

03.900 Delegation of Authority for Contracts and Agreements.

03.901 Purpose and Scope. The effective administration of contracts is essential to the operation of the System and the Institutions. This Regents Rule establishes authority for the System, the System Administration, and the Institutions to approve and execute contracts.

03.902 Authority of the Board. Pursuant to Texas Education Code § 105.108, the Board has authority to contract on behalf of the System, the System Administration, and the Institutions, and may delegate to an employee of the System Administration or an Institution the authority to negotiate, execute, and approve contracts. No person has the authority to bind the System, the System Administration, or an Institution contractually except in accordance with this Regents Rule. A contract that is not approved in accordance with this Regents Rule is void.

Subject to the requirements and limitations of this Rule, the Board delegates to the Chancellor and the Deputy Chancellor for System Administration the authority to approve and execute all contracts for the System, the System Administration and the Institutions. Subject to the requirements and limitations of this Rule, the Board delegates to the Presidents, the Chief Financial Officer for UNT and UNT Dallas, and the Chief Operating Officer for UNT Health Science Center the authority to approve and execute all contracts for their respective Institutions.

The System Administration and Institutions must establish a committee for contract administration and oversight that shall be responsible for the following:

1. identifying contracts that require performance monitoring and notification to the Board of any identified serious issue or risk regarding a monitored contract;
2. purchasing accountability and risk analysis procedures assessing the risk of fraud, waste or abuse in the contactor selection process, contract provisions and payment and reimbursement rates and methods for the different types of goods and services for which the member contracts; and
3. evaluating return on investment.

03.903 Definition. For the purpose of this Regents Rule, the term “contract” shall mean any written agreement that creates a binding obligation, financial or otherwise, for the System, the System Administration, or an Institution. Contracts include but are not limited to affiliation agreements, cooperative agreements, easements, grants, intellectual property agreements, interagency contracts, internship agreements, leases, letter agreements, letters of intent, licenses, loans, memoranda of understanding, nondisclosure agreements, professional services agreements, purchase orders, and amendments to any of these types of agreements.

03.904 Board Approval. Board approval is required for the following types of contracts:

1. Any contract that exceeds \$5,000,000 in the current fiscal year.
2. Any contract that exceeds \$2,000,000 per year for a multi-year contract.
3. Any contract with a term that exceeds five-years, including option years, with a cumulative value in excess of \$10,000,000.
4. Employment contracts with a chancellor or president.
5. Employment contracts having an annual salary consideration of \$1,000,000 or more.
6. Agreements with affiliated entities required by Regents Rule 09.500.
7. Contracts that involve athletic conference membership.

03.905 Exceptions to Board Approval. The following types of contracts shall not require approval by the Board, regardless of the contract amount:

1. Contracts relating to construction projects previously approved by the Board of Regents in a Capital Improvement Plan.
2. Contracts for utility services (water, gas, electric, telecommunications, internet or television services) or energy resources and related services, if any, when such contracts have been approved in advance by the Chancellor or the Chancellor's delegee.
3. Contracts or grant proposals for sponsored projects or programs, including institutional support grants and sub-awards.
4. Contracts licensing or transferring rights in intellectual property, technology or products protectable by patents, copyright, or constituting a trade secret of unpatented technological know-how.
5. Contracts for the purchase of routinely purchased supplies.
6. Contracts for purchases made under a group purchasing program procured through a state contract, state catalog or other procurement methodology authorized by statute.
7. Contracts for the purchase or license of library books and library materials.
8. Contracts for athletic competitions.
9. Contracts for or related to legal services.
10. Contracts related to bequests or gifts.
11. Revenue generating contracts.
12. For contracts that have been approved by the Board, any amendment, extension, or renewal of a contract with a cost or monetary value that does not exceed 25%

of the cost or monetary value of the original contract approved by the Board, unless a maximum cap is expressly adopted by the Board for that contract.

