



MIDWESTERN STATE UNIVERSITY

Operating Policies & Procedures Manual

University Operating Policy/Procedure (OP)

OP 30.01: Approval and Execution of University Contracts

Approval Authority:	President
Policy Type:	University Operating Policy and Procedure
Policy Owner:	Vice President for Administration and Finance
Responsible Office:	Director of Purchasing and Contract Management
Next Scheduled Review:	09/01/2025 (This OP will be reviewed in September of every odd year, or as needed, by the MSU Director of Purchasing and Contract Management with recommended revisions forwarded through the Vice President for Administration and Finance to the President.)

I. Policy Statement/Purposes

Midwestern State University (“MSU” or “University”) is a component institution of the Texas Tech University System (“System” or “TTUS”). The purposes of this Operating Policy/Procedure (OP) are to: (1) outline the policy/procedures to be followed in the development, negotiation, approval, and execution of all contracts between MSU and other parties; (2) establish consistent guidance for managing performance and/or compliance with contract requirements throughout the term of the contract; and (3) comply with applicable federal/state statutes and regulations and TTUS *Regents’ Rules* and Regulations. Contract administration has an essential role in the procurement process and helps ensure the University is obtaining the best value.

II. Application of Policy

- A. This policy will apply to all contracts for the initial periods, amendments, and extensions, except for construction contracts processed through the TTUS Office of Facilities Planning and Construction.
- B. No staff, faculty, student, or agent has the authority to commit MSU or the TTUS for any purpose (i.e., enter into contracts) except as authorized in [Section 07.12, TTUS Regents’ Rules](#) and this OP. A contract that is not approved or executed (signed) in accordance with this OP is void. An individual executing a contract on behalf of a state agency, without the authority to do so, may be personally liable for damages flowing from repudiation of the contract. See [Thomas, Richardson, Runden & Company, Inc. v. State of Texas, 683 S.W.2d 100](#) (Tex. App. - Tyler 1985 writ refused no reversible error).

III. Definitions

For purposes of this OP:

Auxiliary Enterprise: Furnishes Goods or Services to students, faculty, staff and the general public for a fee, and are managed as a self-supporting activity. Examples include, but are not limited to: residence halls, food services, intercollegiate athletics, and college stores.

Consulting Services: The Services of studying and advising an Institution per [Texas Government Code § 2254.021](#). Consulting Services must be approved by the TTUS Board of Regents per [TTUS Regents' Rules Chapter 07](#). See also Sections IV.C.7.b and IV.D.1.i of this OP. An individual or firm that provides these Consulting Services to MSU and does not involve the traditional relationship of employer and employee will be defined as a Consultant.

Contract: A legally binding written agreement executed between MSU and a third party in which the parties agree to perform in accordance with the obligations therein. Contracts include, but are not limited to, letter agreements, cooperative agreements, memorandums of understanding (MOU), interagency contracts, grants, loans, easements, licenses, leases, permits and restrictions on acceptances of gifts and bequests. Other parties includes, but are not limited to federal, state and local agencies, nonprofit organizations, private businesses, corporations, limited liability entities, partnerships, and individuals. [TTUS Regents' Rules Chapter 07](#). Component institutions may require formal review and signature on other related legal documents (e.g., Non-disclosure agreements).

Contract Administration: Following the award of a contract, the department-level actions to oversee full compliance with all of the terms and conditions contained within a contract.

Contract Administrator (CA): The Contract Administrator is the department-level individual responsible for adherence to all provisions contained within a Contract and for managing the performance of a Contract.

Contract Close-out: The process conducted at the completion of the Contract during which the Contract Administrator confirms and documents compliance with the terms and conditions of the Contract, final Deliverables are received, and outstanding payments are made.

Contract Management: The complete contracting process from planning through contract administration and concluding with contract close-out.

Contract Manager (CM): A person who: (A) is employed by a state agency; and (B) has significant Contract Management duties for the state agency, as determined by the agency in consultation with the state auditor ([Texas Government Code §2262.001\(3\)](#)). This is the MSU Purchasing and Contract Administration Office representative.

Contractor: An individual or legal entity that has a Contract to provide Goods or Services to MSU. A Contractor includes, but is not limited to, federal, state, and local agencies; nonprofit organizations; private businesses; corporations; partnerships; and individuals. Used interchangeably with the term "Vendor."

Deliverable: A unit or increment of work required by the Contract, including such items as Goods, Services, reports, or documentation.

Department: The college, unit, division, or office within MSU requesting a contract.

Goods: Supplies, materials, or equipment as defined in [Texas Government Code § 2155.001](#). Goods do not include Services or real property.

Historically Underutilized Business (HUB): A for-profit entity with its principal place of business in the State of Texas that is at least 51% owned by a Black American, Hispanic American, woman, Asian Pacific American, Native American, or disabled veteran as defined in [Texas Government Code § 2161.001](#). See also [Texas Comptroller HUB website](#).

Office of General Counsel (OGC): Serves as legal counsel for the Texas Tech University System and includes the MSU Office of General Counsel which provides legal counsel to the MSU administration on a variety of issues encompassing multiple areas of law including litigation, compliance obligations, employment matters, student issues, policy matters, real estate, and contracts.

Procurement (Procure): Purchasing, renting, leasing, or otherwise acquiring any Goods or Services, including all functions that pertain to the acquisition through Contract Close-out.

Proprietary Purchase (or sole source): Is justified only when an equivalent Good or Service is not available or not suitable. A written justification must be provided by the originating department when a Specification requirement limits consideration to one Contractor, one unique Good(s), or one Service provider, and the amount of the purchase exceeds the informal Bid threshold at MSU. Price and personal preferences are not acceptable as determining factors. The MSU Purchasing and Contract Management Office reserves the right to require additional quotes or Bids for a Proprietary Purchase.

Purchase Order: A legal document issued to a contractor that formalizes the terms and conditions of any purchase of goods and services.

Respondent: An individual or legal entity submitting a Response to a Solicitation.

Service(s): The furnishing of labor, time, and effort by a Contractor or Auxiliary Enterprise, which may involve to a lesser degree, the delivery or supply of Goods.

Specification(s): Description of the requirements for Goods or Services, including the Scope of Work, to be fulfilled by a Contractor.

Scope of Work (SOW): A detailed, written description of the conceptual requirements contained within the Specifications.

Solicitation: A purpose of gathering information or entering into a Contract.

Vendor: An individual or business or governmental entity that has a Contract to provide Goods or Services to an Institution. Used interchangeably with the term “Contractor.”

IV. Policy/Procedure

A. Training

1. MSU officers and employees authorized to execute contracts for the University or to exercise discretion in awarding contracts, are required to receive training, including training in ethics, selection of appropriate procurement methods, and information resources purchasing technologies. [Texas Education Code § 51.9337\(b\)\(5\)](#) and [Texas Government Code § 656.051\(c\)](#). [Texas Government Code § 656.052](#) outlines information pertaining to the training and certification of managers. However, this section explicitly does not apply to institutions of higher education. As such, the training and certification outlined under this section (656.052) is not required. MSU, in evaluating its own unique contract needs, voluntarily chooses to require its procurement personnel to participate in the Comptroller-administered training and certification program(s) or to develop their own unique program(s) specific to their needs.
2. It is the individual officer's or employee's responsibility to comply with the training requirements. The Comptroller has established and administers a system of training, continuing education, and certification for institutional purchasing personnel. Institutional purchasers and contract management personnel must receive training to the extent required by the Comptroller under [Texas Government Code § 656.051](#). Such employee who is required to receive training may not participate in MSU purchases unless the employee has received the required training or received equivalent training from a national association recognized by the Comptroller. [Texas Government Code § 656.051](#).
3. In accordance with [Texas Education Code § 51.9337](#) and [TTUS Regents' Rule 07.12.1.h](#), MSU and TTUS officers and employees authorized to execute contracts on behalf of MSU or TTUS or to exercise discretion in awarding contracts are required to receive training, including training in ethics, selection of appropriate procurement methods, and information resources procurement technologies.

