

Meeting No. 895

THE MINUTES OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Pages 1 - 41

August 29, 1996

Austin, Texas

MEETING NO. 895

THURSDAY, AUGUST 29, 1996.--The members of the Board of Regents of The University of Texas System convened via telephone conference call and in person (Regent Deily) at 11:20 a.m. on Thursday, August 29, 1996, on the ninth floor of Ashbel Smith Hall at 201 West Seventh Street in Austin, Texas, with the following in attendance:

ATTENDANCE.--

Present

Chairman Rapoport, presiding  
Vice-Chairman Hicks  
Regent Deily  
Regent Evans  
Regent Lebermann  
Regent Loeffler

\*Absent

Vice-Chairman Smiley  
Regent Holmes  
Regent Temple

Executive Secretary Dilly

Chancellor Cunningham  
President Berdahl (U. T. Austin)

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Rapoport called the meeting to order. He announced that the sole purpose of this special meeting was to consider the ratification of Executive Committee Letters 96-23 and 96-24 which had been previously distributed to the Board. Chairman Rapoport noted to the Board that, as indicated in the recommendations associated with each of the four action items, there were legal/administrative and/or private fund development reasons which required that the recommendations be formalized prior to the regular meeting of the Board in November 1996.

\*Vice-Chairman Smiley and Regents Holmes and Temple were excused because of previous commitments.

CONSIDERATION OF EXECUTIVE COMMITTEE LETTER 96-23

1. U. T. Board of Regents: Approval for the Firm of Deloitte & Touche, LLP to Perform Audits of the Financial Statements of The University of Texas Investment Management Company (UTIMCO), the Permanent University Fund, and Other Investment Funds for the Fiscal Year Ended August 31, 1996.--Without objection, the Board approved the selection of Deloitte & Touche, LLP to perform audits of the financial statements of The University of Texas Investment Management Company (UTIMCO) and the investment funds managed by UTIMCO pursuant to the Investment Management Services Agreement approved by the U. T. Board of Regents at its February 1996 meeting.

Section 66.08 of the Texas Education Code, which authorizes the U. T. Board of Regents to contract with UTIMCO for the investment management of funds under its fiduciary care, requires that (a) the U. T. Board of Regents provide for an annual financial audit of the Permanent University Fund and (b) the audit be performed by the auditors of The University of Texas System and The Texas A&M University System (TAMUS) and be presented to the U. T. Board of Regents.

The approval of Deloitte & Touche, LLP by the U. T. Board of Regents follows a Request for Proposal process by UTIMCO and had the prior approval of the UTIMCO Audit and Ethics Committee and Board of Directors, the State Auditor, The Texas A&M University System, and the U. T. System Administration.

2. U. T. Board of Regents - Regents' Rules and Regulations, Parts One and Two: Amendments to Comply with Previous Board Actions Regarding the Delegation of Selected Contract Approval Authority to Designated U. T. System Administration and Component Officials Effective September 1, 1996.--Upon recommendation of the Chancellor, The University of Texas System Process Review Committee, and the Business Affairs and Audit Committee, the Board, without objection, amended the Regents' Rules and Regulations, Parts One and Two as set forth on Pages 3 - 33 to implement the U. T. Board of Regents' actions approved at the May 1996 meeting regarding the delegation of selected contract approval authority to designated U. T. System Administration and component officials effective September 1, 1996.

These amendments to the Regents' Rules and Regulations delegate the authority to execute a variety of contracts and agreements to selected U. T. System Administration or component officials within specific guidelines, conditions, and restrictions. Previously these contracts and agreements were approved or ratified by the U. T. Board of Regents via the Docket process, and the elimination of these items from the Docket will produce a significant savings in staff time at the components and expedite contract administration.

This delegation of authority is consistent with the cost-saving programs recommended by the System Process Review Committee, chaired by Regent Lebermann, and provides an efficient method for the U. T. Board of Regents to delegate contracting authority as authorized by Section 65.31(g) of the Texas Education Code. Implementation of this delegated authority will be monitored periodically through routine reviews and audits.

