

Texas A&M AgriLife Extension Service Rules

25.07.99.X1 | Contract Administration

Revised: June 22, 2020

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RULE SUMMARY

The effective administration of contracts is an essential operational function of Texas A&M AgriLife Extension Service (AgriLife Extension). All contracts entered into by AgriLife Extension are subject to this rule, including all original contracts, amendments, alterations, modifications, corrections, changes, and extensions.

This rule is developed to comply with System Policy 25.07, *Contract Administration*. Section 1 of System Policy 25.07 requires each member to develop and implement a contract administration rule which must address the process for contract origination, recommendation, approval, execution, administration and contract close-out; and contract reporting requirements.

PROCEDURES AND RESPONSIBILITIES

1.0 GENERAL

- 1.1 This rule sets out the process for Texas A&M AgriLife Extension (AgriLife) personnel to originate, recommend, approve, sign, execute, administer, close out, and report written contracts. For purposes of this rule, "contract" includes an agreement regardless of whether or not funding is exchanged.
 - 1.1.1 With the exception of an approved Service Center or routine lab tests, a written contract shall be executed for every sponsored project or testing protocol to be conducted using the resources of AgriLife, regardless of value.
 - 1.1.2 A written contract shall be executed whenever AgriLife enters into a binding agreement with another party that: (a) involves a stated or implied consideration exceeding \$10,000, or (b) obligates AgriLife to maintain confidentiality of the other party's information or material(s) or (c) involves purchase by AgriLife of goods or services subject to Electronic and Information Resources (EIR) accessibility requirements, regardless of value. A purchase order issued by the department (if \$10,000 or less), or by AgriLife Purchasing (if greater than \$10,000), is sufficient to satisfy the written contract requirement set out herein.
 - 1.1.3 A written lease or license agreement shall be executed whenever AgriLife allows a third party to use any real property owned by The Texas A&M University System (System). This includes lease of System property to AgriLife employees.
 - 1.1.4 Regardless of dollar value, a written contract shall be executed if there is more than minimal risk to AgriLife as part of a contemplated transaction or agreement with a third party.
- 1.2 All contracts not processed by Texas A&M University (TAMU) Sponsored Research Services (SRS) shall be processed by Texas A&M AgriLife Administrative Services Contract Office (AgriLife Contracts).
- 1.3 Except as provided in Sections 3.2 and 3.3, all written contracts, regardless of dollar value, to which AgriLife is a party must be prepared by or submitted to either SRS or AgriLife Contracts for review, negotiation, approval, and signature.

1.4 Delegations of authority referenced in this rule shall be valid only if in writing.

2.0 CONTRACT ORIGINATION

2.1 A contract or a request for a contract must originate from one of the following:

- A Principal Investigator (PI) or designee;
- a unit's Department Head, Center Director or Business Office or designee;
- the agency's Director or designee;
- the agency's Chief Financial Officer (CFO)
- the agency's Purchasing Department or;
- a third-party vendor/sponsor.

2.2 A contract originating from a third-party vendor/sponsor must be supported, approved or requested by one of the agency individuals identified in Section 2.1.

3.0 RECOMMENDATION

3.1 Except as provided in Sections 3.2 and 3.3, AgriLife Contracts must prepare or review and recommend for approval all non-sponsored contracts, industry sponsored contracts, and commodity sponsored contracts/grant agreements to which AgriLife is a party. Certain sponsored agreements being negotiated by SRS will be reviewed by AgriLife Contracts in accordance with the SRS Delegation of Authority before they are recommended for approval on behalf of the agency.

