

Title

Processing of Contracts

Sec. 1 Purpose

This policy summarizes the Regents' *Rules and Regulations* and other procedures and practices applicable to the processing of contracts.

Sec. 2 Principles

Each University of Texas System institution and System Administration shall process contracts in accordance with this policy.

Sec. 3 Internal Review and Approval

Each institution's president has established internal review and approval procedures for all contacts at his or her institution. Contracts should be processed in accordance with this policy only after all internal review and approval procedures have been completed.

Sec. 4 Contract Processing Procedures

Step 1: System Approvals Required Before Legal Review.

If the contract does not relate to the Systemwide use of computer software, computer hardware, or other information system components, proceed to **Step 2**.

If the contract relates to the Systemwide use of computer software, computer hardware, or other information system components, forward the contract to the System Administration [Associate Vice Chancellor and Chief Information Officer](#) for review and approval. After this approval is obtained, proceed to **Step 2**.

Step 2: Determine if Contract is on Standard Contract Form.

Click this link to the [Standard Contracts](#) list to determine if the contract is on a Standard Contract form. If a Standard Contract form is not being used or if a Standard Contract form is being used but the form has been modified, proceed to **Step 3**.

If the contract is on an unmodified Standard Contract form that is listed on the Standard Contracts list and the contract does not require approval by the Board of Regents (see [Summary of Contracts Requiring Board Approval](#)), the contract does not need to be submitted to System Administration for review or approval. Proceed to **Step 9**.

If the contract is on an unmodified Standard Contract form and requires approval by the Board (see [Summary of Contracts Requiring Board Approval](#)), proceed to **Step 6**.

If the contract requires approval by the Board, it may not be signed before such approval is granted unless the contract contains an acceptable limitation such as the following statement:

This [Contract] is not effective until approved by the Board of Regents of The University of Texas System.

Step 3: Determine if Contract is a Special Procedure Contract.

Click on this link to the [Special Procedure Contracts](#) list and determine whether the contract has “special” processing procedures.

If the contract does not have “special” processing procedures, proceed to **Step 4**.

If the contract is one of the categories of special procedure contracts identified in the [Special Procedure Contracts](#) list, follow the “special” processing procedures designated on the list. If the “special” procedures require OGC review, proceed to **Step 5** upon completion of the “special” procedures.

If the “special” procedures do not require OGC review, proceed to **Step 6** upon completion of the “special” procedures.

Step 4: Determine Value of Contract.

The value of the contract must be determined in accordance with [Rule 10501](#) of the Regents’ *Rules and Regulations*.

The Executive Vice Chancellor for Business Affairs and the Vice Chancellor and General Counsel have established the following contract value thresholds that trigger mandatory OGC review:

\$250,000	\$500,000	\$1,000,000	\$2,500,000
UT Permian Basin	UT Arlington	UT System Administration	UT Southwestern Medical Center
	UT Dallas		UT Medical Branch Galveston
	UT El Paso		UT HSC - Houston
	UTRGV		UT HSC - San Antonio
	UT San Antonio		UT HSC - Tyler
	UT Tyler		UT Austin

The threshold for U. T. Lands is \$3,000,000.

The threshold for U. T. M. D. Anderson Cancer Center is \$5,000,000.

If the contract value is less than the threshold and has been reviewed by institutional counsel under guidelines established by the institution, the contract does not require OGC review; however, the OGC Contract Review Procedures should be used. Click this link to the [Contract Review Procedures](#) to begin the review process. Upon completion of the Contract Review Procedures, proceed to **Step 6**.

If the contract requires OGC review, access the link to the [Contract Review Procedures](#) to begin the review process. Upon completion of the [Contract Review Procedures](#), proceed to **Step 5**.

An institution may request an increase in its threshold by submitting a written request to the Executive Vice Chancellor for Business Affairs and the Vice Chancellor and General Counsel who may approve the increase, in whole or in part, if they determine that it is in the best interest of the institution and U. T. System.

Step 5: OGC Legal Review.

Forward the completed Contract Intake Form, General Procedure Contract Checklist, Recommendations, and revised contract implementing the Recommendations, to OGC for further review and approval for legal sufficiency. After this approval is obtained, proceed to **Step 6**.

The institution does not have authority to sign the contract until OGC has approved the contract (reference [Section 2, Rule 10501 of the Regents' Rules and Regulations](#)).

Step 6: System Approvals Required After Legal Review.

Academic Institutions. If the contract requires approval by the Board (see [Summary of Contracts Requiring Board Approval](#)), forward (1) the contract and (2) either (a) approval of OGC, or (b) the completed General Procedure Contract Checklist and Recommendations along with a memorandum (i) noting all deviations, if any, from the checklist recommendations and (ii) listing the circumstances that justify execution of the contract despite the deviations, to the System Administration Office of Academic Affairs for review and approval. After this approval is obtained, proceed to **Step 7**.