- a. Part One, Chapter I (Board of Regents), Section 7, Subdivisions 7.13 and 7.14, relating to the committee structure of the U. T. Board of Regents, were amended to read as follows:

7.13 Authority of Standing Committees.--The authority of standing committees of the Board shall be subject to action of the whole Board. Except as provided in Subdivision 7.14 of this Section, the committees' actions must be ratified by the Board before they shall become effective.

7.14 Duties of the Executive Committee.--Any action taken by the Executive Committee pursuant to authority granted in Part One, Chapter I, Subsection 9.5 of these Rules and Regulations shall be effective at the time the action is taken by the committee unless otherwise stated by the committee and shall be reported to the Board at its next regularly scheduled meeting. The Executive Committee, after appropriate consultation with other members of the Board, shall act for the Board on all other items requiring immediate attention; provided that all actions taken by the Committee that are not authorized by Part One, Chapter I, Subsection 9.5 must be ratified by the Board.

- b. Part One, Chapter I, present Section 9, relating to the execution of documents on behalf of the U. T. Board of Regents, was deleted in its entirety and the following substituted in lieu thereof:

Sec. 9. Documents Executed on Behalf of the Board.

- 9.1 General Requirements.--Each Executive Officer and the chief administrative officers shall be responsible for identifying to the Chancellor contracts, agreements, and other documents for which he or she is responsible that are of such significance to require the prior approval of the Board. Each such matter so identified shall be presented to the Board by the Chancellor as an agenda item at a regular or special meeting of the Board. Upon approval, the Board shall designate the person(s) authorized to act on behalf of the Board with regard to the matter and shall specify any conditions or limitations on such authority. Documents executed on behalf of the Board pursuant to authority granted under these Rules and Regulations shall not require certification or attestation by the Executive Secretary to the Board.
- 9.2 Delegation of Authority to Execute and Deliver Contracts, Agreements, and Documents.--The Board delegates authority to execute and deliver contracts, agreements, and documents on behalf of the Board as set out in these Rules and Regulations. The Board shall take all actions necessary to maintain oversight and to implement all proper and necessary procedures with regard to such delegated authority. All authority to execute and deliver contracts, agreements, and other documents is subject to these Rules and Regulations and compliance with all applicable laws and special instructions or guidelines issued by the Chancellor, an Executive Vice Chancellor, or the Vice Chancellor and General Counsel.

- 9.21 Special instructions or guidelines by the Chancellor, an Executive Vice Chancellor, or the Vice Chancellor and General Counsel may include without limitation instructions concerning reporting requirements; standard clauses or provisions; ratification or prior approval by the Board, the Executive Committee of the Board, or the appropriate Executive Vice Chancellor; review and approval by the Office of General Counsel; and recordkeeping.
- 9.22 All contracts for consulting services for more than \$250,000 must be approved by the Executive Committee of the Board or approved by the Board via the docket or the agenda. Except as provided in Subdivision 9.23, all other contracts or agreements, including purchase orders and vouchers, with a cost or value of more than \$500,000 must be approved by the Executive Committee of the Board or approved by the Board via the docket or the agenda.
- 9.23 Contracts, agreements, and documents relating to construction projects previously approved by the Board in the Capital Improvement Program and Capital Budget and contracts or agreements, including purchase orders and vouchers, for the purchase of replacement equipment, routinely purchased supplies, purchases made under a group purchasing program, or purchases of new equipment identified specifically in the institutional budget approved by the Board do not require prior approval or ratification by the Executive Committee or the Board regardless of the contract amount.
- 9.24 The officer or employee executing any document on behalf of the Board shall be responsible for assuring that he or she has authority to act on behalf of the Board and that such authority is exercised in compliance with applicable conditions and restrictions.

