

# 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,
  - 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 UH 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 [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>* Revenue Contract</u>	For anticipated revenue of \$50k or more

# 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

# Other Less Common Agreements. Cont'd



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- Affiliation Agreement
  - Use for field practicum and internships
- 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"><li>• Sole source</li><li>• Bid Solicitations</li><li>• Cooperative Contracts</li><li>• Emergency Purchases</li></ul>
Over \$50k Not Construction	Needs OCA cover sheet (Even if standard contract) Legal review Procurement manages document flow
Over \$100k Construction	Needs OCA cover sheet Legal review Procurement manages document flow



# Revenue Agreements >\$50k



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- Allow adequate review time !
  - UHS Tax office 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 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 – Procurement then legal review required.
- 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 obtains minimum of 3 informal bids
    - Two must be “HUB” vendors
    - Historically underutilized businesses
  - 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 obtains minimum of 3 formal, **written** bids
    - Two must be HUB vendors
  - Bid posted to Texas Electronic State Business Daily for 14 days
  - Emergency purchases – contact Procurement for details



# Legal Review

- When is it required?
  - Any change in contract terms and conditions
  - Exceeding threshold limits [see slide 8]
- 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.)
- **Do NOT sign it before legal review.**



# After Legal Review

- Department steps
  - Reviews documentation / obtain corrections if needed
    - See slide 17 for review checklist
  - **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:

Office of the General Counsel  
Standard Purchasing Agreement  
OGC-S-2010-06 Revised 04.29.2019  
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# Risk Management



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- **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

# **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.



# **FAQs**

- Checklist
- Sample Coversheet
- Tip sheet



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# Checklist

- ☐ Determine the type of contract / agreement
  - ☐ SPA ☐ SCA ☐ MOU ☐ Affiliation ☐ Articulation ☐ vendor provided
  - ☐ Is amount >50K ☐ yes ☐ no, (if yes fill out OCA Coversheet to legal)
  - ☐ Is the contract a service ☐ yes ☐ no, if yes need COI
- ☐ Is the contract >15K ☐ yes ☐ no, if yes, need Procurement Method
  - ☐ Sole Source ☐ Emergency ☐ COOP ☐ Bid
- ☐ Has UHCL contract been changed/redlined ☐ yes ☐ no, if yes need OCA
- Typical contract packet to legal should include:
  - OCA 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  
4802 University Drive, Room 311 • Ezekiel W. Cullen Building  
Houston, Texas 77204-2028 • Phone (832) 842-7078

## General Information

Campus: [Click Here 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 the contract insurance provision **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.

## 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 PROCESS

Contract Document Flow

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

	GET/DO THIS	CHECK FOR THESE
DEPT	<p>Is Vendor set up in Payment Works with Vendor ID?            *** If yes, proceed            *** If not, send Payment Works INVITE to vendor            *** If unsure contact Accounts Payable@UHCL.edu for assistance</p> <p>Obtain current quote/proposal:            *** If for goods            *** If quote has T&amp;C's</p> <p>If &gt;\$15k, show procurement method:            *** Sole            *** Emergency            *** Co-op            *** Bid            *** \$15K to 25K            *** Above \$25K</p> <p>If for services, fill out SPA            *** Is it a Speaker?            *** Is it a Performer?</p> <p>If for services, obtain COI or waiver of COI</p>	<p>Quote must be current (not older than 30 days)            Check for terms &amp; conditions (T&amp;C's)            Send Standard Contract Addendum (SCA) to vendor to sign</p> <p>Must be a justifiable sole source            Submit ER acquisition form &amp; notify DBA &amp; Procurement            Enter coop information on the requisition</p> <p>Informal bid, contact procurement            Formal bid, contact procurement            Standard Purchasing Agreement (SPA)            Use Speaker Agreement <a href="https://www.uhcl.edu/about/administrative-offices/procurement-contracts/contracts">https://www.uhcl.edu/about/administrative-offices/procurement-contracts/contracts</a>            Use Performer Agreement <a href="https://www.uhcl.edu/about/administrative-offices/procurement-contracts/contracts">https://www.uhcl.edu/about/administrative-offices/procurement-contracts/contracts</a>            Certificate Of Insurance requirements are on SPA</p>
PROCURE	<p>Requisition            Secondary departmental approval needed?            Account code correct?            Category code correct?            Requisition details present?            *** Term dates            *** Vendor information            *** Department contact            *** Delivery information</p> <p>Is backup documentation attached?            If for goods, shipping &amp; handling, freight shown?            Gets risk management approval</p>	<p>Brand guide, OIT, OSP, FMC            Check account list for fund code restrictions            Check commodity code list</p> <p>For contracts, licenses, subscriptions, etc.            Contact name, phone and email            Contact name, phone and email            Contact person</p> <p>Quote, SCA or SPA, COI, Procurement Method, Information Security Checklist            Show shipping on a separate line if using ledger 1 funds            If agreements/ contracts have insurance language</p>
UNHS LEGAL	<p>Office of the General Counsel /Contract Administration            Reviews and Looks for the following:            OCA Coversheet            *** If contract &gt;\$50k            *** If contract &gt;\$100k for construction            *** Vendor will not sign SCA or SPA</p> <p>OCA Coversheet must have            *** Contact information            *** Description of work            *** Amount/scope of work            *** Cost center            *** Begin &amp; end date            *** Initials under certification lines            *** Check yes or no for RUSH            *** Authorized signatures</p> <p>Must provide Procurement Method            Backup documentation</p>	<p>Procurement must submit to OGC for review</p> <p>Sole Source, Emergency Justification, COOP, Bid (if applicable)            MOU, Affiliation &amp; Inter-Agency Agreements, Contracts, T&amp;C's, etc..</p>

4. **Services:** Any intangible experience





# Questions Discussion

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