01. POLICY STATEMENTS

01.01 This policy outlines the procedure for obtaining approvals of contracts where Lamar Institute of Technology (LIT) is purchasing, obtaining or providing goods, or services and identifies persons who may sign contracts on behalf of LIT. This includes establishing policy for committing LIT to partnerships or alliances with external entities, regardless of whether the commitment is written or oral.

01.02 An authorized LIT representative may enter into certain contracts, purchases, or agreements on behalf of LIT. The president, each vice president, and others specifically designated have authority to enter into contracts on behalf of LIT, provided that the contract does not require approval from the Board of Regents. Account managers may contract for certain professional services, in accordance with the LIT Contracted Services Policy.

The Director Purchasing and Contracts is authorized to sign LIT purchase orders (refer to LIT Purchasing Policy).

01.03 LIT is not bound by a contract, purchase, or agreement signed by an unauthorized person on behalf of LIT, which may hold the person who signed without proper authorization personally liable for any damages resulting from its repudiation.

01.04 This policy does not apply to contracts, purchases, or agreements:

a. involving the planning, design, renovation, or construction of buildings and other physical facilities, see The Texas State University System (TSUS) Rules and Regulations, Chapter III;

b. with private or governmental agencies, entities, or foundations expending funds for grants in which the donor or agency stipulates the proposed purpose of the expended funds;

c. involving alliances under which LIT employees or students, as LIT representatives, are providing services; or

d. for lease of real property by LIT.

01.05 LIT will use the same process to approve amendments to contracts, purchases, or agreements as used with the original, unless the proposed change, when aggregated in to the total value requires a different level or
type of approval, or unless excepted per TSUS Rules and Regulations, Chapter III, Section 10, Contracts, Purchases, and Agreements.

01.06 All LIT contracts must be in writing and must name LIT as a party. Divisions, departments, centers, and offices may not enter into contracts in their own names.

01.07 This policy does not apply to gift agreements or memoranda of understanding involving donor agreements with LIT. Those documents must be approved by the LIT Office of Development and Foundation as appropriate.

01.08 TSUS Rules and Regulations, Chapter III, Section 19, Information Technology requires central review and oversight of all LIT acquisitions of information technology by the Director of Information Technology or designee, “including, but not limited to, computing hardware, software, and hosting services, regardless of source of funds.” Administrative heads shall consult with the Director of Information Technology or designee prior to executing contracts involving the procurement of technology products or services.

02. DEFINITIONS

02.01 “Contracting party” means an individual, organization, or entity that enters into a contract and is bound by the terms of the executed contract.

02.02 “Contracting officer” means an individual authorized by a contracting party to act as an agent with the authority to enter into a binding contract, purchase, or agreement on behalf of the contracting party.

02.03 “Board motion” means a motion to approve an item prepared for consideration by the Texas State University System (TSUS) Board of Regents at a regular scheduled or special-called meeting in accordance with the TSUS Rules and Regulations.

02.04 “Short-term lease” is the lease of LIT facilities or real property with a duration of no more than three days, or less than one year if the total rent is less than $1,000,000.

02.05 “Small-amount lease” is the lease of LIT facilities or real property in which the annual rent is $1,000 or less.

02.06 “Consulting service” means the service of studying or advising LIT under a contract that does not involve the traditional relationship of employer and employee.
02.07 “Employee time” means work time, leave time, and faculty assigned time.

02.08 “Financial resources” mean all assets of LIT, regardless of the source of funds.

02.09 “Partnerships or alliances” mean arrangements under which LIT employees or students, acting as representatives of LIT, collaborate on a project or endeavor that involves a commitment of LIT financial resources or employee time. Examples include: cooperative agreements with school districts and affiliation agreements for student clinical or internship experiences.

02.10 “Primary contracting official” means the president or each vice president.

