

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Operating Policy and Procedure

HSC OP: 54.02, Contracting Procedures

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to outline the procedures to be followed in the development, negotiation, and approval of all contracts and agreements, [except for research, construction and sponsored projects] for any purpose and for any amount between Texas Tech University Health Sciences Center and other parties.

REVIEW: This HSC OP will be reviewed on June 15th of each odd-numbered year (ONY) by the Director of Contracting, with recommendations for revisions forwarded to the Executive Vice President for Finance and Operations by July 1.

POLICY/PROCEDURE:

1. Approval and Execution of Contracts. No person has the authority to commit Texas Tech University Health Sciences Center, (e.g., enter into agreements) for any purpose except as authorized in [Regents' Rules, Section 07.12](#), and [HSC OP 10.11](#), "Delegation of Authority by the President."

A brief summary of the proper procedures to follow to enter into an agreement with a third party

- f. Manage the contract to ensure that TTUHSC receives the agreed consideration established in the terms of an income contract, or receives the goods and services at the agreed upon cost in an expense contract.
 - g. Monitor the contract to timely initiate amendments, renewals, and termination notices as may be required.
 - h. Address all issues concerning the contract that may arise during the term of the agreement including monitoring and enforcement of contract terms.
 - i. Monitor the income or expense amounts to ensure compliance with Section 07.12 of Regents' Rules as it relates to contracts that require approval of the Board of Regents.
3. Development of Contract.
- a. The TTUHSC department, office, or function desiring to contract with an outside party shall develop the initial contract, address possible fiscal implications, and consider any other matters which may be significant. All aspects of the contract will be the responsibility of the Contract Manager that is fully described in paragraph 2 above. The Contracting Office is available to assist in contract negotiations or questions upon request of the TTUHSC department. This procedure should begin well in advance of the effective date in order to process the contracts in a timely fashion. The responsibility for drafting the written contract will be with the Contract Manager requesting the service. See the [Contracting website](#) for Office of General Counsel approved template contracts and drafting assistance. All Contract Managers should be familiar with the Contracting Office website and tools available to assist in drafting and monitoring contracts.
 - b. Once the contract has been developed, the Contract Manager will submit the contract document into the Contracting System for review, approval, and TTUHSC authorized signature(s). The necessary departmental approvals are generated by the Contracting System, in the form of a contract routing sheet upon submission. The Contract Manager must express the total contract dollar value and annual dollar value that is the best estimate of anticipated revenue or expense on the routing sheet. Expense contracts are subject to additional procedures as shown below in paragraph 4.
 - c. The Contracting Office will review the contract in accordance with institutional policy, determine legal and/or fiscal attributes, and assign the proper signatory authority in accordance with [Regents' Rules, Section 07.12](#).
 - d. The Contracting Office will process **all** contracts to obtain final approval and TTUHSC signatures as required in Regents' Rules, Section 07.12, and return the TTUHSC executed document to the Contract Manager. Contract Managers are responsible to obtain and return a fully executed agreement to the Contracting Office. **Contract Managers are cautioned that no commitments or other action should be taken on the contract until final execution by the authorized officers or approval by the Board of Regents has been obtained.**
4. Expense Contracts
- a. When the Contract Manager has submitted a contract, a TechBuy requisition must be completed to authorize services and payment.
 - b. In the "Internal Note" section of the TechBuy requisition, it is requested that the numeric contract number be provided.
 - c. The quantity and unit must be applied as most appropriate for the terms of the contract. The dollar value of the TechBuy requisition should be provided as the best estimate of the current fiscal year anticipated expense.

- d. The TechBuy requisition will not be finalized to a purchase order until all of the required signatures have been