Training is required for faculty and staff who:

- a. Have contract signature authority, which is delegated by the [TTUS Regents' Rules](#) as outlined in this OP;
- b. Are assigned a financial manager role; and
- c. Are delegated signature authority.

Faculty and staff are responsible for ensuring that the required training is completed every year. An e-mail notification will be sent out when the training is due and timely completion of the training monitored by MSU's Human Resources Department in conjunction with the Purchasing and Contract Management Office. For any questions relating to the mandatory training, please e-mail contracts@msutexas.edu. Employees who do not comply with this training requirement are subject to disciplinary action.

B. Ethical Standards and Policies

1. General

[Texas Education Code §51.9337\(b\)](#) requires the TTUS Board of Regents to establish a code of ethics for institutional officers and employees, including provisions governing authority to execute contracts or exercise discretion in awarding contracts. For further information, refer to TTUS *Regents' Rules Chapter 02* and *Chapter 03* and [MSU Operating Policies and Procedures](#) (listed below).

TTUS and MSU personnel involved with procurement must adhere to the highest level of professionalism in discharging their official duties. The nature of procurement functions makes it critical that everyone in the process remain independent and free from the perception of impropriety. Any erosion of public trust or any shadow of impropriety is detrimental to the integrity of the process. Consequently, the credibility of a procurement program requires the establishment of a clear set of guidelines and rules. Such guidelines and rules are designed to prevent actual and potential contractors from influencing State agency employees or officials in discharging their official duties. Furthermore, these guidelines and rules will help prevent the System or MSU employees' or officials' independent judgment from being compromised.

2. Conflicts – Rules and Policies

MSU is required to have policies governing conflicts of interest, conflicts of commitment, and outside activities ensuring that the primary responsibility of officers and employees is to accomplish the duties and responsibilities assigned to that position. [Texas Education Code § 51.9337\(c\)\(2\)](#).

Following are links to TTUS *Regents' Rules* and Regulations and MSU institutional operating policies and procedures (OPs) related to conflict policies and ethical standards:

Texas Tech University System:

[Regents' Rules](#)

[System Regulation 01.05 Ethical Conduct and Required Training](#)

Midwestern State University:

[OP 02.40](#) *Conflict of Commitment, and Outside Employment and Activities*

[OP 02.42](#) *Institutional Compliance and Ethics Program*

[OP 52.20](#) *Ethics Policy for Employees of Midwestern State University*

3. Ethics Training

See above Section IV.A (Training) of this OP and. [Texas Government Code § 656.051](#)

4. Standards of Conduct of Officers and Employees

As State officers or employees, each System and Institutional officer or employee is expected to comply with the applicable ethical standards and policies, as well as all federal, State, and local laws, as the officer or employee will be subject to disciplinary action for a violation of those laws. [Texas Education Code §](#)

[51.9337\(c\)\(1\)](#). A violation by an officer or employee may subject the individual to disciplinary action and any applicable civil or criminal penalty if the violation constitutes a violation of another Statute or rule.

In accordance with [Texas Government Code Chapter 572, Subchapter C, § 572.051](#), Standards of Conduct and Conflict of Interest Provisions, a State officer or employee shall not:

- a. Accept or solicit any gift, favor, or service that might reasonably tend to influence the officer or employee in the discharge of official duties or that the officer or employee knows or should know is being offered with the intent to influence the officer's or employee's official conduct;
- b. Accept other employment or engage in a business or professional activity that the officer or employee might reasonably expect would require or induce the officer or employee to disclose confidential information acquired by reason of the officer's or employee's position;
- c. Accept other employment or compensation that could reasonably be expected to impair the officer's or employee's independence of judgment in the performance of the officer's or employee's official duties;
- d. Make personal investments or engage in other activities, including having a direct or indirect financial or other interest, engaging in a business transaction or professional activity, or incurring any obligation that could reasonably be expected to create a substantial conflict with the proper discharge of the officer's or employee's duties related to the public interest;
- e. Intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised their official powers or performed official duties in favor of another; or
- f. Act as an agent for another person or entity in the negotiation of the terms of an agreement relating to the provision of money, services, or property to the TTUS or MSU.

5. Ethical Behavior

In accordance with [TTUS Regents' Rule 03.01.2](#), officers and employees shall:

- a. Obey all federal, state, and local laws or be subject to disciplinary action for a violation of those laws;
- b. Put forth honest effort in the performance of their duties;
- c. Not make unauthorized commitments or promises of any kind purporting to bind TTUS or MSU;
- d. Not use their public office for private gain;
- e. Act impartially and not give preferential treatment to any private or public organization or individual;
- f. Protect and conserve public property, including all MSU resources, and not use it for anything other than authorized activities;

- g. Promptly disclose waste, fraud, abuse, and corruption to appropriate authorities;
 - h. Adhere to all laws, regulations, and policies that provide equal opportunity for all persons regardless of sex, sexual orientation, gender identity, gender expression, race, national origin, religion, age, disability, status as a covered veteran, genetic information, or other legally protected categories, classes, or characteristics;
 - i. Endeavor to avoid any action(s) that would create the appearance that they are violating the law or the ethical standards of TTUS;
 - j. If involved in procurement for TTUS, disclose to TTUS in the manner prescribed by the MSU Operating Policy any actual or potential conflict(s) of interest that is known by the employee or official with respect to any contract with a private vendor or bid for the purchase of goods or services from a private vendor by TTUS at any time during: (i) the procurement process, from the initial request for bids for the purchase of goods or services from the private vendor until the completed final delivery of the goods or services; or (ii) the term of the contract with a private vendor; however, for a contract for the purchase of goods or services solicited through a purchase order, this subsection only applies if the amount of the purchase order exceeds \$25,000; and
 - k. Participate in regular training concerning ethical standards and policies of TTUS.
6. Disclosure of Potential Conflicts by MSU Officials and Employees; Prohibited Contracts
- a. MSU Procurement of Goods or Services is subject to [Texas Government Code, Chapter 2261, Subchapter F - Ethics, Reporting, and Approval Requirements for Certain Contracts](#), which also applies to related contracts and contract management activities. MSU employees and officials involved in procurement for MSU must disclose to MSU, as required by State law, [TTUS Regents' Rules and Regulations](#), [MSU Operating Policies and Procedures](#) or other applicable policies, any potential conflict of interest that is known by the employee or official with respect to any contract or purchase of goods or services from a contractor by MSU. [Texas Government Code § 2261.252\(a\)](#).
 - b. Under [Texas Government Code § 2261.252\(b\)](#), if any of the following MSU employees or officials or certain family members of employees or officials have a financial interest in a private vendor, MSU as a State agency is unable to enter into a contract for the purchase of goods or services with the person:
 - (1) a member of the agency's governing body (i.e. TTUS Board of Regents);
 - (2) the governing official (i.e., the TTUS Chancellor), executive director (i.e., the MSU President), general counsel (i.e. Vice Chancellor and General Counsel; MSU General Counsel), MSU Chief Procurement Officer, or procurement director of the agency (i.e., MSU); or
 - (3) a family member related to an employee or official described by (a) or (b) within the second degree by affinity or consanguinity.