03. POLICIES REGARDING CONTRACTS THAT REQUIRE THE TEXAS STATE UNIVERSITY SYSTEM BOARD OF REGENTS’ APPROVAL

03.01 In accordance with TSUS Rules and Regulations, LIT must submit the following contracts to the TSUS Board of Regents (Board) for approval:

a. contracts, purchases, and agreements which involve income or expenditures of $1,000,000 or more, except those contracts listed in TSUS Rules and Regulations, Chapter III;

b. depository contracts;

c. food services contracts;

d. vending machine contracts;

e. contracts and agreements with support or development foundations;

f. leases of personal property, including equipment, for one year or more involving expected aggregate payments exceeding $500,000.

03.02 Address questions concerning contracts, purchases, or agreements for submission to the Board for approval to the Vice President for Finance and Operations.

04. POLICIES REGARDING CONTRACTS THAT REQUIRE THE TEXAS STATE UNIVERSITY SYSTEM CHANCELLOR’S APPROVAL

04.01 The contract originator must submit the following contracts to the TSUS chancellor for approval:

a. contracts, purchases, and agreements in the amount between $500,000 up to $1 million, whether the amount is income or
expenditure, with the exception of those contracts listed in **TSUS Rules and Regulations, Chapter III**; and

b. leases of personal property, including equipment, for one year or more involving expected aggregate payments between $200,000 and $500,000.

05. **PROCEDURES FOR SUBMITTING BOARD MOTIONS**

05.01 The president normally submits contracts, purchases, and agreements that require Board approval at a regularly scheduled Board meeting in the form of a motion. The Vice President for Finance and Operations coordinates the preparation and submittal of board motions for these contracts.

05.02 The Vice President for Finance and Operations will, well in advance, notify each divisional vice president of the time schedule for preparing and submitting board motions for each Board meeting.

05.03 The vice president of the division originating the proposed contract, purchase, or agreement will prepare background material for the president and prepare the original draft of the board motion.

05.04 Vice presidents will submit board motions dealing with contracts, purchases, and agreements to the Vice President for Finance and Operations.

05.05 The Vice President for Finance and Operations will ensure that the appropriate vice president, or equivalent LIT official, the Purchasing and Contract Manager, and the TSUS General Counsel review proposed contracts, purchases, or agreements. The originator may communicate with these individuals before submitting the proposed board motion to the Vice President for Finance and Operations.

05.06 The Vice President for Finance and Operations will work with the appropriate vice president, or equivalent LIT official, to finalize a recommendation to the president. If the Vice President for Finance and Operations and the appropriate divisional vice president, or equivalent LIT official, do not agree on the board motion, they will meet with the president to resolve any differences.

06. **PROCEDURE FOR SUBMITTING CONTRACTS, PURCHASES, OR AGREEMENTS THAT REQUIRE THE TSUS CHANCELLOR’S APPROVAL**
06.01 When required, the Office of the Vice President for Finance and Operations shall coordinate obtaining the chancellor’s approval of contracts, purchases, or agreements.

06.02 The Vice President for Finance and Operations will ensure that the appropriate vice president, or equivalent LIT official, the Director Purchasing and Contracts and the Office of General Counsel review proposed contracts, purchases, or agreements. The originator may communicate with these individuals before submitting the request for approval of proposed contracts, purchases, or agreements to the Vice President for Finance and Operations in order to expedite the review process.

06.03 The originator of the contract, purchase, or agreement is to draft the request for approval as directed by the Office of the Vice President for Finance and Operations and submit it, along with any supporting documentation. Requests must be submitted through the appropriate approval channels for each division.

06.04 The Office of the Vice President for Finance and Operations shall prepare for the Vice President for Finance and Operations’ signature a letter of transmittal requesting the chancellor’s approval of the proposed contract, purchase, or agreement and the best value justification for the award. The Office of the Vice President for Finance and Operations shall transmit the letter, along with any supporting documentation, to the chancellor’s attention, with a copy of the final draft to the Office of the TSUS General Counsel.

