

Contracts and Agreements Training Session

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Session Purpose



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- This training will help you understand:
 - The types of contracts we have,
 - The contract process, including new vendor registration in PaymentWorks and a PeopleSoft requisition to ensure payments flow timely,
 - Compliance requirements,
 - How to satisfy University policies, federal and state laws, and regulations.

Contract Types



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- Standard
 - Uses a basic contract template developed by UH System, with no variation
 - The vendor makes no changes to the terms and conditions
- Non-Standard
 - Uses a vendor's contract template
 - Or a UHS template with changes to the terms and conditions

Standard Contract or Agreement - Examples



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Contract/Agreement	Use
• <u>Standard Purchasing Agreement</u>	For any type of services [typically not goods]
• <u>Performer Agreement</u>	For musicians, DJ's, dancers
• <u>Speaker Agreement</u>	For workshops, presentations or any speaker event
• <u>Professional Services Agreement</u>	For for any medical professionals
• <u>Services Contract</u>	For anticipated revenue to UHCL department

Other Less Common Agreements



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- Articulation Agreement
 - Agreement with Jr and Community Colleges
- Interagency Agreement
 - Agreement between two or more Texas agencies
- Interlocal Agreement
 - Agreement between UHCL and local government
- Affiliation Agreement/ Credit & Non-Credit
 - Use for field practicum and internships
- Facility License Agreement
 - Use for campus recreation special events or other events on campus
 - Can be zero-dollar
 - Has strong indemnification/hold harmless terms
- Memorandum of Understanding
 - Formalizes a relationship, arrangement, or understanding between UHCL and another party.
 - May not be legally binding unless so specified in the agreement.



Contract Threshold Tips

Dollar Amount	Tip
\$0-\$15K	No bid required
Over \$15K	Specify procurement method: <ul style="list-style-type: none">• Sole source• Bid Solicitations• Cooperative Contracts• Emergency Purchases
Over \$100K	Legal review Procurement manages document flow

Click Through (CT) **Agreements**



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What is it?

A click through agreement is an online purchase, often for software, where the buyer agrees to the vendor's terms and conditions by clicking a box or "signing" an online form.

How does UHCL Process it?

Click through agreements are contracts, so UH System legal requires a buyer to prepare and sign a memo, acknowledging that they read and understood the click-through agreement, that it is a must-have agreement that must be accepted as-is, and that they would like to proceed.

Please note that click-through agreements should only be used for low-dollar or no-dollar contracts that in practice cannot be negotiated with the vendor.

Revenue Agreements **Over \$50K**



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- **Allow adequate review time !**
 - UHS Tax office and UHS Treasury must review prior to execution. Please allow time for this step.
- **Submit a complete packet !**
 - Procurement needs BOTH:
 - Revenue Contract Coversheet and
 - OCA Coversheet.
- UHCL contracts **routes documents** for approval by tax and legal departments

Non-Standard Contracts



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- A non-standard contract happens when your vendor has different terms and conditions than our basic contract template contains.
- Either use a Standard Contract Addendum (SCA) to add their terms to ours.
- Or, the vendor uses their own template – Procurement then legal review required.



Amendments

- Any change to an existing contract requires the following:
 - Attach the original contract.
 - Process it before the original contract expires.
 - Same approval level or higher as the original contract.
 - Legal review required; allow adequate time.
 - Typically, no extensions past 5 years.



Bids - Summary

- **Informal Bids - \$15,001 - \$25,000 – Not posted to ESBD**
 - Department recommends a vendor in writing
 - Procurement will solicit a minimum of 3 informal bids
 - Bids are not posted to Texas Electronic State Business Daily
- **Formal Bids – Over \$25,000 – Posted to ESBD**
 - Department recommends a vendor in writing
 - Procurement will solicit a minimum of 3 formal, **written** bids
 - Bid posted to Texas Electronic State Business Daily for a minimum of 14 days
 - Emergency purchases – contact Procurement for details



