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 a 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:

<table>
<thead>
<tr>
<th>$250,000</th>
<th>$500,000</th>
<th>$1,000,000</th>
<th>$2,500,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>UT Permian Basin</td>
<td>UT Arlington</td>
<td>UT System Administration</td>
<td>UT Southwestern Medical Center</td>
</tr>
<tr>
<td>UT Dallas</td>
<td>UT Medical Branch Galveston</td>
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<tr>
<td>UT El Paso</td>
<td>UT HSC - Houston</td>
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<td>UTRGV</td>
<td>UT HSC - San Antonio</td>
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<td>UT San Antonio</td>
<td>UT HSC - Tyler</td>
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<td>UT Tyler</td>
<td>UT Austin</td>
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</table>

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.


Special Procedure Contracts - those contracts and agreements listed on the Office of General Counsel – Special Procedure 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
November 27, 2017