This rule establishes processes at Texas A&M University-San Antonio (A&M-San Antonio or University) for originating, recommending, approving, executing, administering, closing out, and reporting on University contracts.

An employee must have authority to enter a contract that binds A&M-San Antonio. Only an authorized employee may commit A&M-San Antonio to perform under a contract or obligate University funds to pay for goods or services.

Additional rules, procedures and guidelines may apply to specific commercial activities, such as travel and purchase card transactions.

The Texas A&M University System (System) Policy 25.07 Contract Administration requires A&M-San Antonio to develop and implement a contract administration rule.

I. APPOINTMENTS AND DELEGATIONS

1.1 The Vice President for Business Affairs/Chief Financial Officer (VPBA) is the University’s Primary Procurement Officer (PPO). This is a standing appointment and continues until revoked or modified. The President may revoke or modify this appointment at any time.

1.2 The PPO may re-delegate to individuals and departments specific procurement authority to acquire goods or services. A re-delegation under this paragraph shall be in writing and shall specify the type of contract, maximum dollar amount, and
other limitations applicable to the re-delegated authority. The President or PPO may revoke or modify a re-delegation under this paragraph at any time.

1.3 Each fiscal year, the President shall issue a Delegation of Authority for Contract Administration (Delegation) on the System-approved form in accordance with System Regulation 25.07.01 Contract Administration, Delegations and Reporting. For each contract listed on the form, the Delegation shall indicate (i) how the contract should be routed for review, (ii) the officials authorized to execute the contract, and (iii) dollar limits on each official's authority.

1.4 The Director of Procurement Services shall prepare the annual Delegation and submit it to the PPO for review.

1.5 The PPO shall review the annual Delegation, obtain presidential approval, and submit the approved document to the System Office of Budgets and Accounting for review prior to commencement of the new fiscal year.

1.6 All A&M-San Antonio employees authorized to execute a contract or commit University funds must complete training on (i) procurement methods, (ii) purchasing technologies, and (iii) ethics. Training must be completed successfully before an employee may exercise delegated authority.

2. **Contract Administration Processes**

2.1 A written contract shall be executed whenever A&M-San Antonio enters into a binding agreement with another party that involves stated or implied consideration.

2.1.1 Contracts include, but are not limited to, the following: purchase orders, agreements, cooperative agreements, memoranda of understanding or agreement, interagency contracts or agreements, grants, loans, easements, licenses, leases, permits, restrictions on acceptances of gifts and bequests and amendments, modifications, or extensions of those contracts.

2.1.2 Other parties include, but are not limited to: federal, state and local agencies, non-profit organizations, private businesses, partnerships and individuals.

2.2 Purchasing standards:
2.2.1 Except as otherwise provided by A&M-San Antonio rules, procedures, and guidelines, a purchase requisition, signed by a delegated approving authority, must be completed for each purchase and submitted to Procurement Services.

2.2.2 A purchase up to $5,000 should, if practicable, be based on a review of at least two competitive bids.

2.2.3 A purchase between $5,001 and $25,000 must be based on an evaluation of at least three competitive bids, including at least one Historically Underutilized Business ("HUB") vendor, prior to contract award. The award shall be based on best value principles.

2.2.4 A purchase greater than $25,000 must go through a formal solicitation process determined and managed by Procurement Services.

2.2.5 If a requesting party seeks to procure goods or services, in excess of $5,000, from a specific vendor, the requestor must (i) identify on the requisition the desired vendor and (ii) provide a justification for review and approval by the PPO. The justification shall be in writing and explain why acquiring goods or services from the vendor represents the best value or is in the best interest of A&M-San Antonio.

2.3 The Office of Procurement Services shall:

2.3.1 review requisitions to determine appropriate purchasing methods to achieve the best value for A&M-San Antonio;

2.3.2 develop and provide procurement training to University employees;

2.3.3 solicit and evaluate bids and proposals and make contract awards for goods and services based on best value principles;

2.3.4 encourage the utilization of and participation of HUBs;

2.3.5 maintain accurate contracting and purchasing records;

2.3.6 maintain updated information on sources of materials, services, and equipment, including catalogs, price lists, schedules, and databases;
2.3.7 assist departments engaged in contracting activity, including planning, evaluation, selection, administration, and close-out;

2.3.8 create all contracts and obtain signatures from the PPO or other official with delegated procurement authority; and

2.3.9 identify, document, and report non-compliance with contracting and purchasing processes.

2.4 A department that makes a requisition is responsible for administering the resulting contract. The requestor shall for each contract appoint an administrator who will monitor performance, deliverables, and payment, keep records, and handle close-out. The administrator shall notify Procurement Services when close-out is complete and provide confirming documentation.

2.5 A&M-San Antonio shall comply with the standards set forth in the System Contract Management Handbook at each phase of the contracting process, including planning, procurement, contract formation, and administration.

3. CONTRACTS REQUIRING BOARD APPROVAL

3.1 The PPO shall submit to the Board of Regents each contract requiring Board approval, along with an agenda item and supporting documentation.

3.2 The contract, once approved, shall be signed by the Chancellor or as otherwise specified in the Board’s minute order.

3.3 Sections 2 and 3 of System Policy 25.07 Contract Administration identify contracts that do and do not require Board approval.

4. CONTRACTS REQUIRING CHANCELLOR APPROVAL

The PPO shall submit to the Chancellor each contract requiring the Chancellor’s approval in accordance with Section 6 of System Policy 25.07 Contract Administration.

5. CONTRACTS REQUIRING GENERAL COUNSEL REVIEW

5.1 The Director of Procurement Services shall determine whether a contract requires or is appropriate for review and approval as to form and legal sufficiency by the System Office of General Counsel (OGC).
5.2 In general, contracts that exceed $100,000, involve a significant commitment of University resources, present substantial risks, or involve complex relationships must be reviewed by OGC.

5.3 The OGC Contract Review and Approval Procedures and Guidelines (Section D) describe situations that do and do not trigger mandatory legal review.

6. **Contracts Governed by Other Policies**

6.1 Contracts for (i) the purchase or sale of real property, (ii) the lease, license, or use of System real property, (iii) the lease, license, or use of third-party real property, (iv) the granting or acceptance of easements or rights-of-way, and (v) other acquisitions or dispositions of real property or interests in real property are governed by *[System Policy 41.01 Real Property]* and related authorities.

6.2 Delegations of authority on construction contracts are governed by *[System Policy 51.04 Delegations of Authority on Construction Projects]* and related authorities.

7. **Contract Reporting Requirements**

7.1 Procurement Services shall handle contract reporting required by federal or state law, Legislative Budget Board rules, the HUB program, and System policy.

7.2 *[System Contract Administration]* provides reporting guidance.

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**Related Authorities**

- *[System Policy 25.07 Contract Administration]*
- *[System Regulation 25.07.01 Contract Administration Procedures and Delegations]*
- *[A&M-San Antonio Guideline 25.07.01.O0-G1 Agreement Initiation and Processing]*
- *[System Regulation 25.07.03 Acquisition of Goods and/or Services]*
- *[A&M-San Antonio Procedure 25.07.03.O0.01 Acquisition of Goods and/or Services]*
- *[System Policy 41.01 Real Property]*
System Policy 51.04 Delegations of Authority on Constructions Projects

A&M-San Antonio Delegation of Authority for Contract Administration

System Contract Management Handbook

System OGC Contract Review and Approval Procedures and Guidelines (Section D)

System Contract Administration

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