There is a financial interest under [Texas Government Code § 2261.252\(c\)](#), if the employee or official:

- (1) owns or controls, directly or indirectly, an ownership interest of at least one percent (1%) in the person, including the right to share in profits, proceeds, or capital gains; or
- (2) could reasonably foresee that a contract with the person could result in a financial benefit to the employee or official, or family member within the second degree of affinity or consanguinity.

See also TTUS *Regents' Rule* [07.12.2](#) (Prohibited Contracts).

- c. An e-mail notification will be sent out when the required report due and timely completion of the report is monitored by MSU's Human Resources Department in conjunction with the Purchasing and Contract Management Office. For any questions relating to the mandatory reporting, please e-mail humanresources@msutexas.edu or contracts@msutexas.edu. Employees who do not comply with this reporting requirement are subject to disciplinary action.

7. Conflict of Interest; Disclosure, Representations, and Warranties by Potential Contractors and Respondents; Employment of Current and Former Institution Employees

- a. To avoid conflicts of interest, MSU shall request all potential contractors and respondents to disclose, in their response to solicitations and during the term of any resulting contract, any actual or potential conflicts of interest in their proposed provision of goods or services or other performance under any contracts resulting from the solicitations.

When applicable, and in accordance with [Texas Government Code §§ 2252.908\(e\)-\(f\)](#), potential contractors and respondents shall submit a disclosure certificate of interested parties on the form prescribed by the Texas Ethics Commission, and MSU shall acknowledge receipt of the certificate, both of which shall be accomplished through the website available at: https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

MSU may not enter into a contract with a contractor or respondent which requires Regents' approval prior to execution or has a value of at least \$1 million without the requisite disclosures by potential contractor(s) or respondent(s). [Texas Government Code § 2252.908](#). This requirement does not apply to the following:

- (1) A contract where the governing body has properly delegated authority to execute the contract and the governing body does not participate in selecting the contractor ([Texas Ethics Commission, Chapter 46](#)); or
- (2) A sponsored research contract of MSU; an interagency contract of an MSU; or a contract related to health and human services if the value

cannot be determined at time of execution and any qualified contractor is eligible for the contract ([Texas Government Code §2252.908\(c\)](#)).

- b. In responses, potential contractors and respondents are required to:
 - (1) Represent and warrant that contractor's or respondent's provision of services or other performance under the contract will not constitute an actual or potential conflict of interest and represent and warrant that it will not reasonably create even the appearance of impropriety;
 - (2) Disclose any current or former employees who are current or former employees of MSU;
 - (3) Disclose any proposed personnel who are, or are related to, current or former employees of MSU;
 - (4) Represent and warrant that contractor or respondent has not given and will not give, at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of MSU in connection with the solicitation or any resulting contract; and
 - (5) Verify that it or any of its principals (including, but not limited to, an owner, proprietor, sole or majority shareholder, director, president, or managing partner) are not debarred, suspended, or otherwise excluded from doing business with TTUS or any of its component institutions. MSU shall also verify that an entity or principals are not debarred, suspended, or otherwise excluded to confirm that no contracts are awarded, extended, or renewed.

8. Contracts with Former or Retired Employees

The following restrictions also apply to potential contractors and respondents:

- a. [Texas Government Code § 2252.901](#), Contracts with Former or Retired Agency Employees. MSU may not enter into an employment contract, a professional services contract, or consulting services contract with a former or retired employee before the first anniversary of the last date on which the individual was employed by MSU **if appropriated funds** are used to make payments under the contract. Such contracts may be made with an employer of a former or retired employee within one year if the individual does not perform services on procurements or projects on which the individual worked while employed by the institution.
- b. [Texas Government Code § 2254.033](#), Restriction on Former Employees of a State Agency. An individual who offers to provide consulting services to MSU and who was employed by MSU or another State agency at any time during the prior two years shall disclose in the offer the nature of previous employment, the date employment was terminated, and annual rate of compensation for the employment at the time of termination.
- c. [Texas Government Code § 572.069](#), Certain Employment for former State Officer or Employee Restricted. A former State officer or employee of a State

agency who during the period of State service or employment participated on behalf of a State agency in a procurement or contract negotiation involving a person may not accept employment from that person before the second anniversary of the date the contract is signed or the procurement is terminated or withdrawn.

9. Nepotism: State Auditor's Office Disclosure Statement for Procurement Personnel

In accordance with [Texas Government Code § 2262.004](#), before MSU may award a major contract, defined as a contract with a value of at least \$1 million, for the purchase of goods or services to a business entity, each of MSU's procurement personnel working on the contract must submit a completed disclosure statement to the administrative head of the state agency or their designee. Procurement personnel must disclose, on the form prescribed by the State Auditor's Office, any relationship about which the procurement personnel is aware with an employee, a partner, a major stockholder, a paid consultant with a contract with the business entity the value of which exceeds \$25,000, or other owner of the business entity that is within the degree of kinship described by [Texas Government Code § 573.002](#).

C. General Guidelines for Processing Contracts

1. Purpose

- a. MSU contracts for goods and services to advance its mission, duties, and obligations as a component institution of TTUS and a Texas institution of higher education. TTUS and MSU are committed to compliance with all State and local laws, regulations, and rules applicable to contracting.
- b. Written contracts shall be executed whenever MSU enters into a binding agreement with another party that involves any material consideration. The written contract requirement may be satisfied by a formal purchase order as determined by MSU's chief fiscal officer or her/his designee.

2. Contract Management Handbook

- a. All contracts are subject to the requirements detailed in the Contract Management Handbook adopted by the TTUS, which may be accessed here: [TTUS Contract Management Handbook](#). Pursuant to TTUS *Regents' Rules*, in the event there is a conflict with language in the Handbook, applicable federal or state statutes or regulations shall prevail, followed by [TTUS Regents' Rules and Regulations](#), [MSU Operating Policies and Procedures](#), and the Handbook.
- b. In accordance with [TTUS Regents' Rule 07.12.1.g](#), the University's Purchasing and Contract Management Office, working together with the MSU General Counsel, must ensure the following contract review procedures, including a contract review checklist, for all MSU contracts:

- (1) All contracts are in writing and in the name of the University (not in the name of a department or an individual);
 - (2) Contracts comply with applicable federal and state law and regulations (including state purchasing requirements), and applicable [TTUS Regents' Rules and Regulations](#), [University policies and procedures](#), and the [TTUS Contract Management Handbook](#)
 - (3) Contracts are properly reviewed and approved prior to being signed by a person with delegated authority and evidenced by a properly completed Contract Routing Sheet;
 - (4) Contracts are properly maintained in accordance with the University's records management policy and records retention schedule and all state reporting requirements are completed in a timely manner and proper form;
 - (5) Contracts are monitored to ensure proper execution and performance; and
 - (6) The contract review procedures will be annually assessed and identified improvements implemented.
- c. The contract review procedures shall also apply to any amendment, alteration, change, change order, correction, extension, modification, or renewal of a signed contract.
3. Role of the Contract Originating Department
- a. The department originating the contract shall be fully responsible for the origination, management, and funding of its requested contracts as set forth in [System Regents' Rules and Regulations](#), and [MSU operating policies and procedures](#). This includes reading, analyzing, as necessary each contract before it is submitted to the MSU Purchasing and Contract Management Office to ensure that it accurately reflects the parties' responsibilities, contains all necessary terms and conditions, accurately and fully reflects the proposed academic or business arrangement, and that the department is able to comply with all contract requirements.
 - b. The Department Requesting Procurement of Goods or Services Shall First Review the Following Operating Policies/Procedures (OPs):
 - Conflict of Interest and Commitment, [OP 02.40](#)
 - Consultants, [OP 30.03](#)
 - Professional Services, [OP 30.04](#)
 - Historically Underutilized Businesses, [OP 54.03](#)
 - Purchase of Goods and Services, [OP 54.01](#)

A [contract process flowchart](#) is provided for guidance. Please contact the Purchasing and Contract Management Office for assistance.
 - c. OGC promulgates contracting forms and templates for use by TTUS and component institutions are available on the [OGC Website](#). In addition, the

OGC website contains contract provisions which may be incorporated by reference into form contracts. To the extent possible, the current version of all OGC-approved forms should be used, without revision, except as to: (1) scope of the goods to be purchased or services to be provided, (2) business terms, and (3) vendor information. Any revision to any substantive legal term of an OGC-approved form must be approved by OGC prior to execution of the contract.

