



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 Operations.

POLICY/PROCEDURE:

1. Authorities of the Board of Regents.

- a. Authority to approve, sign, and execute contracts is vested in the Board of Regents of the Texas Tech University System. This approval authority applies to all contracts, regardless of the external agency or source of funds.
- b. The Board of Regents of the Texas Tech University System 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, corporations, limited liability entities, partnerships and individuals.
- b. This policy shall apply to all contracts for the initial periods and for amendments or extensions that are exercised thereto. For the purpose of determining whether a contract requires the approval of the board, any option(s) to extend or renew a contract that has been exercised shall be counted in the overall term of the contract.
- c. [Regents' Rules, Section 07.12](#), governs the contracting procedure and signatory authority.
- d. The President has delegated the authority to approve and sign contracts in accordance with HSC OP 10.11, Delegation of Authority by the President, to the Executive Vice President for Finance and Operations.
- e. ***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.***
- f. 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.
- g. Questions concerning contracting approval authorities and related procedures for processing contracts may be directed to the Contracting Office (contracting@ttuhsc.edu) or the TTUHSC Contracting Office website, located at:
<http://www.fiscal.ttuhsc.edu/contracts/>.

3. **Prohibited contracts**

- a. TTUHSC may not enter into a contract for the purchase of goods or services with a private vendor with whom any of the following persons have a financial interest as defined in Section 07.12.2.b *Regents' Rules* in accordance with Section 07.12.2 *Regents' Rules*:
 - (1) member of the board of regents:
 - (2) the chancellor, vice chancellor and general counsel, president of the institution involved in the contract, chief procurement officer or equivalent employee responsible for procurement of goods and services for the institution involved in the contract; or
 - (3) a family member related to the employees and officials listed above within the second degree of affinity or consanguinity.

4. **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.

5. **Familiarity with *Regents' Rules*.** Each fund 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.