



Office of  
Contract Administration/  
Contract Compliance

Contract Administration Training

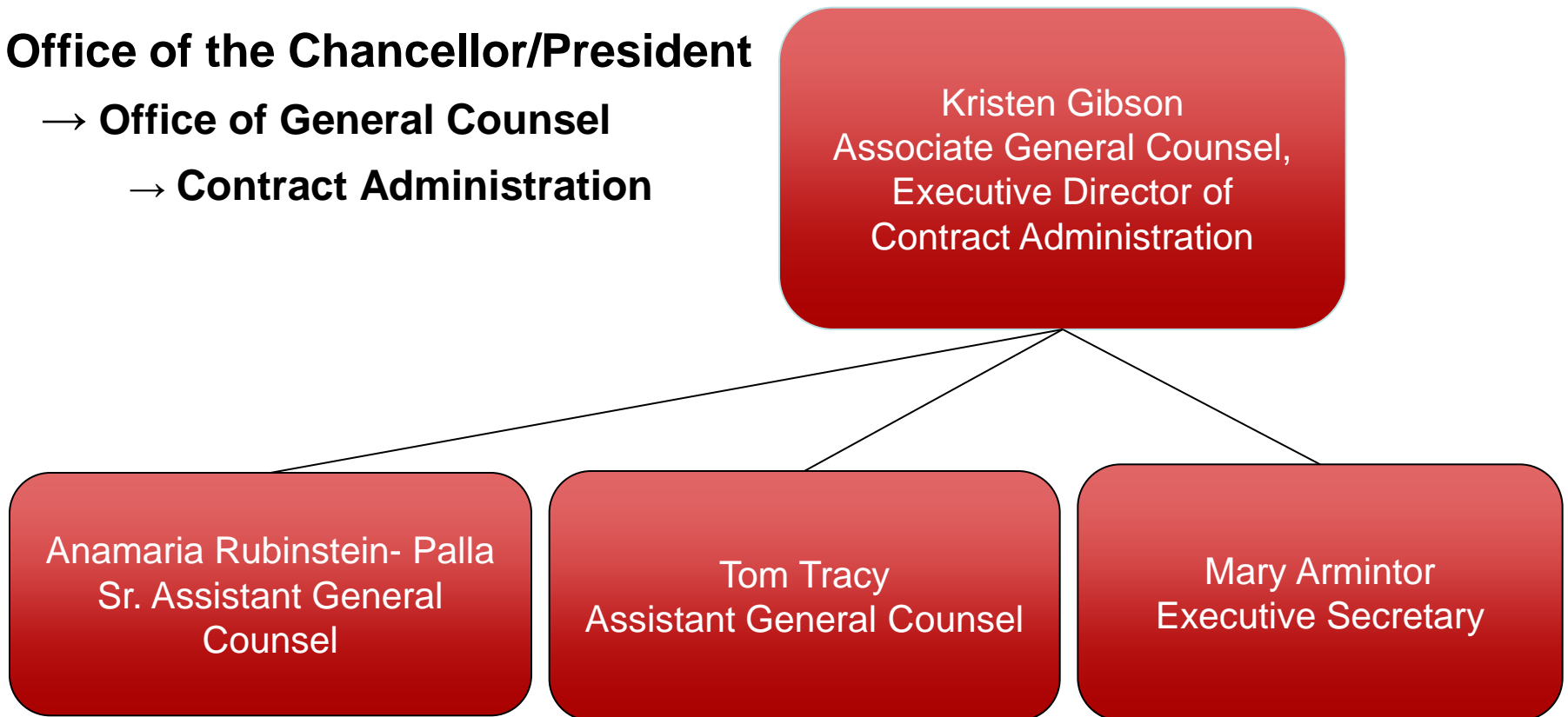
# Department Personnel

- **Kristen Gibson**
  - Associate General Counsel/Executive Director
- **Anamaria Rubinstein-Palla**
  - Sr. Assistant General Counsel
- **Tom Tracy**
  - Assistant General Counsel
- **Mary Armintor**
  - Executive Secretary

# Contract Administration Department Structure

## Organizational structure:

- Office of the Chancellor/President
  - Office of General Counsel
    - Contract Administration