06.05 Upon receipt of the chancellor’s approval or rejection:

a. if the chancellor approves the request, the Office of the Vice President for Finance and Operations shall forward the contract, along with the chancellor’s approval document, to the Director Purchasing and Contracts for internal distribution; or

b. if the chancellor rejects the request, the Office of the Vice President for Finance and Operations shall notify the originator and provide any reasons communicated for the rejection, and also notify the Purchasing and Contract Manager

06.06 After internal distribution, the Director Purchasing and Contracts shall file a copy of the approval document, along with any pertinent supporting documentation provided, for record retention purposes.

07. PROCEDURE FOR CONTRACTS THAT DO NOT REQUIRE THE TSUS BOARD OR CHANCELLOR’S APPROVAL
07.01 When a contract does not require Board approval, the originator must forward two original copies of the final form through the appropriate dean or director and vice president to the Director Purchasing and Contracts for them to review and initial. The Director Purchasing and Contracts may also assist in the preparation of proposed contracts if the originator (requester) requests assistance and provides the director with the essential contract information.

07.02 If, while reviewing the proposed contract, the Director Purchasing and Contracts identifies a contract term or condition that state law prohibits LIT from accepting, or that may pose a potential unacceptable risk to LIT, the Manager shall highlight the term or condition and forward the proposed contract to the Office of the TSUS General Counsel and others, as necessary for review and comment.

The Director Purchasing and Contracts the TSUS General Counsel and system shall attempt to get the other contracting party to remove or modify an objectionable term or condition to eliminate or mitigate the unacceptable risk (e.g., progress billing not tied to verifiable deliverables, right of assignment, etc.).

07.03 After preparation or review of a proposed contract, the Director Purchasing and Contracts and, as applicable, the system attorney, shall initial both original copies on the LIT signature line to indicate contract review and approval as to form. The Purchasing and Contract shall forward the document to the appropriate LIT contracting officer to sign on behalf of LIT.

07.04 The contracting officer will return the two original signed copies of the contract, along with all pertinent supporting documentation, to the attention of the Purchasing and Contract Manager.

a. If LIT’s approval executes the contract, the Director Purchasing and Contracts shall make internal distribution and transmit an original signed copy of the executed contract to the other contracting party.

b. If the contract requires the other contracting party’s signature, the Director Purchasing and Contracts shall prepare a transmittal letter requesting that it sign the contract and return an original signed copy. Upon receipt of the executed contract, the Director Purchasing and Contracts shall make internal distribution.

07.05 For documentation purposes, the Director Purchasing and Contracts should retain an original signed copy, along with any pertinent supporting documentation.
08. PROCEDURES FOR PARTNERSHIPS OR ALLIANCES

08.01 LIT encourages faculty, staff, and administrators to develop cooperative partnerships and alliances with external constituents (e.g., volunteer efforts, settings for external student learning, collaborative efforts to address community needs).

08.02 Such partnerships and alliances generally advance the best interest of LIT; however, the supervisor of the employee proposing such efforts must approve them.

   a. LIT employees must inform their supervisors of proposed commitments before the commitments' inceptions.

   b. A commitment of only academic departmental resources requires approval of the Vice President for Student and Academic Success. Commitments of institution-level resources require the appropriate Vice President or President.

08.03 Partnerships and alliances shall adhere to all LIT policies in their use of LIT resources, including information technology resources.

08.04 All proposed partnership or alliance requires a written agreement or contract.

08.05 Managers must forward partnerships or alliances involving agreements, contracts or memos of understanding through the appropriate dean, director, and vice president to the Purchasing and Contract Manager who will review the document. The Director Purchasing and Contracts will consult with the Office of the Vice Chancellor and General Counsel of The Texas State University System as needed and in accordance with System policy. Upon review and approval of the agreement or contract as to form, the insert title for purchaser will forward the document to the appropriate office for signature on behalf of LIT.

08.06 Individuals who anticipate using the same general agreement or contract type for similar partnerships or alliances should work with their managers and the Director Purchasing and Contracts to develop standard agreement or contract language. This streamlines the contract review process, requiring the Director Purchasing and Contracts to seek approval of only modifications to the standard agreement or contract language.