



Contracting Guide

For UHS Business and Administrative Departments



Office of Contract Administration/Office of Contract Compliance

The Contracting Guide was developed by the University of Houston System / University of Houston OCA/OCC for use by UH and UHS business and administrative personnel in providing guidance in the preparing and processing of Contracts. (Note: transactions involving Ledger 5 funds in furthering sponsored research projects must be processed through the Office of Research and Intellectual Property Management.) The Guide is applicable to (a) Contracts executed by an individual on behalf of the University or (b) Contracts to which the University is a party or signatory in any capacity, regardless of funding source or amount of funds expended or generated. The Guide is intended to supplement Contracting SAM 3.A.05. You can obtain electronic copies of all forms mentioned in this Guide from the OCA/OCC website: www.uh.edu/contractadmin.

General Information

Purchase Requisition vs. Contract. Use a purchase requisition to obtain commonly available goods, such as office supplies. All other transactions that involve services including but not limited to contractual documents, terms and conditions, leases, letters of agreement, letters of intent, memoranda of understanding, and interagency or intercampus agreements, must be contained in a contract. If the subject matter of the transaction involves human performance, such as rendition of services, then you should use a Contract.

Best Value in Contracting. The University may acquire goods or services by the method that provides the best value, including competitive bidding, competitive sealed proposals, or an open market contract. The Recommendation for Award form must provide information pertinent to procurement method, price tabulations outlining the acquisition process and best value to the University, basis of best value to the University, and name of the preferred vendor.

Purchasing Department Assistance. For assistance with the bidding process, contact your Business Services Office.

Step One: Utilize the Proper Contract Form

There are two basic routes for memorializing a transaction between the University and another Party: 1. using paperwork generated/created/provided by the University's OGC (Standard) or 2. using paperwork generated/created/provided by the other Party (Non-Standard).

Standard Forms of Agreement: Standard Agreements are forms that have been created and approved as such by the Office of the General Counsel. Such forms are available from the Office of the General Counsel or the Office of Contract Administration website at www.uh.edu/contractadmin. There are currently 185 different Standard Forms available on our website. Your Department or College Business Administrator may also be a good resource in determining which Agreement to utilize.

Contact the Office of Contract Administration for assistance in selecting the appropriate form.

The Office of Contract Administration website undergoes frequent updates to remain current with MAPP, SAM, and State of Texas Policies. You will always want to start with the version of the Agreement hosted on our website rather than one saved to your P.C. so that you are assured of using the most current revision. The Agreements are saved as locked .pdf forms for document integrity and security. The default program to open a .pdf form is Adobe Reader. In order to save the data you enter into the Agreement, you will want to open the file in Adobe Reader, save to your P.C., and then reopen in Adobe Acrobat.

Other Contracts: Some non-UH Parties prefer to use their Contract for a transaction. These Agreements are defined by OGC as Non-Standard. If a non-standard Contract will be used for a

transaction, the Contract must be submitted for review by the Associate General Counsel for Contract Compliance through the Office of Contract Administration.

Step Two: Completing the Contract

Complete the Form Fields: All fields should be populated prior to submitting the Contract for review including the following:

- 1) **Contracting Party** – The name of the contracting party must be stated as the University of Houston System or its component institutions (e.g. University of Houston, University of Houston – Downtown, University of Houston – Sugarland, etc.) and not a department, program, or person.
- 2) **Statement of Services** – The Statement of Services should be detailed enough so that all parties to the Contract know exactly what is expected.
- 3) **Contract Term** – All Contracts must have applicable University administrative/legal reviews **prior** to commencement of and duties/actions by the Parties as set forth within the Contract.
- 4) **Signature Block** – The appropriate and authorized signatories should be identified in the signature block. No person has the authority to bind the University contractually except in accordance with Board of Regent, UHS and UH policies. Contracts are legally binding on the University only upon execution of a Contract by the University official with delegated contractual signatory authority. University personnel should consult and be familiar with the appropriate Board of Regents 47.01, SAM 03.A.05 and UHV Contracting policies – and the delegated authority of University officials set forth in those policies.

Attachments and Addenda: All documents that are incorporated by reference in the Agreement, including exhibits and appendices must be included with each original set. Some common UH attachments include:

- 1) Alternative Dispute Resolution Clause (OGC-S-1999-24) must be included on all expense Contracts using non-UH generated/created/prepared Contract paperwork.
- 2) Technology Access Clause (OGC-S-1999-26) must be included on all Contracts purposing to acquire automated information systems (e.g. hardware, software, firmware, and related computer components) when utilizing State Ledger 1 funds for the purchase.
- 3) Child Support Certification (OGC-S-1999-25) must be included on all expense Contracts when utilizing State Ledger 1 funds and applies to all individuals and business entities who enter into Contracts to provide property, materials, or services paid from state funds.