# Overview of Our Responsibilities

- **Administer and Review Contracts**
  - answer contract questions
  - receive and process contracts (ensure all necessary paperwork is included)
  - review and modify contracts for legal compliance
  - route contracts for signature
- **Provide protection** to the University
  - Legal Compliance
    - Review contracts to ensure they are legally sufficient and compliant with University policies and state law
  - Proper Signature Authority
  - “Best Value” to the University
  - Maintain Contract Records
    - Both electronic and physical versions
- **Provide training** to facilitate compliance with laws and University policies
- Other business-related legal **advice** in structuring University transactions

# Our Workload

- On average, our department processes approximately 1,200 to 1,500 contracts per year
- Breakdown:
  - approximately **112** contracts per month
  - approximately **5** contracts per work day
- These agreements vary in complexity from standard agreement forms to negotiated deals taking several months to complete
- This does not include the various non-contract functions we provide (compliance, advice, training, reporting, etc.)

# Contract Approval Process

Contract approval at the University involves two primary functions:

1. Office of Contract Administration
  - ensuring that the contract complies with University requirements (SAMs, MAPPs, Board of Regent Policies, signature authority, etc.)
2. Office of General Counsel/Contract Compliance
  - ensuring that the contract is legally appropriate and compliant

# Goals for our Department

- to help ensure University complies with applicable laws and policies
- to be an ally to our clients (the various departments)
  - help accomplish mutual UH goals; we're all on the same team
- to be an educational resource
- to be timely (taking into consideration our dept. size)
- to be practical
  - how can we help make contract processes easier/more efficient?
- to be innovative

# What is Considered a Contract?

- Contract
- Agreement
- Purchase Order
- Memorandum of Understanding
- Terms and Conditions
- Letter of Intent
- License
- Ticket
- ...and more (e.g., letter, email, phone call)



# Contract Process: Overview

1. Need for services
2. Choose a contractor
3. Choose a contract
4. Submit proper documents for approval
5. Execute the contract
6. Send one fully executed contract to Contract Administration

# Contract Process (cont'd.)

## Step One: Need

1. UH Department needs to obtain a good, service, license, etc. (expense); or
2. UH Department wishes to provide a service (revenue)
  - Either way, a contract is required for this to occur
  - Exceptions to requiring a contract for a good include commonly available goods, such as office supplies (you can use a purchase requisition) or when goods are acquired through Purchase Orders (refer to MAPP 04.04.01)

# Contract Process (cont'd.)

## Step Two: Choosing a Contractor

- **Procurement Method**
  - Informal phone bids, Request for Proposal, Request for Qualification, direct negotiation, etc.
- **Basis for Best Value** (factors to consider as set forth in SAM 03.A.05, section 7.1)
  - purchase price
  - reputation of the vendor and vendor's goods/services
  - extent to which vendor's goods/services meet University's needs
  - University's past relationship with vendor
  - impact on University to comply with laws and rules relating to Historically Underutilized Businesses (HUBs) and to the procurement of goods or services for person with disabilities
  - long term cost to University
  - any other relevant factor a private entity would use in selecting a vendor
- "Best value" must be determined prior to contract execution

# Contract Process (cont'd.)

## Step Three: Choosing a Contract

### **Standard v. Nonstandard contracts**

- Must decide between standard or nonstandard form
  - We prefer our standard forms because they provide appropriate protection to the University and they have already been approved for legal sufficiency (also, generally results in a shorter review period for Contract Admin.)
- **University Standard Form**
  - Found on our UH website at:
  - <http://www.uh.edu/legal-affairs/contract-administration/contract-documents/index.php>
- **Nonstandard Form**
  - Any other form not previously designated as “standard”
  - A standard form used with substantive alterations

# Written vs. Oral Contracts

- University policies require all contracts to be written
- Be careful what you write in emails or orally state to a vendor because it is possible to enter into contracts through these means of communication
- Do not rely on another party's oral assurances that are inconsistent with the terms in the contract

# Using Standard UH Contract Forms

- Why it's important
- Our website (<http://www.uh.edu/legal-affairs/contract-administration/index.php>)



**UNIVERSITY of HOUSTON** Weather Visit Directory Maps Contact Us A-Z Index  
Search UH Google & People

HOME ABOUT ACADEMICS ADMISSIONS STUDENT LIFE RESEARCH AT UH ATHLETICS NEWS & EVENTS GIVING TO UH

UH HOME ► LEGAL AFFAIRS

## Legal Affairs

- OFFICE OF THE GENERAL COUNSEL
- OFFICE OF CONTRACT ADMINISTRATION**
- OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY / AA
- OFFICE OF INTELLECTUAL PROPERTY MANAGEMENT
- TRAINING
- FAQ
- CONTACT US



### Office of the General Counsel

The University of Houston System Office of Legal Affairs consists of the Office of the General Counsel, the Office of Contract Administration, the Office of Equal Employment Opportunity / AA, and the Office of Intellectual Property Management.