Legal Review

- When is it required?
 - Any change in contract terms and conditions
 - Exceeding threshold limits
- Submit a complete packet !
 - OCA Coversheet
 - Fill in editable areas (vendor name, address, cost center, amount, a brief description of scope of work, etc.
 - Initial first five lines under certification (left side)
 - Indicate if request is a rush
 - Authorized Signatory
 - Procurement Method (if applicable)
 - All contract documentation (Agreement, T&C's, COI, Etc.)
 - Requires editable UH System agreement.
- **Do NOT sign the agreement before legal review.**

After Legal Review



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Office of the General Counsel
Standard Purchasing Agreement
OGC-S-2010-06 Revised 04.29.2019
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APPROVED AS TO FORM BY:


OFFICE OF THE GENERAL COUNSEL
UNIVERSITY OF HOUSTON SYSTEM

- Department steps
 - Reviews documentation / obtain corrections if needed
 - **DO NOT SIGN YET**
 - Sends to vendor for review/approval
 - Vendor returns signed contract
 - UHCL authorized signatory signs contract
 - Sends fully executed copy to Procurement
 - Has final stamp (pictured above)
 - Submit requisition (if applicable).



Risk Management

- **Certificate of Insurance (COI)**
 - Required for any vendor providing services on campus.
 - Limits must match contract or addendum insurance clauses
 - Services are intangible benefits, not tangible goods.
 - List UHCL as Certificate Holder and Additional Insured.
 - Waiver of subrogation required
 - Endorsement required from vendors to avoid being held liable for claims that occur on their jobs here.
- UHS reviews any/all insurance waivers
 - Allow 7-14 days
- Request to Waive Insurance
 - **Submit the unsigned contract/agreement with the request.**

Purchases >\$100,000

Requires extra form for finance and legal system review.

And purchases > \$300k
require Sr. Vice Chancellor
approval/signature before
legal review. This steps adds
time to the process so please
plan accordingly.

The form is available in
DocuSign.

UNIVERSITY of HOUSTON SYSTEM
Summary for Purchases Exceeding \$100,000

UH ____ UHCL ____ UHD ____ UHV ____

Requisition #: _____ Department Name: _____

1. Describe commodities or services to be purchased, the proposed use, benefits to the University, procurement method, and other pertinent information. (Use a separate page if additional space is needed.)

2. Estimated purchase or contract amount including all possible extensions: \$ _____

3. Cost Center: _____

4. Selected Vendor Name: _____

5. Purchases by Athletics Department >\$100,000 AND/OR Other Purchases >\$300,000 _____

6. Purchases \$1,000,000 or greater _____

Sequential Review and Approvals:

Purchasing Director or Designee _____ Signature _____ Date _____

Dean/Director/College Division Administrator _____ Signature _____ Date _____

Responsible Vice President _____ Signature _____ Date _____

Note: For all Athletics Department purchases that exceed \$100,000 and for all other purchases that exceed \$300,000, the approval of the Executive Vice Chancellor/Vice President for Administration and Finance is required unless already signed as Responsible Vice President.

Senior Vice Chancellor/Vice President for Administration & Finance _____ Signature _____ Date _____

If the purchase exceeds \$1,000,000, the approval of the Board of Regents is required, in which case the signature of the Chancellor will indicate the Board's approval.

Board of Regents Approval Date: _____

Please attach the original purchase requisition, supporting documentation, contract (if applicable), and Board approval certification (if applicable).

Effective: 09/01/2022



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Vendor Security Assessment

This is an online form to help reduce the risk to UH System data. This form is to be completed for contracts that include hosting of University information on non-UHS servers.

- Level 1 data such as information specific to individual persons.
- UHS Information Security will require the following documents
 - Contract
 - Terms and Conditions
 - Privacy Policy
 - HECVAT
- Once approved this form should be submitted with the proposed contract packet to the procurement department.

Message from Associate Vice Chancellor of Legal Affairs



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The quality control on all contracts and agreements starts at the department.

It is the responsibility of the department to read the terms of the contract for accuracy.

College/Division Business Administrator Responsibilities



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- Review the contractual documents for business terms, accuracy, appropriateness, availability of funds and compliance with university policy.
- Certify approval of the contractual documents and transaction by signing the OCA coversheet.
- Work with the department to obtain all documents for the contract packet, contract, COI, exhibits, etc. to be sent to the procurement department.
- Develop and maintain a contract management system to ensure the terms and conditions are performed in an appropriate manner.