Contract Amendments: Amendments must be submitted prior to the termination date of the original Agreement. Upon expiration of the original Agreement, no Amendments are allowed. The Contract amounts of the original Agreement and all Amendments are cumulative. If, as a result of the Amendment, the total Contract amount exceeds \$25,000, the Amendment shall have to be submitted to the Office of Contract Administration and will possibly require an additional level of signature authority. Otherwise, the Business Administrator of the originating unit has the responsibility to keep track and manage the filing system. Amendments must be prepared in the same manner as the original Contract as required by the appropriate University policy.

Step Three: Completing the Contract Coversheet

All Contracts regardless of whether reviewed by the Office of Contract Administration or managed solely by the Department's business unit, must have a corresponding Contract Coversheet (OGC-S-2006-14) – or the coversheet required as per UHV Contracting Policies.

Necessary Information: The following information must be completed and the coversheet signed by the designated officials, prior to submission.

- 1) Department contact information
- 2) Contractor contact information including business name, contact person, complete address, phone number, e-mail address, and Federal Tax ID (not the PeopleSoft ID).
- 3) Contract Description – provide a clear synopsis of the goods/services/events etc. that will result by entering into the Agreement.
- 4) Contract Term – including the Start and End dates of the Agreements. Acceptable entries include an exact date, Upon Execution, Upon Termination, etc.
- 5) Source of Funds – either expense or revenue cost centers – if multiple cost centers are to be utilized, please include an additional page detailing the breakdown.
- 6) Official Authorized to Sign – identify the appropriate UH official who has delegated signature authority to sign on behalf of the University. This official does not sign this field – it is simply to accurately identify the person whose signature is required.
- 7) Certifications – read and initial each certification if completed and applicable. (e.g. if you are submitting a revenue Contract, you do not need to initial the Competitive Bid certification – N/A would suffice in the field.)
- 8) Check whether a memo is attached that details any unsatisfactory terms & conditions you have found with respect to the administration of the Contract.
- 9) Signatures – each department has different Contract submission signature requirements, some require a Dean and Business Administrator to sign. At the very least, the first signature should be someone who certifies that the all the requirements listed above have been met. The second signature should be someone with delegated signature authority for the department (but not necessarily the same person identified as the Official Authorized to Sign for the dollar value of the Contract). The intent is for all Contracts to process through the department's business office for approval before being fully executed or routed to the Office of Contract Administration for legal review.

Step Four: Submitting a Contract for Review

The Business Administrator for the originating unit is responsible for maintaining a numbering and filing system. If substantive changes have been made to a Standard Form of Agreement, it by definition becomes Non-Standard and must be reviewed by the Associate General Counsel for Contract Compliance through the Office of Contract Administration regardless of dollar amount. All Revenue-generating Contracts must be submitted to the Office of Contract Administration so that proper Tax Reporting may occur.

Completed, Signed Contract Coversheet. You must complete a Contract Coversheet for each Contract you submit to the Office of Contract Administration. Be sure you have obtained the correct signatures and initials on the Contract Coversheet.

Amendments. If you are submitting an Amendment to a Contract, then you will need to prepare a Contract Coversheet for the Amendment. In addition to the Amendment you are submitting for processing, you will need to attach copies of (a) the original Contract, with its Contract Coversheet, and (b) prior Amendments, if any, with the Contract Coversheet submitted for each Amendment.

Step Five: Processing Time Frames

Non-Standard Contracts must be submitted with at enough time to approve based on the complexity of the transaction.

Contracts for Consulting Services. Contracts for consulting services, for which payment of more than \$25,000 will be made, must be submitted to the Office of Contract Administration at least 30 days prior to the start date for services. The additional time is to notify the Governor’s Budget and Planning Office, the Legislative Budget Board, and to publish a request for proposal for the consulting services in the Texas Register. “Consulting Services” are defined by state law as “the service of studying and/or advising a state agency under a Contract that does not involve the traditional relationship of employer-employee.” See *Texas Government Code* § 2254.

Contracts for which Board of Regents Approval Must Be Obtained. Your business administrator should contact Gerry Mathisen, at 3-5566, for guidance with protocols for Contracts that must be approved by the Board of Regents. Refer to Board of Regents Policy 47.01.1, which can be accessed at <http://www.uhsa.uh.edu/uhs>. The Board of Regents approval process usually takes at least two (2) months.