Quick Links

<b>Office of the General Counsel</b> 311 E. Cullen Bldg. Houston, TX 77204-2028 Office: (713) 743-0949 Fax: (713) 743-9179	<b>Office of Contract Administration</b> 311 E. Cullen Bldg. Houston, TX 77204-5010 Office: (713) 743-5654 Fax: (713) 743-5664	<b>Equal Employment Opportunity / AA</b> 153 Student Services Ctr 2 Houston, TX 77204-3020 Office: (713) 743-8835 Fax: (713) 743-0959	<b>Intellectual Property Management</b> 316 E. Cullen Bldg. Houston, TX 77204-2015 Office: (713) 743-9222 Fax: (713) 743-9227
--	--	---	---

# Using Standard UH Contract Forms (cont'd.)

- Why it's important
- Our website (<http://www.uh.edu/legal-affairs/contract-administration/index.php>)

The screenshot shows the University of Houston website's legal affairs section. At the top, there is a navigation bar with the university name and various utility links like Weather, Visit, Directory, Maps, Contact Us, and A-Z Index. Below this is a main navigation menu with categories like HOME, ABOUT, ACADEMICS, ADMISSIONS, STUDENT LIFE, RESEARCH AT UH, ATHLETICS, NEWS & EVENTS, and GIVING TO UH. The page title is "Legal Affairs" and the breadcrumb trail is "UH HOME > LEGAL AFFAIRS > OFFICE OF CONTRACT ADMINISTRATION".

The main content area is titled "Office of Contract Administration" and contains the following text:

Contract Administration, a department of the Office of the General Counsel, provides legal and administrative services regarding contracts and contract related issues to the University of Houston System and its component universities. Our office provides many services intended to help ensure that contracts entered into on behalf of the University comply with University policies and applicable federal and state laws and regulations. These services include developing and maintaining standard contract forms, reviewing and negotiating agreements, providing contracts training and assisting in the resolution of contract disputes.

The Contract Administration web site is primarily a resource for individuals involved with University contracts. This includes providing convenient access to relevant forms and information. If you have specific questions or comments, please contact **our office**.

Note - Although we are available to assist as needed, Contract Administration does **not** typically process:

- contracts for the procurement of goods, materials and supplies that are normally procured by component university purchasing departments or delegated to other departments in accordance with System or component university policies. See the following link for more information - [www.uh.edu/purchasing](http://www.uh.edu/purchasing); or
- contracts pertaining to Sponsored Research and/or intellectual property which are funded by grants or other external funding sources. These are processed by the University of Houston Office of Contracts and Grants (OCG) department in accordance with SAM 01.G.01 (Sponsored Research Activities). See the following link for more information - <http://www.research.uh.edu/OCG/>

On the left side of the page, there is a sidebar menu with the following items: Office of the General Counsel, Office of Contract Administration (highlighted), Policies, Signature Authority, Contract Documents (highlighted with a red arrow), Office of Equal Employment Opportunity / AA, Office of Intellectual Property Management, Training, FAQ, and Contact Us.

At the bottom of the page, there are social media icons for Twitter, Facebook, YouTube, and a copyright notice: ©2010 The University of Houston, 4800 Calhoun Road, Houston, Texas 77004. Other links include Get Driving Directions, 713.743.2255, Public Information Act, State of Texas, Institutional Résumé, MySafeCampus, and Fraud Reporting.

