

Institutional Handbook of Operating Procedures
Policy 02.02.01

Section: General Administration	Responsible Vice President: Executive Vice President of Business and Finance
Subject: Contract Administration	Responsible Entity: Contract Administration

I. Title
Policy on Contracts, Approvals, and Signatory Authority

II. Policy
The University of Texas Medical Branch (UTMB) executes and administers contracts, agreements, letter agreements, memoranda of understanding, purchase orders, renewals, extensions, amendments, change orders and all other documents that bind UTMB (individually, a contract or collectively, contracts) in accordance with applicable federal, state, and The University of Texas System (UT System) rules, policies, and procedures with UTMB policies. UTMB is institutionally committed to conducting all contracting activities with financial acumen and operational intelligence, as well as strict adherence to the institution’s [Standards of Conduct](#), [all institutional policies](#) and procedures, and [institutional mission, vision, and values](#).

Contracts and related transactions that are subject to this policy include, but are not limited to:

- Revenue agreements
- Professional services agreements
- Consulting agreements
- Educational affiliation agreements
- Purchases for goods and services
- Construction and utility agreements
- Real estate leases
- Compensation Arrangements

III. Contract Administration

A. UTMB, through its Office of Contract Administration (Contract Administration) will:

- Coordinate efficient and risk-appropriate contracting practices across the institution.
- Cultivate consistency and financial acumen in both the provision and purchasing of goods/services.
- Facilitate the provision of comprehensive financial and other relevant information to support informed contracting decisions.

B. Contract Administration will ensure contracting activities are aligned with institutional objectives by establishing processes which facilitate sound contracting decisions in compliance with applicable requirements.

IV. Approvals

A. Appropriate approvals are required before executing any contract binding UTMB. Specific approval procedures are located in the institutional procedures for contract administration, <https://www.utmb.edu/contractingstrategies/Administration/Basics.asp> and <https://www.utmb.edu/contractingstrategies/Administration/Authority.asp>.

- B. Responsibilities of those who present contracts to leadership for approval and signature are as follows:
- Read and understand the terms of the contract.
 - Assure the contract has been reviewed and approved as set forth in UT System (UTS 145) policy for [Processing of Contracts](#).
 - Assure the contract has been reviewed and approved as set forth in in this policy, other relevant institutional policy and consistent with institutional guidance, including but not limited to [purchasing policies](#)
 - Document all required reviews and approvals.
 - For contracts in which an exception under [Regents' Rule 10501](#), Section 2.2 applies, submit a detailed written justification to signatory and maintain written justification in the department's contract file.
- C. Upon request, Contract Administration will advise, UTMB personnel regarding approvals required for specific contracts and will assist UTMB personnel with obtaining those approvals. It is the responsibility of the originating department to submit complete information regarding the transaction to those approving the contract.

V. Legal Authority to Bind the Institution

- A. The legal authority to bind the institution resides with the Board of Regents of The University of Texas System (Board) in accordance with [Regents Rule 10501](#). The Board delegates to the president of UTMB the authority to execute and deliver contracts on behalf of the Board. The president may further delegate his or her authority to a secondary delegate. Any such delegation of authority by the president must be in writing *with copies of the written delegations sent to the UT System Office of General Counsel*. **Only those individuals who have been delegated the legal authority to execute and deliver contracts in accordance with the Regents Rules may sign contracts on behalf of UTMB.** Refer to Section VIII of this policy for UTMB Delegations of Authority which includes a list of the individuals who have been delegated the legal authority to execute and deliver contracts on behalf of UTMB.
- B. In accordance with [Regents Rule 10501](#), Delegates that have been authorized to execute and deliver contracts on behalf of the Board of Regents shall maintain, or cause to be maintained, necessary and proper records regarding the contract executed pursuant to the delegation of authority. The delegate must also maintain, or cause to be maintained, sufficient systems and procedures to assure that contracts, amendments, and renewals for the purchase of goods and services are presented to the Board of Regents for approval if required by [Regents Rule 10501](#). For contracts not requiring Board Approval under section 2.2, the department will submit a detailed justification and retain the documentation in the department contract file and Institutional Contracting Officer will retain a copy of the documentation in the institutional contract repository file.
- C. *In addition to institutional approvals*, many contracts with a *cumulative* value exceeding \$5M, or the current value required by UTS 145 [Processing of Contracts](#), require approval by the UT System Office of Health Affairs, the UT System Office of General Counsel and UT System Board of Regents. To meet submission deadlines for all required approvals, it is imperative for originating departments with contracts that have a cumulative value exceeding \$1M to notify Contract Administration as soon as feasible, but *not less than three months prior to the anticipated effective date*. The cumulative value of the contract includes all potential contract extensions or renewals whether automatic or by operation of additional documentation. Any contract with unspecified cost or monetary value with a term of

greater than four years is presumed to have a total value of greater than \$1 million.” (Section 3.1 of [Regents Rule 10501](#)).

- D. Under UTMB’s [Conflict of Interest Policy](#), an employee who has a conflict of interest with respect to a contract does not have the authority to sign the contract and should not be involved in the approval process.

VI. Contract Management

The originating department is responsible for managing the contractual relationship. This includes, but it is not limited to:

• Deliverables (funds and goods/services)	• Contract Compliance
• Maintenance of proper contract records	• Document Retention
• Contract Performance Evaluation	• Best Value Procurement Justification
• Reporting Requirements	• Payment/Reimbursement Justification
• Dispute Resolution (with UTMB Legal Affairs guidance when merited)	• Contract Wind Down/Termination • Contract Close-out

VII. Relevant System Policies and Procedures

[UT System Board of Regents Rules – Rule 10501](#)

[UT System Policies - UTS145 Processing of Contracts](#)

[UT System Procedures - Contract Review](#)

[UT System Procedures - General Procedure Contract Checklist](#)

[UT System Delegations of Authority](#)

VIII. Related UTMB Policies and Procedures

[UTMB Purchasing Policies and Procedures](#)

[UTMB Purchasing Contract Management Handbook](#)

[UTMB Standards of Conduct Guide: Working With Integrity](#)

[UTMB Conflict of Interest Program](#)

IX. Dates Approved or Amended

<i>Originated: 07/12/2017</i>	
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X. Contact Information

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