

# Contract Processing Quick Reference

**Before performing a procurement that is greater than \$5,000 in value**, contact UT System’s Office of Accounting and Purchasing Services (APS), who will assist you in determining the best procurement method to use. (<http://www.utsystem.edu/act/purchasing.htm>.) Note that UT System uses the same purchasing handbook as UT Austin (<http://www.utexas.edu/admin/purchasing/fhdbk.html>.)

The three vehicles through which Purchasing takes place at UT System are (1) procards, (2) purchase orders, and (3) contracts. The quote/bidding requirements are based on the dollar amount of the procurement:

Dollar Range		Quote/Bidding Requirements
\$0.00	\$5,000.00	You are permitted to purchase without APS involvement, so long as (1) you comply with the “ <b>best value</b> ” procurement authority identified below and (2) the vendor does not require use of its contract terms and conditions.
\$5,000.01	\$25,000.00	You are required to obtain a minimum of three telephone quotes to be taken from at least one ethnic minority and one woman-owned business when available.
\$25,000.01	+	You must use formal bids/quotes that are solicited with the involvement of APS.

However, **all** procurements must be made in compliance with UT System’s “best value” procurement authority as defined in *Texas Education Code* Section 51.9335 (<http://www.statutes.legis.state.tx.us/Docs/ED/htm/ED.51.htm>)

**Important Contract Documents:** There are three important documents that you should review and use in negotiating and finalizing your UT System contract. You **must** read these documents prior to starting your contracting process.

- UT System Policy UTS 145 (<http://www.utsystem.edu/policy/policies/uts145.html>) sets forth the step-by-step procedure that **all** UT System institutions must use to process contracts.
  - The UT System Office of Business Affairs Contract Processing Checklist (<http://www.utsystem.edu/sites/utsfiles/offices/business-affairs/contract-processing-checklist.docx>) sets forth the requirements that **must** be completed before you submit your contract to the UT System Office of Business Affairs for execution.
- The UT System Office of General Counsel (OGC) Contract Review Procedures (<http://www.utsystem.edu/ogc/contracts/contractreview.htm>), which set forth the step-by-step procedures that UT System institutions are required to use to evaluate contracts.

These three documents are interrelated. For example, use of the OGC Contract Review Procedures is referenced in both UTS 145 and the UT System Office of Business Affairs Contract Processing Checklist.

### **General Contract Issues:**

- Generally, **all** UT System contracts that equal or exceed \$100,000 in value must be reviewed by OGC, unless the “Standard Contract” requirements are met ([www.utsystem.edu/ogc/contracts/standard.htm](http://www.utsystem.edu/ogc/contracts/standard.htm).)
- Ensure that the other party signs the contract before UT System does.
- Don’t sign anything unless you are **absolutely sure** you have the delegated authority to do so.
- For purposes of determining the total value of a contract, consider the payments that will be made by UT System over **the entire term of that contract** (including payments during any optional renewal terms.)
- Ensure that the provisions of the OGC “**Addendum to Agreement**” are incorporated into your contract.
- A Contract Administrator (the person who is responsible for monitoring and ensuring compliance with the terms of that contract) must be identified for and manage each contract.
- If a vendor wants you to sign **anything**, it probably is a contract that you must review using UTS 145.

### **Issues Regarding Specific Types of Contracts:**

- **Electronic and Information Resources:** If your contract involves the procurement or use of “electronic and information resources”, then Texas law establishes accessibility requirements for such resources. UT System Policy UTS 150 addresses how to comply with such requirements (<http://www.utsystem.edu/policy/policies/uts150.html>).
- **Hotel Agreements:** If you are negotiating a hotel agreement, if at all possible use the standard form UT Austin hotel agreement modified for UT System. ([http://www.utexas.edu/business/vp/contracts\\_agreements/forms/Hotel\\_Agrmnt.doc](http://www.utexas.edu/business/vp/contracts_agreements/forms/Hotel_Agrmnt.doc))
- **Authorization for Professional/Individual Services (aka “APS Forms”):** An APS form can only be used in **limited circumstances** for contracting with **individuals** providing services (e.g., lecturers.)

### **Purchasing and Contracting Resources:**

The UT Purchasing Council web site includes extensive contracting sample documents, bulletins, and training materials (<http://www.utsystem.edu/ogc/pc/>). The sample documents are merely provided as a possible starting point for your office’s development of a contract. Note, however, that the sample documents available on the Purchasing Council website are **not** simply “fill-in-the-blank” forms, nor does use of any sample document for a contract automatically mean that OGC has approved that contract.