# Important Contract Provisions

- **Statement of Services**

- This is the essence of the contract. This is the good/service UH is purchasing or providing
- It should be as detailed as possible. If a dispute arises, a contract is only as good as what you can later prove to be the terms of the contract.
- Does the agreement adequately set forth the deliverables expected from the vendor?
- Do NOT assume the other party knows what is expected of them
- Attach a more detailed description if necessary (this will not make the contract nonstandard)

- **Payment Provisions**

- Good example:
  - “This contract is not to exceed \$10,000. Payments will be made according to detailed and specific invoices submitted by Contractor on a monthly basis. University will make payments within 31 days of receipt of such invoices.”
- Bad examples:
  - “as invoiced”
  - “payment of \$10,000”



# Contract Process (cont'd.)

## Step Four: Complete Proper Documents

- All contracts should go through your DBA. The DBA will submit the contracts to Contract Administration
- DBA may submit the hard copies of the contract or the electronic version via email.
- If applicable, submit:
  - Recommendation for Award Form
  - Alternative Dispute Resolution Form
    - Nonstandard expense contracts
  - Any attachments, exhibits, external references
    - Must read the document

# Contract Process (cont'd.)

## Submitting Documents Electronically

- We encourage departments to submit documents electronically. It streamlines the process of our office.
- We prefer to receive Word versions of any non-standard contract, but we will work from PDF documents as well.
- Your DBA may email the contract file to [contractadmin@uh.edu](mailto:contractadmin@uh.edu).

# Contract Process (cont'd.)

## What can depts. do to expedite the process?

- **Start early.** Large volumes of contracts are routed through Contract Administration. Allowing adequate time for a thorough review is extremely helpful.
- **Attach everything.** Ensure that all exhibits, appendices, addenda, and terms and conditions are all attached.
- **Complete Forms.** Ensure that the contract coversheet and other internal forms (e.g., Recommendation for Award form, if applicable) are filled out completely.
- **Review from business standpoint.** Ensure that the contract has been reviewed/approved from a business standpoint by the applicable business personnel. Please provide a memo to our department with any business terms you are concerned with or would like changed.

# Contract Process (cont'd.)

## Step Five: Execute

- We prefer the other party sign the contract first
- Confirm contract has proper UH signature authority and is signed by both parties **before** services begin
- Confirm all modifications to the contract have been initialed by both sides
- Please make sure Contract Administration is given a fully executed contract

Form No. OGC #F 2009-02

**Article 3 (Understanding of Parties)**

A. Parties understand and acknowledge that they are making a significant commitment to this collaborative effort. Accordingly, Parties agree to expend their best efforts on the design, implementation, and successful continuation of Program.

B. This MOU shall remain effective from the date of execution until the end of the term of five (5) years.

C. THE PARTIES UNDERSTAND AND ACKNOWLEDGE THAT THIS MEMORANDUM OF UNDERSTANDING WILL PROVIDE THE FOUNDATION FOR A MORE COMPREHENSIVE AGREEMENT CONCERNING THE DETAILS OF THE PROGRAM, AND THAT THIS MEMORANDUM OF UNDERSTANDING DOES NOT COMMIT THE PARTIES REGARDING THE PROGRAM.

D. Parties understand that this program must support through its activities the mission of the University of Houston System and the mission of the University, that the International program may not use the name and official seal of the University or any of its components without the written consent of the president or his/her designee, that the International program is subject to all policies and procedures of the Board of Regents and system administration, and must submit to reporting and auditing requirements as established by the system administration, including consultation with an attorney from the Office of General Counsel.

E. The Memorandum outlines the entire understanding of Parties at this time. If either Party is unable or unable to continue with plans for Program, that Party may do so by sending a written notice of intent to the other Party.

In witness whereof, the Parties have caused their fully authorized representatives to execute this Memorandum of Understanding.

**UNIVERSITY OF HOUSTON**

Signature _____	Date _____	Signature _____	Date _____
Name _____		Name _____	
Title _____		Title _____	

Signature _____	Date _____	Signature _____	Date _____
Name _____		Name _____	
Title _____		Title _____	

*Note: Execution of this Form requires approval of OGC*

# Signature Authority

- Who can bind the University contractually?
  - Only certain individuals have authority to sign University contracts
- Potential personal liability for persons signing a University contract without having appropriate signature authority.
- See:
  - Policies from Board of Regents, UH and UH System (including SAMs, MAPPs, etc.)
  - Chancellor/President Delegation