Use the OGC-approved templates available from the Purchasing and Contract Management Office:

(1) Clinical and Affiliation Contracts:

- For student internship agreements, use: *Institutional Affiliation Agreement Student Internship* template
- For clinical agreements, use: *Combined Clinical (PT & Nursing)* template
- For teaching affiliation agreements, use: *Field Placement Interagency Affiliation Agreement* template
- For clinical and affiliation agreements, use: *Clinical and Affiliation Contract Routing Sheet*

(2) General and Professional Contracts:

- For guest speakers, guest lecturers, or performing artists who are not covered under a performing agency contract, please use one of the following templates:
 - If the total fee is \$500 or less, use: *University Notice \$500 and Under* template
 - If MSU is only paying for travel, use: *University Notice Travel Only* template
 - If the total fee is over \$500, use: *University Contract* template
- For guest speakers, guest lecturers, or performing artists covered under an agency contract, submit the agency contract and technical rider, if applicable, to contracts@msutexas.edu. A *Performance Presentation Addendum* may be required.
- Use the *Professional Consulting Services Contract* template to develop contracts for consulting or other services.
- If it is necessary to amend a signed contract, complete the *Contract Amendment* template and complete a [Contract Routing Sheet](#), then send to: contracts@msutexas.edu.

Contact the Purchasing and Contract Management Office if you have questions or need assistance with developing or amending contracts.

d. Department Responsibilities Prior to Submitting Contracts to Purchasing and Contract Management Office:

Departments must ensure that MSU operating policies and procedures are followed prior to submitting contracts to the Contracting Office:

- (1) Departments requesting to enter into a contract must first determine what type of procurement is required and if other vendor quotes are necessary according to [Purchase of Good and Services, OP 54.01](#) (see [Contract Process Flowchart](#)). The Purchasing and Contract Management Office will assist departments with determining required competitive bidding.
 - (2) Departments are responsible for ensuring that funding is available and allowable (see [Allowable – Non-allowable Expenditures](#) list) for expense contracts. The department's purchase requisitioner will create an online requisition for financial managers to approve and attach the contract documents in Banner for departments to view. Procurement must be secured prior to commencement of services or receipt of goods.
 - (3) Departments must assign a contract administrator to each contract. Contract administrator's responsibilities are outlined below in Section IV.G - Departmental Responsibilities as Contract Administrator (CA).
 - (4) Contract administrators are responsible for ensuring that all expenditure and revenue transactions are in compliance with MSU operating policies and the requirements of each contract.
- e. Contract Submission to the Purchasing and Contract Management Office:
- (1) If possible, please initiate contract requests at least six (6) weeks prior to the start date of the Contract to allow ample time for review and approval.
 - (2) If a vendor contract is received, please e-mail it to contracts@msutexas.edu and complete the [MSU Contract Routing Sheet](#). The Purchasing and Contract Management Office will review the contract and negotiate terms with the vendor, then notify the department of any changes.
 - (3) For all non-template contracts, the Purchasing and Contract Management Office will require vendors to sign the *Contract Dispute Resolution* form or the [Contract Addendum](#) template, depending on the vendor contract terms and conditions.
 - (4) All vendors and individuals doing business with MSU must have a signed W-9 on file in order to process a purchase order and related payment. The Purchasing and Contract Management Office will request vendors and individuals to complete the [W-9 Form](#) if a W-9 has not been completed within the last 18 months.
 - (5) Departments using an approved contract template must follow the template instructions and email it to contracts@msutexas.edu for approval.
 - (6) The Purchasing and Contract Management Office will route all contracts and amendments that involve information technology components or services to the Office of Information Technology (IT) for review and approval.

- (7) Do not sign a contract unless it has been reviewed and approved by the Purchasing and Contract Management Office and, if required, by OGC.

4. Procurement and Contracting Guidelines

- a. Prior to submitting any contract to OGC for review, the proposed transaction must go through all applicable procurement and contracting requirements required by applicable law as well as TTUS and MSU policies and contracting offices, including the requirements that state agencies and institutions of higher education use E-Verify, and state contractors and subcontractors enroll in E-Verify to qualify for public contracts. Review by OGC does not limit or waive the requirements of MSU's operating policies and procedures, including but not limited to review, revision, and/or approval by MSU's contracting office.
- b. MSU's HUB coordinator shall:
- (1) Coordinate training programs to recruit HUBs and to assist HUBs in conducting business with TTUS and its component institutions;
 - (2) Report required information to the Office of the State Comptroller;
 - (3) Match HUBs with key TTUS staff to ensure that HUBs interact with the appropriate personnel of TTUS; and
 - (4) Make a good faith effort to increase the award of goods and service contracts to HUBs in accordance with state statutes and the promulgated rules of the Office of the State Comptroller.

See [Section 07.13, TTUS Regents' Rules \(HUBs\)](#).

- c. Insurance requirements for vendors contracting with TTUS and its component institutions are set by the System Office of Risk Management, and can be found [here](#). Any changes to insurance requirements other than professional liability insurance requirements must be approved by MSU's contracting office in consultation with the TTUS [Office of Risk Management](#). Changes to insurance requirements other than professional liability insurance requirements in OGC-approved forms do not require OGC review if such changes are reviewed and approved by the Office of Risk Management. Any changes to professional liability insurance requirements must be approved by OGC.
- d. The department/unit requesting the Goods or Services in consultation with the Purchasing and Contract Management Office shall determine if a competitive solicitation is required. See [OP 54.01, Purchase of Good and Services](#).
- e. For Contracts that require an expenditure, the department/unit shall submit a requisition in Banner, and electronically attach the draft Contract and a signed Contract Routing Sheet demonstrating it has adequate funding and departmental approval. If the Contract does not require an expenditure of MSU funds, the Contract and signed Contract Routing Sheet shall be e-mailed to the MSU Purchasing and Contract Management Office at contracts@msutexas.edu or sent through campus mail.