Business Decisions vs. Legal Decisions

Business decisions -

- Contract Administration is not responsible for determining whether each contract encompasses a “good” business decision.
- The department should carefully read and understand the contract obligations
- The department official signing the contract is accountable for its subject matter and business terms.
- Procurement method
- Authorization of transaction, project or program
- Signature authorization
- Note: the coversheet is the primary checklist for individual contracts. It provides a set of certifications that should be carefully considered and affirmed before signature and must accurately summarize the transaction in the contract.

Legal decisions –

- Contract Administration reviews contracts to ensure compliance with the law and University policy and procedure requirements for submission of contracts.



Oversight and Closeout

- The originating department assumes primary responsibility for a contract, from inception to completion of the transaction. Such originating units should select a designated contract manager who is responsible for ensuring that the contract requirements are satisfied for contracts that the originating department is responsible for.
- Contract monitoring requirements must be flexible as contracts are unique and specific, and as such there is no single set of monitoring requirements. Departmental contract managers should use their best professional judgment in determining monitoring processes.



Oversight and Closeout (Cont.)

- Departmental contract managers should make sure that contracts are appropriately closed out upon completion/termination of a contract. As is the case for contract monitoring, there is no single set of closeout requirements because of the uniqueness of each contract and underlying transaction.
- In general, the following items should be confirmed at closeout:
 - All deliverables have been provided
 - There are no outstanding issues
 - If necessary, extensions are obtained if needed to complete work
 - Contract/work audits are conducted (if required)
 - A final invoice (if required) has been received and
 - Final payment has been made.



Frequently Used Documents

- Checklist
- Sample Coversheet
- Tip sheet
- Time Required
- Delegation of Authority
- Information Security Hosted Services Contract Checklist

Checklist

- ☐ Determine the type of contract / agreement
 - ☐ SPA ☐ SCA ☐ MOU ☐ Affiliation ☐ Articulation ☐ vendor provided
 - ☐ Is amount >100K ☐ yes ☐ no,
 - ☐ Is the contract a service ☐ yes ☐ no, if yes need COI
- ☐ Is the contract >15K ☐ yes ☐ no, if yes, need Procurement Method
 - ☐ Bid ☐ Emergency ☐ COOP ☐ Sole Source
- ☐ Has UHCL contract been changed/redlined ☐ yes ☐ no, if yes need legal review
- Typical contract packet should include:
 - Contract Coversheet
 - Procurement Method (if applicable)
 - Contract / Agreement
 - COI (if applicable)
 - Additional Documentation (terms & conditions, policies, proposal/quote, etc.)



Contract Coversheet and Approval Form

Office of Contract Administration
4302 University Drive, Room 311 • Ezekiel W. Cullen Building
Houston, Texas 77204-2028 • Phone (832) 842-7078

General Information

Campus: Click To Select College/Division/Dept. Name: _____
Contact Person/Title: _____ Telephone: _____ Email: _____
Business Administrator: _____ Telephone: _____ Email: _____

Summary of Contract Terms

Contract with: _____ Contractor Contact Person: _____
Contractor Address: _____
City: _____ State: _____ Zip Code: _____
Contractor Phone: _____ Contractor Email: _____
Contract Description: _____

Provide a clear synopsis of the goods/services/events/etc. that will result by entering into this agreement

Contract Term: Start Date: _____ End Date: _____
Total Amount of Contract: \$ _____ If Amended: Original Amt \$ _____ + Amended Amt \$ _____

Source of Funds

(if multiple cost centers are being utilized, please attach a supplemental page listing the appropriate codes)

Expense Cost Center: Fund: _____ Dept ID: _____ Prog: _____ Proj: _____ Acct: _____ Amt \$: _____

Revenue Cost Center: Fund: _____ Dept ID: _____ Prog: _____ Proj: _____ Acct: _____ Amt \$: _____

Official Authorized to Sign: _____

Identify, by name and title, the official authorized to sign the contract on behalf of the University of Houston System pursuant to MAPP, SAM, and Board Policies.