# Signature Authority (cont'd.)

- <http://www.uh.edu/president/about/delegations/index.php>

**UNIVERSITY of HOUSTON** Weather Visit Directory Maps Contact Us A-Z Index  
Search UH Google & People

HOME ABOUT ACADEMICS ADMISSIONS STUDENT LIFE RESEARCH AT UH ATHLETICS NEWS & EVENTS GIVING TO UH

UH HOME > PRESIDENT > ABOUT PRESIDENT KHATOR > DELEGATIONS OF AUTHORITY

**PRESIDENT**

- Communications from the President
- Vision and Priorities
- Administration
- About President Khator
  - Resume
  - Contact
  - Official Portraits
  - News Articles
  - Videos & Webcasts
  - Delegations of Authority**
  - Photo Gallery
- Archive
- Make a Gift to UH

Show Printable Version

## Chancellor/President's Delegations of Authority

The **Texas Legislature** has vested the organization and control of the University of Houston System (System) to the Board of Regents (Board). In the **Board's Policies**, certain authorities are conferred upon the Chancellor of the System by the Board. The Chancellor of the System serves concurrently as the President of the University of Houston (UH), the largest component of the System, under the title Chancellor/President.

The Chancellor/President may choose to delegate certain responsibilities to other senior officers/other designees, including the vice chancellors/vice presidents/General Counsel; the University Presidents; the Director of Internal Auditing; and the UH Director of Athletics; by formally delegating authority in a published form. In cases where the authority is delegated to multiple positions, the scope of that authority (with the exception of the execution of contracts as noted within the Delegations of Authority Table) extends only to the respective area of responsibility of each designee. Where needed, required administrative prerequisites will be/are being updated to comply with the information presented in the **Delegations of Authority Table**.

The Chancellor/President delegates authority as shown in the delegations of authority table below. These delegations of authority may be modified (redelegated, rescinded, determined not to be needed) only at the discretion of the Chancellor/President. All delegations are subject to and limited by (i) existing and/or future Board of Regent, University of Houston System and University policies, and (ii) approval of the Office of the General Counsel or its affiliated offices.

**RELATED LINKS**

- > Delegations of Authority Table
- > SAM
- > MAPP

# Signature Authority (cont'd.)

- Chancellor delegates authority to principal officers based on her website page
- Principal officers may further delegate their authority to other individuals at the University through delegation memos that can be found on our website
- These delegation memos must be sent to our office so that we can update our files accordingly

**UNIVERSITY of HOUSTON** Weather Visit Directory Maps Contact Us A-Z Index  
Search UH Google & People

HOME ABOUT ACADEMICS ADMISSIONS STUDENT LIFE RESEARCH AT UH ATHLETICS NEWS & EVENTS GIVING TO UH

UH HOME » LEGAL AFFAIRS » OFFICE OF CONTRACT ADMINISTRATION » SIGNATURE AUTHORITY

## Legal Affairs

Office of the General Counsel

Office of Contract Administration

- Policies
- Signature Authority**
- Contract Documents

Office of Equal Employment Opportunity / AA

Office of Intellectual Property Management

Training

FAQ

Contact Us

### Signature Authority

Only certain individuals are authorized to contractually bind the University. The Chancellor delegates signature authority to principal officers of the University through the **Chancellor's Delegation of Authority Table**. These principal officers and University signatories may further delegate signature authority through delegation memos, a copy of which must be sent to Contract Administration for its records.

- Vice Chancellor/Vice President Delegation of Authority Memorandum**
- Division and Department Delegation of Authority Memorandum

# Contract Amendments

- Once a contract has been fully executed by both parties, the only way a department should change the terms in the contract is by a written amendment
- Amendment Process
  - Coversheet, contract, etc. through same process
  - Submit one copy of the original contract and any previous amendments. We need to know exactly what is being amended.
  - Submit one contract coversheet
    - put the total contract amount on the coversheet (i.e., the amount of the original contract plus all amendments)
  - Execute by the same signatories as the original agreement unless higher signature authority is required



# Timeframe for Submitting Agreements to Contract Administration

Agreement Type:	Advance days in which agmt. should be submitted:
Standard contracts	At least 10 business days
Non-standard contracts	At least 15 business days
Consulting contracts	At least 30 business days
Contracts requiring Chancellor/President signature	Add an additional 7-10 business days to above timeframes
Contracts requiring Board of Regents approval	At least 60 calendar days
* Special rules apply for certain agreement types (such as consulting agreements, leases, etc.).	