- f. The MSU Purchasing and Contract Management Office will work with the department/unit and the Contractor to develop and negotiate a mutually satisfactory Contract that complies with the Contract Management Handbook and applicable statutes.
 - g. The Purchasing and Contract Management Office will obtain review and signature approval from the appropriate TTUS/MSU officials and the Contractor. Only individuals delegated authority or by express authority of the Chancellor or MSU President may sign Contracts. A copy of the delegation of signature authority should be attached to the routing sheet for any contract signed pursuant to it.
 - h. A fully executed Contract will be retained in the MSU Purchasing and Contract Management Office contract repository system and distributed to both the department/unit and the Contractor along with a summary of obligations.
5. General Counsel Review of Contracts
- a. [TTUS Regents' Rule 02.03.2\(b\)\(2\)](#) requires General Counsel review of all significant transactions. The MSU Office of General Counsel reviews, revises, and comments on contracts' legal terms to ensure compliance with applicable laws, regulations, rules, and best practices, and assist contracting offices and departments in negotiating final agreements. The OGC is not responsible for the business terms or operational aspects contained in the contracts. And if a contract requires the approval of the Board of Regents, OGC review does not constitute approval by the Board.
 - b. The following contracts are deemed significant transactions by [TTUS Regulation 07.03.3. a.](#) and must be submitted to OGC for review prior to execution:
 - (1) Any contract requiring approval by the Board of Regents, pursuant to the Regents' Rules. Such contracts may include, but are not limited to, those for more than \$1,000,000 over the life of the contract, contracts with a term longer than 4 years (unless it may be terminated without cause within 120 days), and any agreement for the transfer or lease of real property.
 - (2) Any contract with an annual contract value greater than \$500,000 (OGC approval is not needed for (1) Purchase Orders that do not include legal terms; or (2) Texas Comptroller negotiated vendor contracts).
 - (3) Any contract with an annual contract value of \$250,000 through \$500,000 unless:
 - (a) On an OGC-approved contract form; or
 - (b) On a vendor-approved form, with the OGC-approved contract addendum attached.
 - (4) Any contract involving the sharing, transfer, or processing of sensitive data, including student, employee, or medical records (e.g., FERPA-

protected data, HR records, protected health information), records of financial transactions (i.e., credit card numbers and bank account information).

- (5) Any contract with businesses or entities in foreign countries.
- (6) Any contracts for events, activities, or travel involving students and inherently risky or dangerous activities unless on an OGC-approved form (e.g., charter flights, high-adventure recreation). Note: OGC has approved standard forms for charter busses and flights.
- (7) Any coaching contracts.
- (8) Any contract for clinical or administrative health care services (even if on an OGC-approved form).
- (9) Any contract for consulting services valued at \$25,000 or above.
- (10) Any settlement agreement.
- (11) Any contract, regardless of the contract value or form use, which the Institution's administration, contracting office, IT department, or purchasing department or any individual school or program believes should reasonably require OGC review given the risks, nature, or uncertainty involved in the agreement.
- (12) OGC may grant a written exception to the review requirements set forth above if, after consideration and discussion with the submitting department/unit and the Purchasing and Contract Management Office, OGC determines such exception is in the best interest of MSU.

6. Contract Renewals

- a. The MSU Purchasing and Contract Management Office is the office of record for all MSU Contracts subject to this OP. This responsibility requires that the Director of Purchasing and Contract Management and her/his delegates maintain files of all Contracts that fall under the purview of the office.
- b. Contact the Purchasing and Contract Management Office for assistance with renewal contracts or follow these steps:
 - (1) For non-template contracts previously approved by the Purchasing and Contract Management Office, departments must submit the appropriate contract routing sheet and a copy of the renewal quote to the Purchasing and Contract Management Office at contracts@msutexas.edu. Please note on the contract routing sheet that the contract is a renewal and was previously approved by the Purchasing and Contract Management.
 - (2) All non-template renewal contracts not previously reviewed by the Purchasing and Contract Management Office must be submitted to contracts@msutexas.edu for review. Departments must submit a copy of the contract and appropriate contract routing sheet. Please note on the contract routing sheet that the contract is a renewal. If applicable, the Purchasing and Contract Management Office will negotiate terms with vendors.

D. Contract Approval Process

1. Contract Routing Sheet

Each TTUS component institution is required to establish a policy or maintain a matrix clearly detailing the types and values of contracts for which contracting authority is required by the Board of Regents or is delegated to the President of a component institution and further delegated to officers and employees of the institution. See section VII.H (Contract Formation/Delegation of Authority) of the TTUS Contract Management Handbook.

A [Contract Routing Sheet](#) prepared in accordance with Section IV.C.2.b. (3) of this OP must be attached to the contract and approved as indicated below:

Contract Term	Rule, Regulation, and/or MSU OP	Review / Approval Required
a. <u>Contracts that total in excess of \$1,000,000 per annum.</u> This requirement applies to both cash and non-cash considerations. Upon recommendation of the Chancellor, Board approval is required, unless a different consideration is specified by <i>Regents' Rule</i> 07.12.	<i>Regents' Rule</i> 07.12.3. a MSU OP 30.01 § IV.D.1.a	Board of Regents; Board may delegate approval and signature authority to the Chancellor or MSU President
b. <u>Contracts that total in excess of \$1,000,000 over the entire term of the contract but the per annum amount is less than \$1,000,000.</u> This requirement applies to both cash and non-cash considerations. The Board has delegated approval authority to the MSU President, or the President's designee. Information about such contracts that are approved by the MSU President under this delegation of authority shall be provided to the Board as an	<i>Regents' Rule</i> 07.12.4. a MSU OP 30.01 § IV.D.1.b	MSU President or President's Designee

information item at the next regular Board meeting.		
<p>c. <u>Contracts for sponsored program projects in excess of \$1,000,000 per annum.</u> The Board has delegated to the MSU President, or the President's designee, the authority to approve the proposals and execute and sign such contracts. Sponsored program projects are those grants, contracts, and cooperative agreements from either the public or private sectors that support research, instructional, and service projects. <u>Note:</u> A list of such contracts for sponsored program projects in excess of \$1,000,000 per annum shall be provided to the Board as an information item at the next regular Board meeting.</p>	<p><i>Regents' Rule</i> 07.12.4. b</p> <p>MSU OP 30.01 § IV.D.1.c</p>	<p>MSU President or Designee: Provost and Vice President for Academic Affairs; Vice President for Administration & Finance; Vice President for University Advancement; and Appropriate Vice President</p>
<p>d. <u>Contracts that involve a stated or implied consideration of \$1,000,000 or less per annum.</u> Approval is required by the MSU President, or the President's designee. This requirement is applicable to both cash and non-cash considerations. Such contracts may be signed by the President or the President's designee.</p>	<p><i>Regents' Rules</i> 07.12.3 07.12.4. a 07.12.6. a</p> <p>MSU OP 30.01 § IV.D.1.d</p>	<p>MSU President or President's Designee</p>

<p>e. <u>Any amendment, extension, or renewal of a contract</u> with a value that exceeds 25% of the value of the original contract approved by the Board or that increases the value of the original contract to more than \$1,000,000 per annum of the contract unless the authority to exceed the approved amount is expressly delegated by the Board or an exception is expressly adopted by the Board for that contract.</p>	<p><i>Regents' Rule</i> 07.12.3. b MSU OP 30.01 § IV.D.1.e</p>	<p>Board of Regents</p>
<p>f. <u>Any amendment, extension, or renewal of a contract that does not cause the per annum amount of the contract to exceed \$1,000,000.</u> Approval of the MSU President, or the President's designee, is required who may also sign the amendment, extension, or renewal. This requirement is applicable to both cash and non-cash considerations. Information about such contracts that are approved by the MSU President under this delegation of authority shall be provided to the Board as an information item at the next regular Board meeting.</p>	<p><i>Regents' Rules</i> 07.12.3 07.12.4. a 07.12.6. b MSU OP 30.01 § IV.D.1.f</p>	<p>MSU President or President's Designee</p>
<p>g. <u>Contracts for the purchase of goods/services with a</u></p>	<p><i>Regents' Rule</i> 07.12.3.c</p>	<p>Board of Regents</p>

