



# TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

## Operating Policy and Procedure

**HSC OP:** 54.01, **Contracting Authority and Policy**

**PURPOSE:** The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to state the institutional policy relating to the approval and execution of contracts and agreements.

**REVIEW:** This HSC OP will be reviewed by April 15th of each odd-numbered year (ONY) by the Director of Contracting, with recommendations for revisions forwarded to the Executive Vice President for Finance and Administration by May 1.

### **POLICY/PROCEDURE:**

1. **Authorities of the Board of Regents.**

- a. Authority for approval of TTUHSC contracts is vested in the TTUHSC Board of Regents. This approval authority applies to all contracts, regardless of the external agency or source of funds.
- b. The TTUHSC Board of Regents has established policies regarding contracting approvals, which are published in the ***Regents' Rules***.

2. **Contracting Policies.**

- a. Written contracts shall be executed whenever TTUHSC enters into a binding agreement with another party which involves any material consideration. Contracts are construed to include, but not be limited to: agreements, cooperative agreements, memorandums of understanding, interagency contracts, grants, loans, easements, licenses, leases, permits and restrictions on acceptances of gifts and bequests. Other parties include, but are not limited to: federal, state and local agencies, nonprofit organizations, private businesses, partnerships and individuals.
- b. *Regents' Rules*, Section 07.12, governs the contracting procedure and signatory authority and is summarized as follows:

<b>Contract Terms</b>	<b>Approval Required</b>
Contract in excess of \$500,000 per annum	Board
Contracts that exceed four years unless contract can be terminated without cause with notice of 120 days or less	Board
Consulting contracts in excess of \$25,000 and all modifications increasing that contract	Board
Modification to a consulting contract of \$25,000 or less, if modification causes total consideration to exceed \$25,000	Board
Initial placement of vending machines	Board
Consulting contracts of \$25,000 or less, prior notice to the Chair and Chair of the Finance and Administration Committee	President
TTUHSC faculty employment contracts in excess of four years	President

Sponsored program projects	President
Contracts of \$500,000 or less per annum	President
Amendment or renewal of contracts	President

- c. The President has delegated the authority to approve and sign contracts involving a consideration of \$500,000 or less to the Executive Vice President for Finance and Administration.
- d. ***No officer or administrator is authorized to approve or execute contracts or agreements with an external agency unless that authority has been delegated in accordance with Regents' Rules or TTUHSC Operating Policies and Procedures.***
- e. Approval and signature of a contract constitutes approval to establish an operating budget, which does not exceed the consideration of the contract without further board approval. The operating budget will then be considered approved in accordance with the provisions of Section 07.04, *Regents' Rules*, and in related implementing procedures.
- f. Questions concerning contracting approval authorities and related procedures for processing contracts may be directed to the Contracting Office or the TTUHSC Contracting Office website, located at <https://www.fiscal.ttuhs.edu/contracting/>.

3. **Commitments Prior to Contract Approval.**

- a. No officer or administrator should make any commitment of any nature ***prior*** to the approval of the availability of funds, either through the allocation of internal fund balances or execution of contracts or agreements.
- b. No officer or administrator should make any statement or take any action which would cause that officer or administrator to appear to a third party as having the authority to commit the institution ***prior*** to the execution of contracts or agreements and approval of the availability of funds. This policy is effective for all contracting approvals regardless of the external agency or source of funds.

4. **Familiarity with *Regents' Rules*.** Each account manager and administrative officer should read and be familiar with the Texas Tech Board of Regent's contracting policies, namely *Regents' Rules*, Section 07.12.