# 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
- see contract Cover Sheet, which states:
  - “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, tax, charges, insurance, and confidentiality requirements) and all other provisions of this contract, **except as noted in any attached memorandum**..... 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.”

## Legal decisions –

- Contract Administration reviews contracts to ensure compliance with the law and University policy

# Consulting Agreements

- “Consulting service” means the service of studying or advising a state agency under a contract that does not involve the traditional relationship of employer and employee. Texas Government Code 2254.021(1)
- The first step is determining whether a service is truly consulting. Please contact our office before making this determination.
- Timing – start early (at least 30 days in advance)

# Professional Services Agreements

- Professional services include services directly related to: Accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising; or professional nursing
- Contracts for these services should not be awarded based on competitive bids, but on qualifications and for a fair and reasonable price
- Report to LBB if services over \$14,000

# Revenue Agreements

- **Revenue agreements**
  - Currently, all revenue agreements need to be submitted to our office for tax reporting purposes
  - Standard revenue contracts under \$25,000 can be executed and acted upon before being sent to Contract Administration
  - All other revenue agreements need to first be approved by Contract Administration before execution

# Historically Underutilized Businesses (HUBS)

- Resources: Texas Gov't Code Chapter 2161, MAPP 04.01.08, SAM 03.B.02; BOR Policy 55.04
- The University encourages all vendors to participate in procurement sought by the University
- In certain circumstances there may be specific procedures that should be followed when encouraging HUB participation

# Standard Contract Addendum

- It is a two page document that can be attached to most non-standard agreements under \$25,000. It must be signed by both parties along with the contract
- It addresses many of the substantive legal topics our office looks to include in contracts
- Then the contract can be treated as if it were a UH standard contract under \$25,000. Follow same procedures.

# Requests for Proposals

- **Requests for Proposals (“RFPs”)**
  - Purchasing Department will handle a majority of these issues
  - Contract Administration strongly encourages competitive bidding in order to obtain best value.
  - Purchasing has a standard template to complete. When completing the template please provide a detailed statement of services and compensation section as possible. Otherwise, you may end up comparing apples to oranges. Our office can advise in this regard if necessary.
  - Please submit the RFP to Purchasing as early as possible because the process may take several weeks
  - Then a contract usually needs to be negotiated with the selected vendor



# Leases

- All leases must be approved by Contract Administration
- When the University is the lessee there is a specific process involved in choosing space
- Certain terms and conditions must be included in the contract
- Contact Contract Administration as early in the process as possible
- Signature authority, state reporting requirements, etc.

# Consequences of Not Following Procedures

- Potential personal liability - Any individual executing a contract on behalf of a state agency without authority to do so may be personally liable for damages flowing from repudiation of the contract. Thomas, Richardson Runden & Co., Inc. v. State of Texas
- Delayed turnaround time - Contracts submitted without proper documents will be held up until necessary paperwork is submitted
- Internal Audits by University
  - May reveal improper RFAs, improper signature authority, etc.
- External Audits
  - State Auditor's Office will audit UH departments on a random basis and publish reports based on its findings

# Important Takeaways

- 1 – carefully read and understand the obligations in the contract; does the contract reflect the intent of the department as to all provisions?
- 2 – contracts must be fully-executed before the parties perform any duties set forth in the contract
- 3 – contracts must be in writing and signed in accordance with UH signature authority
- 4 – when one exists, use UH standard contract forms (downloaded from the Contract Admin. website, not from your computer)

# Important Takeaways (cont'd.)

- 5 – follow contract processing timeframe requirements (avoid “emergencies”)
- 6 – unless exceptions apply, do not fully execute a contract until after the contract has been reviewed/approved by Contract Administration
- 7 – consulting agreements are subject to very specific processes and timeframes
- 8 – if you have any questions/concerns about contracts, first contact your Department Business Administrator, then Contract Administration
- 9 – the person originating the contract on behalf of UH is responsible for the contract from beginning to end

# Conclusion/Contact Info.

Office of  
Contract Administration/Contract Compliance  
University of Houston  
311 Ezekiel Cullen  
(UH mail code: 5010)  
713-743-5654

<http://www.uh.edu/legal-affairs/contract-administration/index.php>