Certifications

Initial the certifications below (or put "NA" if not applicable) indicating compliance before submitting the agreement and required supporting documentation to the Office of Contract Administration.

_____ Responsibility I have primary responsibility for the contract, from inception to completion of the transaction.

_____ Complete Contract Package The contract and all documents that are incorporated by reference in the agreement, including exhibits and appendices are included for review by Contract Administration.

_____ Dept. Acceptance All contract documents have been read and the business aspects have been agreed to in their entirety by the originating department and any employees who have obligations under this contract, or a memorandum has been included describing the department's concerns with the business aspects that they do not agree with.

_____ Contracting Party The name of the contracting party is stated as the University of Houston System or its component institutions (e.g., University of Houston, University of Houston - Victoria), and is not a department, program, or person.

_____ Procurement The proper procurement method has been used providing the best value to UH. The **Recommendation for Award Form** is required for all contracts **regardless of the source of funds**.

_____ Standard Form of Agreement If a UH standard agreement is being used, I certify that no changes have been made, including additional attachments or addenda. If changes have been made, I have indicated those portions of the agreement in the attached memorandum.

_____ Risk Management Approval All changes to **UH standard contract insurance provisions**, or **ANY** insurance provisions in a **non-standard contract** **MUST BE** approved by Risk Management prior to submission.

☐ Yes ☐ No **RUSH Justification** _____ **NEEDED BY** _____

NOTE: If the contract is valued at \$1 million or more (revenue or expense), or otherwise requires Board of Regents approval, then the contract packet **must** include Board of Regents approval. The UH Office of the Controller will request a **Certificate of Interested Parties** form to be filled out online by the contractor or vendor and notify the department when signatures can be obtained on the contract. If the contract relates to a real estate transaction of any form (real estate purchase, lease, sale, etc.), then it is necessary to consult with the UH System **Office of Real Estate Services** before proceeding with the contract.

Certification of University Employee(s) With Responsibility for Ensuring Contract Terms and Conditions are Met

I have read this contract entirely. I am satisfied with its description of the goods and services to be provided to the University (including, for example, warranties, delivery terms, acceptance period, and maintenance terms). I am also satisfied with the description of the University's obligations (including, for example, scope of work, payment due dates, late charges, taxes, charges, insurance, and confidentiality requirements) and all other provisions of this contract. **A memorandum** ☐ **is**, ☐ **is not**, (select one) **attached. I acknowledge responsibility to ensure that all good faith efforts are employed in seeing that all terms, conditions and responsibilities of the contract are met.**

Name/Title: _____ Signature: _____ Date: _____
(Originator of contract who certifies that the requirements listed above have been met)

Name/Title: _____ Signature: _____ Date: _____
(Official with delegated authority to enter into contracts on behalf of the University)

Note: Modification of this Form requires approval of OGC



Contract Document Flow

STEP 1	✓	Vendor - Dept works with vendor/doesn't sign yet
STEP 2	✓	Legal - Legal reviews contract, signs off
STEP 3	✓	Vendor - Vendor executes after legal sign off
STEP 4	✓	Department - Signs/executes final contract
STEP 5	✓	Procurement - Obtains copy of fully executed contract
STEP 6	✓	Legal - Receives final executed copy from procurement