<p><u>value exceeding \$5,000,000.</u> The MSU Director of Purchasing/Contract Management must submit to the Board:</p> <p>(1) verification that the solicitation and purchasing methods and contractor selection comply with state law and TTUS/MSU policies; and</p> <p>(2) information on any potential issue that may arise in the solicitation, purchasing, or contractor selection process.</p>	<p>MSU OP 30.01 § IV.D.1.g</p>	
<p>h. <u>Contracts involving a sale or lease of land and/or improvements thereon, or a commitment of funds or other resources for more than four years</u> (as stated in <i>Regents' Rule</i> 07.12.1.d(1) and referenced in Section II.C of this OP):</p> <p>(1) Upon recommendation of the Chancellor, Board approval is required for contracts or agreements that involve:</p> <p>(a) contracts that involve:</p> <p>(b) a sale or purchase of land and/or improvements thereon, or</p> <p>(c) a lease of land and/or improvements</p>	<p><i>Regents' Rule</i> 07.12.3.d</p> <p>MSU OP 30.01 § IV.D.1.h</p>	<p>Board of Regents</p>

<p>thereon for more than four years, where a TTUS entity is either the lessor or the lessee.</p> <p>(2) Contracts that may be terminated without cause with notice of 180 days or less are excepted from the requirements of Section 07.12.3.d (1), <i>Regents' Rules</i>.</p>		
<p>i. <u>Consultant contracts with initial consideration in excess of \$100,000:</u></p> <p>(1) Upon recommendation of the Chancellor, Board approval is required prior to execution of the contract and prior to the execution of all modifications that increase the contract's consideration.</p> <p>(2) Consulting contract with an initial consideration in excess of \$100,000 may be executed prior to Board approval if:</p> <p>(a) the contract includes a provision limiting total amount to be paid to consultant to no more than \$100,000 unless and until agreement approved by the Board;</p> <p>(b) the Vice Chancellor/Chief Financial Officer in</p>	<p><i>Regents' Rule</i> 07.12.3. e</p> <p>MSU OP 30.01 § IV.D.1.i</p>	<p>Board of Regents</p>

<p>consultation with the Chancellor and MSU President and MSU chief financial officer provides approval to execute contract with initial consideration in excess of \$100,000; and</p> <p>(c) an agenda item is provided for Board approval at its next Board meeting.</p>		
<p>j. <u>Consultant contracts with initial consideration of \$100,000 or less:</u></p> <p>(1) Board approval not required, but the Vice Chancellor and Chief Financial Officer, in consultation with the Chancellor, MSU President, and MSU Chief Financial Officer, shall review consulting contracts of \$100,000 or less prior to execution of the contract by the Chancellor or MSU President, as appropriate.</p> <p>(2) A report of the contract shall be provided as an information agenda item at the next Board meeting.</p> <p>(3) Approval of the Board is required prior to execution for any modification to a consulting contract where the initial</p>	<p><i>Regents' Rule</i> 07.12.4. e</p> <p>MSU OP 30.01 § IV.D.1.j</p>	<p>Board of Regents approval <i>not</i> required, but Vice Chancellor and Chief Financial Officer, in consultation with the Chancellor, President of MSU, and Chief Financial Officer of MSU, shall review consulting contracts of \$100,000 or less prior to execution of the contract by the Chancellor or President, as appropriate; provided, however, approval of the Board <i>is</i> required prior to any modification to a consulting contract where the initial consideration was \$100,000 or less and the modification will cause the total consideration to exceed \$100,000</p>

<p>consideration was \$100,000 or less and the modification will cause the total consideration to exceed \$100,000</p> <p>For purposes of this section, a search firm is a service provider and not deemed to be a consultant.</p>		
<p>k. <u>Employment contracts and agreements:</u></p> <p>(1) Include letter agreements and memoranda of understanding.</p> <p>(2) Except as provided in subsection (3) below, employment agreements containing one or more of the following provisions must be approved by the Board:</p> <p>(a) employment contracts having a total value (including cash and non-cash considerations) over the entire term of the contract of more than \$1,000,000;</p> <p>(b) employment contracts having a term longer than four (4) years;</p> <p>(c) employment contracts that allow for settlement or other payments on the termination of the contract to exceed an amount equal to the</p>	<p><i>Regents' Rules</i></p> <p>07.12.3. f</p> <p>07.12.6. a</p> <p>02.03.1.b(2)</p> <p>02.03.3.b</p> <p>02.03.9</p> <p>MSU OP 30.01 § IV.D.1.k</p>	<p>Board of Regents; MSU President as otherwise provided</p>

<p>discounted net present cash value of the contract on termination at the U.S. Treasury rate that matches the remaining term of the contract;</p> <p>(d) employment contracts allowing for development leave that is inconsistent with Section 04.05, <i>Regents' Rules</i>, and/or MSU operating policies;</p> <p>or</p> <p>(e) employment contracts awarding tenure in any way that varies from the applicable operating policies on the award of tenure.</p> <p>(3) The following are excepted from section (2) above, but to the extent any excepted contract has a value exceeding \$1,000,000, the Board has delegated approval and signature authority for the contract to the MSU President:</p> <p>(a) <u>Employment agreements for the MSU President</u> are governed by Section 02.03.1.b(2), <i>Regents' Rules</i> (which requires a recommendation by the Chancellor</p>		
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<p>and approval of the Board).</p> <p>(b) <u>Athletic employment agreements</u> (intercollegiate athletics programs):</p> <p>i. <u>Athletic director and head coaches</u> employment contracts and modifications and extensions do not require Board approval if: the total value (including cash and non-cash considerations) over the entire term of the contract is \$2,000,000 or less; and the term of the contract does not exceed five years. For athletic directors, such contracts, modifications, and extensions require final approval of the MSU President, with prior notification to the Chancellor; for head coaches, the recommendation of the athletic director and</p>		
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<p>final approval of the MSU President, with prior notification to the Chancellor.</p> <p>ii. <u>Assistant coaches</u> employment contracts and modifications and extensions do not require the Board approval if: the total value (including cash and non-cash considerations) over the entire term of the contract is \$1,000,000 or less; and the term of the contract does not exceed three years. Such contracts, modifications, and extensions require the recommendation of the athletic director and final approval of the MSU President, with prior notification to the Chancellor.</p>		
<p>1. <u>Contracts involving the initial placement of vending machines, games, or any other coin operated food, refreshment, and</u></p>	<p><i>Regents' Rule</i> 07.12.3.g MSU OP 30.01 § IV.D.1.1</p>	<p>Board of Regents; MSU President or President's Designee delegated authority to determine and approve</p>

<p><u>amusement devices placed in service in any facility owned, operated, or controlled by MSU.</u> Upon recommendation of the Chancellor, Board approval is required for such contracts. The MSU President, or the President's designee, is delegated the authority to determine and approve the location of vending machines, games, or other coin operated food, refreshment, and amusement devices placed in all buildings and property under the charge and control of MSU.</p>		<p>location of vending machines, games, or other coin operated food, refreshment, and amusement devices</p>
<p>m. <u>Contracts to license the sale of alcoholic beverages by a third-party vendor at a MSU facility</u> shall be approved by the MSU President or President's designee. Before any such approval is granted, the President shall notify the Chancellor.</p>	<p><i>Regents' Rule</i> 07.12.3.h</p> <p>MSU OP 30.01 § IV.D.1.m</p>	<p>MSU President or President's Designee with prior notification to Chancellor</p>
<p>n. <u>When an emergency or exigent circumstances exist and it is not feasible or practical to convene a quorum of the Board within the time in which action is needed.</u> Unless prohibited by law, approval may be given for a contract proposal submitted by the Chancellor, or the Chancellor's designee, by verbal approval of the</p>	<p><i>Regents' Rule</i> 07.12.3.i</p> <p>MSU OP 30.01 § IV.D.1.n</p>	<p>Chair of the Board or the Chair of the Board's Finance and Administration Committee for contract proposal submitted by Chancellor or Chancellor's designee</p>