3.2 For purposes of this rule, contracts made by AgriLife departments for use of hotel or facility rooms and/or space with stated or implied consideration of less than \$50,000 should not be routed through AgriLife Contracts nor be reviewed by the Office of General Counsel so long as the AgriLife department/unit head and the facility sign the standard Facility Use Addendum (Form AG-126E), in conjunction with the facility's standard contract. In the event the facility objects to the use of the Facility Use Addendum or makes revisions to same, the facility's contract should then be sent to AgriLife Contracts for review. The Facility Use Addendum is intended to assist departments in exercising care when a hotel or facility's contract contains clauses that constitute a commitment by AgriLife, which could lead to monetary or legal liabilities. Such clauses generally mention liability on the part of the department/agency for damages, or require a guarantee of payment for unoccupied rooms or facilities. While the standard Facility Use Addendum attempts to mitigate these risks, departments should determine the availability of a funding source should circumstances dictate cancellations resulting in a penalty. Department heads may wish to establish specific departmental guidelines to avoid needless penalty payments. This rule authorizes respective department/unit heads authority to execute such contracts so long as the stated or implied consideration does not exceed \$50,000 and the contract is not being paid with federal funds. All applicable purchasing rules and procedures (e.g. submission of requisition) shall be followed by the department when contracting directly with a hotel/facility.

3.3 For purposes of this rule, contracts to which AgriLife is a party for catering/food and beverage services with stated or implied consideration of \$10,000 or less should not be routed through AgriLife Contracts for review/approval. Such contracts may be approved and signed by the respective AgriLife department/unit head.

All contracts must be signed by an authorized representative of AgriLife Extension as provided in the agency's Delegation of Authority.

4.0 APPROVAL

4.1 Approval of contracts shall be obtained as outlined in the *AgriLife Extension Delegation of Authority for Contract Administration*. Only a person with delegated authority may sign a contract on behalf of the agency.

4.2 Contracts requiring Board of Regents approval per System Policy 25.07 shall be presented to the agency's Director for review, approval, and submission to the A&M System.

5.0 EXECUTION

- 5.1 Once the contract has been reviewed, fully negotiated, and recommended for approval by AgriLife Contracts, the contract shall be submitted for signature.
- 5.2 Contract execution shall occur upon obtaining all required approvals as stated in the *AgriLife Extension Delegation of Authority for Contract Administration*. Department/Unit Heads, PIs, and Business Coordinators do not have authority to sign, and shall not execute a contract on behalf of the agency, except as outlined in the *AgriLife Extension Delegation of Authority for Contract Administration* (i.e., hotel/catering agreements).
- 5.3 If a contract originated from a third-party vendor/sponsor and AgriLife Contracts made revisions or changes to the contract (including addendums), the changes must be submitted to the vendor/sponsor for approval and acceptance.
 - A. Any revisions made by AgriLife Contracts to a contract originating from a third-party vendor/sponsor shall be initialed by the vendor's authorized representative.
 - B. Any addendum prepared by AgriLife Contracts to supplement a contract originating from a third-party vendor/sponsor shall be signed by the vendor's authorized representative.

6.0 ADMINISTRATION

- 6.1 Once fully executed, the contract shall be filed by AgriLife Contracts or other appropriate A&M System or agency offices in the appropriate document management system and retained in accordance with the agency's records retention policy. Responsibility and management of the performance of the contract rests with the applicable administering office, with such management to be conducted in accordance with the System Contract Management Handbook.
 - 6.1.1 For non-sponsored contracts processed by AgriLife Contracts, the applicable administering office is the respective agency department that requested or supported approval of the contract.
 - 6.1.2 For sponsored research agreements processed by AgriLife Contracts and released to SRS for administration, the applicable administering office is SRS.
 - 6.1.3 For sponsored research agreements processed by AgriLife Contracts and not released to SRS for administration, the applicable administering office is either AgriLife Administrative Services or the agency's department overseeing the project.

7.0 CLOSE-OUT

Contract close-out responsibility shall rest with the applicable administering office.

8.0 REPORTING

Contract reporting shall be in accordance with and as required by applicable A&M System polices and regulations, agency rules and procedures, Texas state law, federal law, and the terms of the agreement, if any.

RELATED STATUTES, POLICIES, OR REQUIREMENTS

[A&M System Policy 25.07](#), *Contract Administration*

[A&M System Regulation 25.07.01](#), *Contract Administration, Delegations, and Reporting*

[A&M System Regulation 25.07.03](#), *Acquisition of Goods and/or Services*

[AgriLife Extension Procedure 25.07.01.X1.01](#), *Delegation of Authority and Contract Administration*

CONTACT OFFICE

Questions regarding this rule should be referred to AgriLife Contracts at contracts@ag.tamu.edu or 979-842-3269.

REVISION HISTORY

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