	GET/DO THIS	CHECK FOR THESE
D E P T	<p>Is Vendor set up in Payment Works with Vendor ID?</p> <p>*** If yes, proceed</p> <p>*** If not, send Payment Works INVITE to vendor</p> <p>*** If unsure contact AccountsPayable@UHCL.edu for assistance</p> <p>Obtain current quote/proposal:</p> <p>*** If for goods</p> <p>*** If quote has vendor T&C's</p> <p>If >\$15k, show procurement method:</p> <p>*** Sole</p> <p>*** Emergency</p> <p>*** Co-op</p> <p>*** Bid</p> <p>*** \$15K to 25K</p> <p>*** Above \$25K</p> <p>If for services, fill out SPA</p> <p>*** Is it a Speaker?</p> <p>*** Is it a Performer?</p> <p>*** Vendor will not sign terms</p> <p>If for services, obtain COI or waiver of COI</p> <p>If legal review required, fill out OCA coversheet</p>	<p>Quote must be current (not older than 30 days)</p> <p>Check for terms & conditions (T&C's)</p> <p>Send Standard Contract Addendum (SCA) to vendor to sign</p> <p>Must be a justifiable sole source</p> <p>Submit ER acquisition form & notify DBA & Procurement</p> <p>Enter coop information on the requisition</p> <p>Informal bid, contact procurement</p> <p>Formal bid, contact procurement</p> <p>Standard Purchasing Agreement (SPA)</p> <p>Use Speaker Agreement https://www.uhcl.edu/about/administrative-offices/procurement-contracts/contracts</p> <p>Use Performer Agreement https://www.uhcl.edu/about/administrative-offices/procurement-contracts/contracts</p> <p>Complete Click Thru Memo</p> <p>Certificate Of Insurance requirements are on SPA; If requesting to waive insurance submit unsigned agreement</p>
P R O C U R E	<p>Check for required secondary approvals... based on what you're buying, or fund source if grant-based</p> <p>Requisition</p> <p>Secondary departmental approval needed?</p> <p>Account code correct?</p> <p>Category code correct?</p> <p>Requisition details present?</p> <p>*** Term dates</p> <p>*** Vendor information</p> <p>*** Department contact</p> <p>*** Delivery information</p> <p>Is backup documentation attached?</p> <p>If for goods, shipping & handling, freight shown?</p> <p>Gets risk management approval</p>	<p>OIT, OSP, FMC, MARCOMM - BRAND GUIDE, AFFINITY LICENSING</p> <p>Brand guide, OIT, OSP, FMC</p> <p>Check account list for fund code restrictions</p> <p>Check commodity code list</p> <p>For contracts, licenses, subscriptions, etc.</p> <p>Contact name, phone and email</p> <p>Contact name, phone and email</p> <p>Contact person</p> <p>Quote, SCA or SPA, COI, Procurement Method, Information Security Checklist</p> <p>Show shipping on a separate line if using ledger 1 funds</p> <p>If agreements/ contracts have insurance language</p>
U H S L E G A L	<p>Office of the General Counsel /Contract Administration</p> <p>Reviews and Looks for the following:</p> <p>OCA Coversheet</p> <p>*** If contract >\$50k</p> <p>*** If contract >\$100k for construction</p> <p>*** Vendor will not sign SCA or SPA</p> <p>OCA Coversheet must have</p> <p>*** Contact information</p> <p>*** Description of work</p> <p>*** Amount/scope of work</p> <p>*** Cost center</p> <p>*** Risk Management approval or comments</p> <p>*** Begin & end date</p> <p>*** Initials under certification lines</p> <p>*** Check yes or no for RUSH</p> <p>*** Authorized signatures</p> <p>Must provide Procurement Method</p> <p>Purchases Exceeding \$100,000</p> <p>*** Purchases Exceeding \$300,000</p> <p>Backup documentation</p> <p>For all Amendments</p>	<p>Procurement must submit to OGC for review</p> <p>UHS facilities reviews construction contracts</p> <p>Nonstandard contracts include standard forms (SPA & SCA fileable versions, etc.) with revisions</p> <p>Sole Source, Emergency Justification, COOP, Bid (if applicable), all in RFA form related MOU's</p> <p>Require the Summary of "Purchase Exceeding \$100,000 form"</p> <p>Require the signature on form of the Senior Vice Chancellor/VP Admin & Finance Raymond Bartlett prior to legal review</p> <p>Affiliation & Inter-Agency Agreements, Contracts, T&C's, anything linked, etc</p> <p>Amendment submissions must include original agreement and all preceding amendments</p>

Time Required



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TIME REQUIRED FOR CONTRACT PROCESSING BY UHCL OFFICE OF CONTRACTS	
AGREEMENT TYPE	# BUS. DAYS REQUIRED
Standard contract	20
Non-standard contract	25
Requiring Chancellor signature	Add 7 days to above
Requiring Board approval	90
* Leases may require additional time, depending upon complexity	



Questions Discussion

UHCL