- 03.906 Contracts Related to Real Property. All contracts for: (a) the purchase or sale of real property; (b) the lease, license or use of real property; (c) the granting or acceptance of easements or rights-of-way; and (d) any other acquisition or disposition of real property or real property interests is governed by Chapter 11 of these Rules.
- 03.907 Contracts Related to Major Construction Projects. All contracts related to major construction projects are governed by Chapter 11 of these Rules.
- 03.908 Contracts Related to Gifts, Grants and Naming Opportunities. All contracts related to gifts, grants, and naming opportunities are governed by Chapter 9 of these Rules.
- 03.909 Emergency Contracts. Unless otherwise prohibited by law, in the event of an urgent situation that cannot or should not for good business reason be delayed until the next regularly scheduled Board meeting as determined by the Board Chair in consultation with the Chancellor, the Chancellor may approve and execute a contract that would otherwise require Board approval in accordance with this Regents Rule. As soon thereafter as is reasonably practicable, the Chancellor shall provide to the members of the Board written notice of the approval and execution of the contract.
- 03.910 Other Delegations of Authority.
1. Delegations to the Vice Chancellor and General Counsel. The Board delegates to the Vice Chancellor and General Counsel authority to approve and execute contracts having a cost or monetary value of less than \$1,000,000 with the concurrence of the Chancellor or the Board Chair for or related to providing legal services for the Board, the System, the System Administration, and/or the Institutions, after obtaining approvals required by state law.
 2. Delegations to the Chief Internal Auditor. The Board delegates to the Chief Internal Auditor authority to approve and execute contracts having a cost or monetary value of less than \$1,000,000 with the concurrence of the Chancellor, the Board Chair, or the Chair of the Audit Committee, when such contracts are for or related to providing audit services for the Board, the System, the System Administration, and/or the Institutions after obtaining approvals required by state law.
 3. Further Delegation. The authority delegated under Regents Rule 03.902 may be further delegated. Delegations must be in writing, clearly state the extent of the authority delegated, and state if and to what extent the authority may be further delegated. A delegation must be retained by the delegee, and a copy must be provided to the Office of General Counsel.
 4. Revocation of Delegation. Delegations of authority may be revoked at any time. Revocations must be in writing, and a copy must be provided to the Office of General Counsel. Notice of revocation must be provided to the delegee.
 5. Employment Contracts. For employment contracts with administrators that are to be paid in whole or part from appropriated funds, the Board's delegation is

contingent on a determination by the Chancellor, President or Chief Financial Officer that the contract is in the best interest of the System, System Administration or respective Institution and the contract shall be required to meet all other requirements of Texas Education Code §51.948.

- 03.911 Legal Review. All contracts must be approved as to form by the Office of General Counsel before execution, unless exempt under this Regents Rule. In his or her sole discretion, the Vice Chancellor and General Counsel may exempt from individualized legal review:
1. Contracts prepared on forms developed by the Office of General Counsel and approved in writing by the Office of General Counsel for use without individualized legal review that have a total value of less than \$1,000,000;
 2. Contracts prepared on forms not developed by the Office of General Counsel, but that are approved in writing by the Office of General Counsel for use without individualized legal review that have a total value of less than \$1,000,000; and
 3. Other contracts as stated in the Criteria for Exemption issued in writing by the Office of General Counsel.
- 03.912 Contract Management Handbook. In accordance with Texas Government Code section 2261.256, the Deputy Chancellor for Finance and Operations and the Office of General Counsel shall develop a contract management handbook that provides for consistent contracting policies and practices and contract review procedures.
- 03.913 Gifts and Contracts with a Foreign Source. System Administration and each Institution must adopt a policy requiring the reporting to the U.S. Department of Education of gifts and contracts with a foreign source with an aggregate value of \$250,000 or more in accordance with 20 U.S.C. §1011f on or before January 31st and July 31st of each year for all such contracts entered into in the preceding six months.
- 03.913 Training. Officers and employees authorized to execute contracts or who exercise discretion in awarding contracts shall participate in training on ethics, selection of appropriate procurement methods, and information resources purchasing technologies.
- 03.914 Reporting. The System and Institutions shall comply with all applicable reporting requirements established by statute, Legislative Budget Board rules, and other state authorities.

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