advance by the President of a UT institution, or by the Chancellor for The University of Texas System Administration.

Sec 4 Auxiliary Enterprise Operations

Vending machine operations at UT System institutions are auxiliary enterprise operations that must be conducted in accordance with applicable laws.

Sec 5 Student Participation

Vending machine contracts for sale of food or beverages must (a) include meaningful input from students in initial selection or renewal of the contractor; and (b) require the contractor to hold periodic meetings or forums to provide students with a reasonable opportunity to discuss the contractor's performance.

Sec. 6 Vending Machine Transactions

- a) Use and Scope of UT System Standard Vending Machine Services Contract. The UT System standard [Vending Machine Services Contract](#) should be used to document vending machine services transactions for vending machines offering typical food and beverage items. If UT System institutions are contracting for (a) coin or card-operated laundry machines, amusement games, or other goods or services substantially different from typical food and beverage items; or (b) additional beverage-related services, such as fountain beverage supplies; or beverage pouring; or advertising, promotional or sponsorship rights, the UT System standard [Vending Machine Services Contract](#) must be substantially revised to accommodate those goods and services.

- b) Legal Review. The UT System Office of General Counsel must review and approve vending machine services contracts as to legal matters prior to Board of Regents approval, if a vending machine services contract deviates in any way from the UT System standard [Vending Machine Services Contract](#) (other than completion of blanks); or, if a vending machine services contract renewal, extension or amendment (a) deviates in any way from the UT System standard [Renewal, Extension and Amendment of Vending Machine Services Contract](#) (other than completion of blanks), or (b) substantively modifies the UT System standard [Vending Machine Services Contract](#).
- c) Board Approval. Applicable laws require submittal of all vending machine services contracts, renewals, extensions and amendments to the Board of Regents for approval.
- d) Submission and Notification to Texas Comptroller of Public Accounts. After approval by the Board of Regents and execution of a vending machine services contract, renewal, extension or amendment by both parties, the applicable UT System institution must forward an executed copy to the Texas Comptroller of Public Accounts, along with a statement (a) describing the locations of the vending machines, and (b) indicating the contract, renewal, extension or amendment was approved by the Board of Regents.

Sec. 7 Use of Funds Derived from Vending Machine Operations

All revenue earned from vending machine operations by UT System institutions should be retained and deposited (or invested) by the institution in accordance with *Texas Education Code*, Sections [51.003](#) and [51.0031](#).

Definitions

Auxiliary enterprise - a business activity that is conducted at a State agency, provides a service to the agency, and is not paid for with appropriated money; and is subject to [Texas Government Code, Chapter 2252, Subchapter C](#).

Resources

[UTS145 Contract Processing Flowchart](#)

[UT System Consent Agenda Resource Guide](#)

[Summary of Contracts Requiring Board Approval](#)

[Office of Business Affairs Contract Processing Checklist](#)

[OGC Contract Review Procedures](#)

[Standard Contracts](#)

[Special Procedure Contracts](#)

[Disposition and Use of Vending Machine Revenue](#)

[Standard UT System Vending Machine Services Contract](#)

[Standard UT System Renewal, Extension and Amendment of Vending Machine Services Contract](#)

Applicable Law and Regulation

[Board of Regents' Rules and Regulations, Rule 80103, Section 2.2, Solicitation](#)

[Board of Regents' Rules and Regulations, Rule 50302, Student Participation in Selection and Monitoring of Food Service Contracts](#)

[UTS103, Unrelated Business Income Tax \(UBIT\)](#)

[UTS108, Affiliation Agreement Policy](#)

[UTS115, Records and Information Management](#)

[UTS118, Dishonest or Fraudulent Activities](#)

[UTS119, Compliance Programs](#)

[UTS122, Guidelines for Web Site Solicitations](#)

[UTS125, Guidance for Negotiating Research Agreements with Sponsors and Processing Research and Intellectual Property Agreements](#)

[UTS126, Real Estate Contracts](#)

[UTS134, Code of Ethics for Financial Officers and Employees](#)

[UTS137, Historically Underutilized Business \(HUB\) Program](#)

[UTS138, Gift Acceptance Procedures](#)

[UTS139, Compliance with Texas Public Information Act](#)

[UTS140, Enhancing Major Software Projects](#)

[UTS141, Employee Discount Programs](#)

[UTS142.3, Policy on Capital Leases vs. Operating Leases for Lessees](#)

[UTS142.4, Policy for Construction in Progress](#)

[UTS145, *Processing of Contracts*](#)

[UTS148, *Protest Procedures Related to Procurements of Goods and Services*](#)

[UTS150, *Access by Persons with Disabilities to Electronic and Information Resources Procured or Developed by The University of Texas System Administration and The University of Texas System Institutions*](#)

[UTS156, *Purchaser and Certain Contract Negotiator Training and Certification*](#)

[UTS159, *Purchasing*](#)

[UTS165, *Information Resources Use and Security Policy*](#)

[UTS166, *Cash Management and Cash Handling Policy*](#)

[UTS167, *Banking Services Policy*](#)

[UTS169, *Sustainability Practices*](#)

[UTS175, *Disclosure of Significant Financial Interests and Management and Reporting of Financial Conflicts of Interest in Research*](#)

[UTS180, *Conflicts of Interest, Conflicts of Commitment, and Outside Activities*](#)

[*Texas Civil Practice and Remedies Code, Chapter 96 False Disparagement of Perishable Food Products*](#)

[*Texas Education Code, Sections 51.002 - .003, Provisions Generally Applicable to Higher Education, Funds Subject to Control*](#)

[*Texas Education Code, Section 51.0031, Provisions Generally Applicable to Higher Education, Deposits and Investments*](#)

[*Texas Education Code, Sections 51.008 - .009, Provisions Generally Applicable to Higher Education, Certain Receipts to be Deposited in State Treasury*](#)

[*Texas Education Code, Section 51.9335, Provisions Generally Applicable to Higher Education, Acquisition of Goods and Services*](#)

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

[*Texas Education Code, Section 51.945, Provisions Generally Applicable to Higher Education, Student Participation in Selection of Food Service Contracts*](#)

[*Texas Education Code, Section 65.31, Administration of The University of Texas System, General Powers and Duties*](#)

[Texas Education Code, Section 73.115, The University of Texas M. D. Anderson Cancer Center, Acquisition of Goods and Services](#)

[Texas Education Code, Section 74.008, The University of Texas System, Acquisition of Goods and Services](#)

[Texas Government Code, Section 2165.058, Vending Machines: Energy-Saving Device Required](#)

[Texas Government Code, Section 2203.005, Use of State Property, Vending Machines Authorized](#)

[Texas Government Code, Chapter 2252, Subchapter C, Private Auxiliary Enterprise Providing Services to State Agencies or Institutions of Higher Education](#)

[Treasury Regulations 1.513-4\(c\)\(iv\), Certain Sponsorship Not Unrelated Trade or Business](#)

Responsible System Administration Office

Office of General Counsel

Contact Information

Questions or concerns should be directed to the [Office of General Counsel](#).

Dates Approved or Amended

February 14, 2004

June 7, 2010

May 30, 2012

January 22, 2018