CONTRACTING GUIDE

The Contracting Guide ("Guide") was developed by the University of Houston System / University of Houston Office of Contract Administration, modified for/by UHCL, for use by University of Houston-Clear Lake and University of Houston System business and administrative personnel in providing guidance in preparing and processing contracts. 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 03.A.05. You can obtain electronic or hard copies of all forms mentioned in this Guide from the Contract Administration Office or from the Contracts Forms page.

GENERAL INFORMATION

All contracts, regardless of the source of funding, must be administered in accordance with Board of Regents Policy 55.01 and University of Houston System Administrative Memorandum 03.A.05 and UHCL Contracting Process and UHCL Contracting Procedures.

The originating department is responsible for monitoring and assuring performance in accordance with provisions of the contract and for reporting non-compliance to the School/Division Business Administrator and, as appropriate, to the appropriate Vice President. The Contract Administration office will provide needed assistance as requested. The individual(s) responsible for ensuring that the terms and conditions of the contract are met shall sign an appropriate statement acknowledging that the Contractor has met the terms and conditions of the contract (receiving report).

When submitting a Services Agreement (revenue contract) a Revenue Contract Coversheet must be completed by the originating department and approvals obtained prior to execution of the agreement. If this is not done, contract will be rejected.

**Purchase Requisition or Contract.** Use a purchase requisition to obtain commonly available goods such as office supplies. If the subject matter of the transaction involves human performance, then you should use a contract. A contract should be used for all services, no matter the dollar amount.

**Competitive Bidding Requirements -- Contracts.** If the amount paid for the goods or services will be more than $5,000 on state or local funds or $3,000 on federal funds, then bids must be obtained prior to execution of the contract by the authorized UH signatory. You are not required to obtain bids if (a) bidding was done and awarded on a state or coop contract; (b) the contract is for professional services as defined by Texas law; (c) the goods or services can only be obtained from only one vendor (a "sole source"); or (d) the goods or services are unique ("proprietary") or "one-of-a-kind." If applicable, you must submit a Proprietary/Sole Source Justification form for approval to Contract Administration prior to execution of the contract documents.

Link to Purchasing Guidelines Using Ledgers 1-4 Funds and Ledger 5 Funds
Link to Centralized Master Bidders List (CMBL)

**Procurement Department Assistance.** For assistance with the bidding process, contact the UHCL Procurement Department at (281) 283-2150.

**Note:** Transactions involving Ledger 5 funds in furthering research projects must be processed through the Office of Sponsored Programs.

STEP 1: NEEDED INFORMATION

**Necessary Information:** In order to complete the contract, you will need to obtain all of the following information from the person or department requesting your assistance with the contract:

(a) the name, street address, city, state, telephone and fax numbers and e-mail address of the Contractor;
(b) the name and title of the person who will sign on behalf of the Contractor, if the Contractor is a business;
(c) the social security number or the tax identification number for the Contractor;
(d) the amount that will be paid or received (if a revenue-generating contract);
(e) the UHCL PeopleSoft cost center(s) from which payment will be made or into which revenue will be deposited;
(f) the PeopleSoft vendor number for the Contractor. If vendor is not established in PeopleSoft, forward the link to the vendor setup requirements (available on Contract Forms page) to Contractor. Completed vendor setup documents
should be forwarded to the UH System Vendor ID Department.

(g) a detailed description of goods or services or space (if a lease) that UHCL is procuring or providing (if a revenue-generating contract) or the arrangements for an affiliation/practicum site for a clinical program;
(h) the start date for the contract; and
(i) the expiration date for the contract.

Amendments. If you need to amend a contract, in addition to the amendment you are submitting for processing, you will need to attach a copy of (a) the original contract, and (b) all prior amendments, if any. The amendment form is available from the Contract Forms page. **The amendment must be processed within the timeframe of the original contract: i.e., a contract must be amended before it expires.**

Amendment -- Authorized Signatories: The authorized representatives of the University include the President, Provost or Vice President of Administration and Finance. The Contractor who signed the original contract must also sign the amendment. Amendments must be processed in the same manner as the original contract as required by appropriate University policy.

**STEP 2: PROPER CONTRACT FORM**

**Standard Form of Agreements:** If needed, consult with the Office of Contract Administration to select the proper agreement form that is suitable for the transaction. The Office of General Counsel has certified certain agreements as "standard contracts." These forms are available on the Contract Forms page.

**Other Contracts:** If the Contractor wishes to use their contract form for a transaction, contact the Contract Administrator at (281) 283-2150. Their contract form will be considered a non-standard contract by UHCL Contract Administration and must be submitted by the Contract Administrator to the Office of General Counsel for legal review. The unsigned agreement should be submitted to the Contract Administrator along with the completed OGC coversheet (available on the Contract Forms page) so that it can be submitted for legal review.

**STEP 3: COMPLETING THE CONTRACT**

**Completed Contract.** Fill in the contract by typing information necessary to complete the contract. If the contract form does not have an **Alternative Dispute Resolution (ADR)** provision, you will need to complete and submit an Alternative Dispute Resolution form (available on the Contract Forms page). The following certifications must also be considered with the use of contracts in which University resources are spent:

1. **Child Support Certification.** The Texas Family Code requires all contracts to contain a certification that the Contractor is either (i) not in arrears in paying child support, or (ii) is in compliance with a written repayment agreement as to any written debt. Code Section 231.006(d) applies to all individuals and business entities who enter into contracts to provide property, materials, or services paid from state funds.

2. **Corporate Franchise Tax Certification.** All contracts must contain a certification that the Contractor is not delinquent in the payment of State of Texas corporate franchise tax, or state that the Contractor is not subject to the tax. If the Contractor’s statement is false, the University is entitled to terminate the contract.