Chair of the Board or of the Chair of the Board's Finance and Administration Committee. Contracts approved in this manner shall be presented to the Board as an information item at the next Board meeting.		
o. <u>Contracts related to construction projects for MSU as provided by Chapter 08, Regents' Rules.</u> The Board has delegated to the Chancellor and the MSU President the authority to execute and sign contracts related to such construction projects.	<i>Regents' Rules</i> 07.12.4.d ; 08.01.6 MSU OP 30.01 § IV.D.1.o	Chancellor or MSU President, as applicable, or their designated representatives, shall execute all construction contracts as authorized by the Board
p. <u>Contracts involving proposed gifts and grants.</u> At its next meeting and before public announcement, the Board shall consider formal acceptance of unrestricted gifts and grants over \$1,000,000, and restricted gifts and grants over \$250,000, including gifts-in-kind. Acceptance of all gifts of real property, regardless of value, type, location or designated use of the funds to be derived there from, must be approved by the Board. The Chancellor, or the Chancellor's designee, shall approve the acceptance of gifts and grants for which the	<i>Regents' Rules, Chapter 06 - Gift and Grant Acceptance</i> MSU OP 30.01 § IV.D.1.p	Board of Regents; Chancellor or Chancellor's Designee shall approve acceptance of gifts/grants not requiring Board approval

approval of the Board is not required.		
q. <u>Contracts of \$100,000 or more, but less than \$1,000,000 per annum.</u>	MSU OP 30.01 § IV.D.1.q	MSU President
r. <u>Contracts of less than \$100,000 per year.</u>	MSU OP 30.01 § IV.D.1.r	MSU President or President's Designee or Appropriate Vice President
s. <u>Licenses or other conveyances of intellectual property owned or controlled by the University.</u>	MSU OP 30.01 § IV.D.1.t	MSU President or President's Designee
t. <u>Contracts involving non-monetary affiliation, articulation, and clinical agreements.</u>	MSU OP 30.01 § IV.D.1.t	MSU President; Provost and Vice President for Academic Affairs; or other appropriate Vice President
u. <u>Fiscal approval of contracts of \$50,000 or more per year.</u>	MSU OP 30.01 § IV.D.1.u	MSU President
v. <u>Fiscal approval of contracts of \$25,000 or more per year.</u>	MSU OP 30.01 § IV.D.1.v	MSU Vice President for Administration and Finance
w. <u>Approval of all contracts for information technology.</u>	MSU OP 30.01 § IV.D.1.w	MSU Vice President for Administration and Finance
x. <u>Contracts that involve division and/or conference membership in the National Collegiate Athletic Association (NCAA).</u>	MSU OP 30.01 § IV.D.1.x	Board of Regents

y. <u>Review of MSU contracts by General Counsel</u> as required by TTUS Regulation 07.03.3.a - Contracting.	<u>TTUS Regulation 07.03.3 a - Contracting</u> MSU OP 30.01 § IV.C.5; IV.D.1.y	MSU General Counsel
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2. Contracts shall not be divided to fall within lower levels of approval.
3. For the purpose of determining whether a contract requires approval from the Board of Regents, any option(s) to extend or renew a contract shall be counted in the overall term of the contract.
4. Contracts requiring Board approval must be timely submitted for inclusion in the agenda for the next Board meeting by the deadline set by the System Office of the Board of Regents or as otherwise permitted by the *Regents' Rules*.
5. In the event an executed contract is subsequently found to be required by law or by TTUS *Regents' Rule* 07.12 (Contracting Policies and Procedures) to be approved by and/or executed by the Board of Regents, the contract shall continue in full force and effect, but shall be submitted as a consent item at the next available Board meeting.

E. Contract Signature Authorization Process

1. Contract Signature Authority

Contracts may only be signed by persons with signature authority in accordance with applicable TTUS *Regents' Rules* and Regulations and this OP, as specifically delegated in writing by the Chancellor or MSU President. Prior to signing a contract, the contract review process must be completed as outlined in Section IV.D above of this OP. According to Section 07.12.4.c TTUS *Regents' Rules*, component institution contracts may be signed by the President or by the President's designee. The President of MSU has approved the following contract signature authority:

Contract Term	<i>Regents' Rule</i> and/or MSU OP	Signature Approval
Contract signature authorization for contracts required to be approved by the Board of Regents in accordance with Section IV.D (Contract Approval Process) of this OP, unless otherwise specified by the Board.	<i>Regents' Rule</i> <u>07.12.3</u> MSU OP 30.01 § IV.E	Board of Regents unless delegated to Chancellor or MSU President or President's designee

Contract Term	Regents' Rule and/or MSU OP	Signature Approval
Contract signature authorization for <u>contracts less than \$1,000,000 per annum and entire term of contract.</u>		President or President's designee
Contract signature authorization for contracts less than \$100,000 per annum or more but less than \$500,000 per year.		President or President's designee
Provisions in the <i>Regents' Rules</i> regarding employment contracts and agreements shall govern the signature approval.	<i>Regents' Rules</i> 07.12.3. f 02.03.1.b(2) 02.03.9 07.12.6.a MSU OP 30.01 § IV.D.1.k	Board of Regents; MSU President/Designee, as delegated
Contract signature authorization for licenses or other conveyances of intellectual property owned or controlled by the University.		President or President's designee
Contract signature authorization for all contracts of less than \$100,000 per year.		President or Appropriate Vice President
Contract signature authorization for all contracts involving grants for sponsored research, including institutional support grants.		President or Appropriate Vice President
Contract signature authorization for all non-monetary affiliation and clinical agreements.		President or Provost and Vice President for Academic Affairs
Contract signature authorization for all contracts for information technology.		President or the Vice President for Administration and Finance

2. Delegations of Signature Authority

- a. Delegations of signature authority to a designate may be made as authorized by [Regents' Rule 07.12 \(Contracting Policies and Procedures\)](#) of the TTUS Board of Regents. See also Section VII.H (Contract Formation/Delegation of Authority), of the Contract Management TTUS Contract Management Handbook.
 - b. At the University level, only the President and the Vice President for Administration and Finance may delegate signature authority and it must be in writing, specify the need for compliance with these contract approval and signature authorization requirements, and be retained by the party making the delegation and the party receiving the delegation. A copy of the delegation shall be sent to the University's Assistant Vice President for Administration and Finance and Controller, MSU General Counsel, and the MSU Purchasing and Contract Management Office. In addition, a copy of the delegation of signature authority should be attached to the routing sheet for any contract signed pursuant to it.
3. Once contracts are signed, the University's Purchasing and Contract Management Office will create purchase orders (except for contracts not involving a purchase, e.g., affiliation or facility use agreements).
 4. Approval and signature execution of a contract pursuant to [TTUS Regents' Rule 07.12](#) constitutes approval to establish an operating budget, when applicable, which must not exceed the consideration of the contract. The operating budget then shall be considered approved in accordance with the provisions of Section [07.04, Regents' Rules](#), and related implementing procedures.