If the contract does not require approval by the Board, proceed to **Step 9**.

Health Institutions. If the contract requires approval by the Board (see [Summary of Contracts Requiring Board Approval](#)), forward (1) the contract and (2) either (a) approval of OGC, or (b) the completed General Procedure Contract Checklist and Recommendations along with a memorandum (i) noting all deviations, if any, from the checklist recommendations and (ii) listing the circumstances that justify execution

of the contract despite the deviations, to the System Administration Office of Health Affairs for review and approval. After this approval is obtained, proceed to **Step 7**.

If the contract does not require approval by the Board, proceed to **Step 9**.

Step 7: Determine Whether Contract Must be listed on the consent agenda.

If the contract requires approval by the Board (see [Summary of Contracts Requiring Board Approval](#)), proceed to **Step 8**. If not, proceed to **Step 9**.

If the contract requires approval by the Board of Regents, it may not be signed before Board of Regents' approval is granted unless the contract contains an acceptable limitation such as the following statement:

This [Contract] is not effective until approved by the Board of Regents of The University of Texas System.

Step 8: Follow Proper Consent Agenda Procedures.

Refer to the System [Consent Agenda Resource Guide](#) to determine the proper consent agenda procedures for the contract.

After the consent agenda procedures have been completed and Board approval has been obtained, proceed to **Step 9**.

Step 9: Execution of Contract.

Academic and Health Institutions. Forward the following items to the president or the person to whom the president has delegated authority to sign the contract: (1) the contract and (2) all the related approvals, including approval of the Board, if required, and either (a) approval of OGC, if required, or (b) the completed General Procedure Contract Checklist and Recommendations along with a memorandum (i) noting all deviations, if any, from the checklist recommendations and (ii) listing the circumstances that justify execution of the contract despite the deviations.

System Administration and Systemwide Contracts. If the contract is on behalf of System Administration or a majority of the institutions of U. T. System, forward the following items to System's Executive Vice Chancellor for Business Affairs: (1) the contract, (2) all the related approvals, including approval of the Board, if required, and either (a) approval of OGC, if required, or (b) the completed General Procedure Contract Checklist and Recommendations along with a memorandum (i) noting all deviations, if any, from the checklist recommendations and (ii) listing the circumstances that justify execution of the contract despite the deviations, and (3) the completed [Office of Business Affairs Contract Processing](#)

[Checklist](#). The Executive Vice Chancellor for Business Affairs is in the System Administration Office of Business Affairs.

Definitions

Contract – for purposes of this Rule, contracts and agreements of any kind or nature, including offers, agreements, purchase orders, vouchers, binding letters of intent, memoranda of understanding, amendments, revisions, renewals and extensions, excluding contracts described in Sections 6.1 and 6.2 of [Rule 10501](#) of the Regents' *Rules and Regulations*.

OGC - U. T. System Office of General Counsel.

Special Procedure Contracts - those contracts and agreements listed on the [Office of General Counsel – Special Procedure Contracts](#) web page.

Standard Contracts - those contracts and agreements listed on the [Office of General Counsel – Standard Contracts](#) web page.

Resources

[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](#)

[UTS145 Contract Processing Flowchart](#)

Applicable Law and Regulation

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

[UTS103, *Unrelated Business Income Tax*](#)

[UTS108, *Affiliation Agreement Policy*](#)

[UTS115, *Records and Information Management*](#)

[UTS118, *Statement of Operating Policy Pertaining to Dishonest or Fraudulent Activities*](#)

[UTS119, *Institutional Compliance Program*](#)

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

[UTS125, Processing of Intellectual Property Agreements](#)

[UTS126, Processing of Space Lease Agreements](#)

[UTS130, Vending Machine Contracts](#)

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

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

[UTS138, Gift Acceptance Procedures](#)

[UTS139, Compliance with the 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](#)

[UTS147, Processing of Sales and Leases of Real Property \(UT as Seller or Landlord\)](#)

[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](#)

[UTS161, Environmental Review for Acquisition of Real Property](#)

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

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

[UTS167, Banking Services Policy](#)

[UTS168, Capital Expenditure Policy](#)

[UTS169, Sustainability Practices](#)

[UTS171, Student Financial Aid Code of Conduct](#)

[UTS173, *Export Controls*](#)

[UTS174, *Environmental Health and Safety*](#)

[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*](#)

[UTS183, *Maintenance of Education Records Subject to the Family Educational Rights and Privacy Act \(FERPA\)*](#)

[UTS189, *Institutional Conflicts of Interest*](#)

[UTS190, *International Travel Policy*](#)

[*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 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*](#)

Responsible System Administrative Office

Office of Business Affairs

Contact Information

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

Dates Approved, Amended, or Reviewed

January 26, 2006

June 7, 2010

October 27, 2011

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