The ADR provision and the child support and corporate franchise tax certifications are contained within all standard agreements available on the Contract Forms page. If you are not using one of the UHCL standard agreements, they will be added during the legal review of the non-standard agreement.

The authorized UHCL signatory for the contract will also be the authorized signatory for all contract addenda such as the ADR form.

**Handwritten Information.** Do not submit contracts or forms that contain handwritten information. A contract is a legal document; therefore, only the parties' signatures should be handwritten.

**Statement of Services.** The Statement of Services should be detailed enough so that all parties to the contract know exactly what is expected. If attaching a lengthy statement of services to the contract as an addendum, **a short description of services must be given on page one of the contract.**
**Start Date for Services.** 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.

**STEP 4: SIGNATURES ON THE CONTRACT**

**Signatures.** No person has the authority to bind the University contractually except in the accordance with Board of Regent, UHS and UHCL 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 UHCL Contract Policies and Procedures and the delegated authority of University officials set forth in those policies.

**Revenue Generating Contracts.** Because of the potential tax liability, contracts generating revenue to the University will need to be approved and signed by University officials as per appropriate contracting policy.

**STEP 5: PROCESSING CONTRACTS**

After all necessary approvals, addenda, certifications and signatures of Contractor and University officials have been obtained, send the following to the Contract Administration office:

1. One (1) original of the contract;
2. One (1) original of the Alternative Dispute Resolution form unless the contract itself includes the ADR provision;
3. One (1) original of all other certifications and/or contract addenda that are required for processing the contract as discussed in this Guide;
4. One (1) original of the Independent Contractor Eligibility Questionnaire (ICEQ) form, if needed (for individuals using a social security number as their taxpayer identification).
5. An electronic contract can be accepted as an original if it is legible. **Contract Administration will reject any document that is not considered legible.** A scan at 600 dpi or a fax at a superfine resolution is recommended.

These documents can be sent to UHCL Box 137. They may also be delivered to the Contract Administration office which is located in the North Office Annex II (NOA II).

**Receipt by Contract Administration:** When the documents are received by Contract Administration, they will be date and time stamped. Verification will be made to determine that all documents have been received, all required signatures have been obtained for approval, and reporting guidelines followed. After a contract number has been assigned to the contract, the Contract Administrator will keep the signed contract with original signatures and will email the contract number to the initiator or the appropriate business assistant. The Business Coordinator will be copied on that email.

**STEP 6: PROCESSING TIME FRAMES**

**Standard, Non-Standard Contracts.** Although the Contract Administration office can expedite processing of a contract, you should have all documents in order and submitted at least 10 business days prior to the start date for services if you are using an OGC standard form of agreement and at least two (2) months prior to the start date for services if you are using a non-standard contract.

**Contracts for More Than $25,000.** Contracts for goods or services, for which payment of more than $25,000 will be made from any funding source, must be submitted to the Contract Administration office before the contract is executed by the authorized University signatory. Notification of the procurement may be posted on the Electronic State Business Daily (ESBD) website, if a bid opportunity exists, for at least 14 calendar days prior to execution of the contract by the University official with delegated signatory authority if bid specifications are included, and at least 21 calendar days prior to execution by the University official with delegated signatory authority if bid specifications are not included. Failure to comply with these requirements renders the contract void.

**Contracts for Consulting Services.** Contracts for consulting services, for which payment of more than $25,000 will be made, must be submitted to the Contract Administration office at least six (6) weeks prior to the start date for services. Additional time is required to request approvals from the UHCL Office of the President, Governor's Budget and
Planning Office and the Legislative Budget Board and to publish a request for proposals for the consulting services in the Texas Register. Click here for Texas Government Code 2254 regarding professional and consulting services.

Contracts for which Board of Regents Approval Must Be Obtained. Your business coordinator should contact the UHCL Contract Administrator for guidance with protocols for contracts that must be approved by the Board of Regents. Refer to Board of Regents Policy 55.01. The Board of Regents approval process usually takes at least three (3) months. The Board of Regents holds four (4) regularly scheduled meetings per year. Meeting schedules can be accessed at http://www.uhsa.uh.edu/.

STEP 7: PROCESSING PAYMENTS

The originating department assumes primary responsibility for a contract from inception to completion of the transaction. The originating department is responsible for monitoring and assuring performance in accordance with provisions of the contract and for reporting non-compliance to the School/Division Business Administrator and, as appropriate, to the appropriate Vice President. The Office of Contract Administration will provide needed assistance as requested. The individual(s) responsible for ensuring that the terms and conditions of the contract are met shall sign an appropriate statement acknowledging that the Contractor has met the terms and conditions of the contract (receiving report).

1. Upon invoice and verification of satisfactory completion of the work, sign receiving report, indicate whether the payment is a "partial" or "final" payment, and attach invoice. The receiving report can be printed by following the instructions on Additional Information Related to Requisitions on the Budget Office training page under Requisition Workflow.

2. Scan signed receiving report and original invoice and email to AccountsPayable@uhcl.edu and UHCLProcurement@uhcl.edu.

3. Process an encumbrance release by scanning the encumbrance release along with the Purchase Order Status report and emailing to AccountsPayable@uhcl.edu and UHCLProcurement@uhcl.edu.

Note: Do not prepare a voucher if contract funds have been encumbered.

Note: Contracts are encumbered for the active budget year only. Departments are responsible for informing Contract Administrator on a yearly basis of encumbrance requests for multi-year contracts. The Encumbrance Form for a Contract That Spans Multiple Fiscal Years is available on the Contract Forms page. A copy of the original contract including all addenda (if any) must be submitted with this encumbrance form.