F. Purchasing and Contract Management Office Responsibilities as Contract Manager (CM)

The responsibilities of the MSU Purchasing and Contract Management Office include:

1. Verifying that all Contracts subject to this policy are in compliance with Texas state and federal laws and MSU Operating Policies and Procedures, including the requirements that state agencies and institutions of higher education use E-Verify, and state contractors and subcontractors enroll in E-Verify to qualify for public contracts;
2. Ensuring that all expenditure and revenue transactions comply with federal, state, and MSU Operating Policies and Procedures;
3. Ensuring that Contracts subject to this policy are reviewed and signed by the appropriate personnel and signatory;
4. Serving as the repository for MSU Contracts, subject to this policy and MSU records retention policies (see [OP 02.34: Records Management Policy](#));

5. Verifying that the Contractor is eligible to contract with MSU/TTUS in accordance with federal and state laws;
6. Verifying that bonds and insurance are provided and are compliant with the requirements of the Contract and MSU/TTUS requirements;
7. Ensuring that risk is analyzed and eliminated or reduced through insurance or contract provisions;
8. Ensuring that departments encumber the funding for expense Contracts and that payments are made in compliance with the requirements of the Contract and [OP 54.01, Purchase of Good and Services](#);
9. Providing oversight to departments ensuring that each Contract is performed in accordance with the terms and conditions of the Contract as required by this OP;
10. Managing the Contract renewal and expiration process; and
11. Providing enhanced contract monitoring as required by policy.

G. Departmental/Unit Responsibilities as Contract Administrator (CA)

1. The primary post-award responsibilities of the CA include, but are not limited to:
 - a. Completing a *New Organization Request form* with the Contracting Budget Office, if a contract requires creating a new revenue or expense account.
 - b. Serving as the point of contact for disseminating instructions regarding the SOW to the Contractor.
 - c. Establishing scope of authority, clear lines of communication and reporting, and specific individuals who will interact directly with a Contractor.
 - d. Managing MSU assets used in Contract performance.
 - e. Providing access to MSU facilities, equipment, data, personnel, materials, and information.
 - f. Identifying, documenting, and resolving minor disputes with a Contractor in a timely manner.
 - g. Implementing a quality control and assurance process.
 - h. Maintaining appropriate documentation as required by the applicable retention guidelines.
 - i. Documenting significant events including deficiencies, deliverables, and milestones.
 - j. Monitoring the Contractor's progress and performance to confirm Goods or Services conform to the Contract requirements.

- k. Inspecting and approving the final Goods or Services received and providing documentation of acceptance to the Contract Manager.
- l. Monitoring budgets to verify sufficient funds are available for the duration of the Contract.
- m. Monitoring default terms and conditions in the Contract.
- n. Authorizing payments consistent with the Contract documents and in accordance with MSU Operating Policies and Procedures.
- o. Validating contract revenue, such as commissions and incentives.
- p. Performing the Contract Close-out responsibilities.
- i. Contract Administrators are not authorized to:
 - a. Instruct a Contractor to start work prior to a fully executed Contract and receipt of any required bonds and insurance or other requirements.
 - b. Alter the scope or terms of the Contract without a formal Contract amendment processed through the Purchasing and Contract Management Office.
 - c. Approve changes to the HUB Subcontracting Plan or approve substitutions or additions of Subcontractors without written approval from the Purchasing and Contract Management Office.
 - d. Extend the term of the Contract without execution of formal Contract Amendment processed through the Purchasing and Contract Management Office.
 - e. Allow the Contractor to incur any obligations outside of the scope of the Contract.

H. Contract Monitoring

1. CA Review Duties

a. Payment Review and Authorization

- (1) All requests for payments (e.g., invoices) will be reviewed and authorized by the appropriate CA prior to payment.
- (2) If requests for payment submittals are not in compliance with the terms of the contract/agreement and/or the contractor has not performed in accordance with the terms, conditions, or requirements of the contract/agreement, the CA must notify the contractor and the Purchasing and Contract Management Office within ten days of the payment due date. The Purchasing and Contract Management Office will assist the CA in discussing with the contractor reasons for non-payment.

- b. The CA shall document all non-compliant performance by the contractor and submit the documentation to the Purchasing and Contract Management Office immediately.

2. Random and Planned File Reviews

- a. Contract performance reviews: The CA shall conduct a review of the contract.
- b. Such reviews, at a minimum, will seek to ensure the following:
 - (1) The contractor is in compliance with the terms, conditions, and requirements of the contract.
 - (2) MSU is in compliance with the terms, conditions, and requirements of the contract.
 - (3) Purchase orders issued under the contract are in compliance with the terms, conditions, and requirements of the contract, if applicable.
 - (4) Payments are in compliance with the terms and conditions of the contract.

I. Contract Closeout

1. Contract closeout begins when the contract has been physically complete; i.e., all services have been performed and products delivered. Closeout is completed when all administrative actions have been completed, all disputes settled, and final payments have been made. This process requires close coordination between the MSU Purchasing and Contract Management Office, other relevant MSU administrative offices, and the vendor. Contract closeout is an important aspect of contract administration.
2. Closeout File Contents (if applicable):
 - a. Encumbrance documentation or purchase order
 - b. Addenda
 - c. Fully executed copy of contract (both parties' signatures)
 - d. Submitted proposals
 - e. RFP
 - f. Best and final offers
 - g. Proposal tabulation
 - h. Appropriate justification
 - i. Award recommendation
 - j. HUB participation plans and supporting documentation (greater than \$100,000)
 - k. Correspondence

- l. Vendor/Contract performance form
- m. Review reports

J. Inquiries

Any questions concerning this OP should be directed to the Purchasing and Contract Management Office, 940.397.4277, or e-mailed to contracts@msutexas.edu.

K. Prior Contracts

Contracts signed and approved in accordance with policies and procedures in effect prior to the effective date of this OP shall remain in full force and effect, but modifications or extensions to such contracts must be approved and signed in accordance with the provisions of this OP.

V. Related Statutes, Rules, Policies, and Forms

Related Statutes/Rules:

[Texas Education Code § 51.9337\(b\)\(3\)](#)

[Texas Government Code, Chapter 2261\(Contracting Standards and Oversight\)](#)

[TTUS Regents' Rule 02.01.2 - Employment Agreements for Component Presidents](#)

[TTUS Regents' Rule 07.04 - Budget Rules and Procedures](#)

[TTUS Regents' Rule 07.12 - Contracting Policies and Procedures](#)

[TTUS Regulation 07.03 - Contracting](#)

[TTUS Contract Management Handbook](#)

Related OPs:

[OP 02.40 Conflict of Interest and Commitment](#)

[OP 30.03 Consultants](#)

[OP 30.04 Professional Services](#)

[OP 54.01 Purchase of Good and Services](#)

[OP 54.03 Historically Underutilized Businesses](#)

Related Forms:

[Contract Process Flowchart](#)

[MSU Contract Routing Sheet](#)

[Vendor Performance Form](#)

VI. Responsible Office

Contact: MSU Director of Purchasing and Contract Management

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VII. Revision History

- 10 Nov. 1989: Adopted and approved by the MSU Board of Regents as MSU Policy and Procedure 2.24: Board Contract Signing Authorization.
- 10 Aug. 2012: MSU Board of Regents completely revised and renamed MSU Policy and Procedure 2.24: Approval and Execution of University Contracts.
- 9 May 2014: MSU Board of Regents approves revisions to the approval requirements for contracts involving grant proposals for sponsored research, including institutional support grants, articulation agreements, and contracts for professional and consulting services; and the Vice President for Business Affairs and Finance is authorized to execute delegations of signature authority.
- 14 Feb. 2019: The MSU Board of Regents approved a revision concerning the Board's required approval of interagency agreements through the Texas General Land Office for purchases of electricity and natural gas that exceed \$2 million per year and 10 years (instead of 7years).
- 5 Aug. 2021: Renumbered by the MSU Board of Regents as Operating Policy and Procedure (OP) 30.01: Approval and Execution of University Contracts.
- 22 Sept. 2023: Completely revised to align with TTUS *Regents' Rules* and Regulations. Adopted and approved by MSU President Stacia Haynie.