- 9.25 The primary delegate identified in these Rules and Regulations may further delegate his or her delegated authority unless otherwise specified. Any such further delegation of authority must be made in writing and the primary delegate shall permanently maintain, or cause to be maintained, evidence of all such delegations. A delegate of the primary delegate may not further delegate such authority.
- 9.26 The primary delegate identified in these Rules and Regulations as authorized to execute and deliver on behalf of the Board various types of contracts, agreements, and documents shall maintain, or cause to be maintained, necessary and proper records with regard to all contracts, agreements, and documents executed and delivered pursuant to such delegated authority. An original of each executed contract or agreement shall be kept for a minimum period of four (4) years after the expiration of the contract or agreement, or longer as may be specified by any applicable records retention schedule or policy adopted by the Board, the U. T. System Administration, or the component.
- 9.27 All authority to execute and deliver contracts, agreements, and other documents is subject to compliance with all applicable laws and regulations and all applicable provisions of these Rules and Regulations.
- 9.28 All purchases, regardless of the source of funds, shall be made on a competitive basis unless otherwise authorized by law, U. T. System policy, or approved component policy.

- 9.3 Prior Approval, Ratification, and Reporting.--Actions taken pursuant to delegated authority must receive the prior approval of, be ratified by, or be reported to the Board only as specifically required in these Rules and Regulations, the policies of the Board, or any special instructions or guidelines issued as provided in these Rules and Regulations.
- 9.4 Actions of the Board as Trustee.-- Authority delegated by the Board in these Rules and Regulations includes actions that may be taken by the Board in its capacity as trustee of any trust, to the extent such delegation is permitted by law.
- 9.5 Delegation of Authority to the Executive Committee.--Except as may be specifically set out otherwise in these Rules and Regulations, the Board delegates to the Executive Committee of the Board authority to approve on behalf of the Board any contract, agreement, or document. When approving any contract, agreement, or document, the Committee shall designate the officer, employee, or agent authorized to execute and deliver the contract or agreement and specify any other required approvals. The designated delegate may further delegate his or her delegated authority unless otherwise specified. Any such further delegation of authority must be made in writing and the designated delegate shall permanently maintain, or cause to be maintained, evidence of any such delegation. A delegate of the primary delegate may not further delegate such authority. The Executive Committee shall report to the Board at its next regular meeting actions taken by the Committee on behalf of the Board as provided in Part One, Chapter I, Section 7 of these Rules and Regulations.

- 9.6 Exceptions.--This Section does not apply to the following:
- 9.61 Management of assets by UTIMCO, which is governed by contract and the provisions of Part Two, Chapter IX of these Rules and Regulations.
  - 9.62 The acceptance, processing, or administration of gifts and bequests, which actions are governed by Part Two, Chapter I and Part Two, Chapter IX of these Rules and Regulations and applicable policies of the Board.
  - 9.63 Any power, duty, or responsibility that the Board has no legal authority to delegate, including any action that the Constitution of the State of Texas requires be taken by the Board.

- c. Part One, Chapter II (Administration), Section 6, Subdivisions 6.2(10) and 6.2(11), relating to the duties of the Executive Vice Chancellor for Business Affairs, were amended to read as follows:

- 6.2(10) Managing the operations of the offices listed below through such internal administrative organization as he/she deems to be appropriate:
- Office of the Associate Vice Chancellor for Business Affairs
    - Office of Historically Underutilized Business Development
    - Office of the Director of Police
  - Office of the Assistant Vice Chancellor and Controller
    - Budget Office
    - Office of Information Resources
    - Office of Business and Administrative Services
    - Director of Accounting regarding System Administration accounts
  - Office of the Assistant Vice Chancellor for Finance
    - Office of Facilities Planning and Construction
    - Office of Finance

Real Estate Office  
Office of Human Resources  
Office of Employee Group  
Insurance Program  
West Texas Operations  
University Lands  
Accounting Office  
Surface Interests  
Oil, Gas & Mineral  
Interests

6.2(11) Supervising and coordinating the acquisition, lease, disposition, and/or management of all real property owned or controlled by the Board with a goal of maximizing the income to be realized from the operation, lease, or conveyance of these properties. In discharging this responsibility, the Executive Vice Chancellor for Business Affairs shall work closely with the appropriate Executive Vice Chancellor and chief administrative officer with regard to the management and conveyance of real property owned or controlled by the Board for the benefit of a particular institution. The Executive Vice Chancellor for Business Affairs shall establish procedures that assure effective coordination with the Director of Estates and Trusts with regard to gifts of real property to the Board.

d. Part One, Chapter II, Section 7, Subdivisions 7.27 and 7.29, relating to the duties of the Vice Chancellor and General Counsel, were amended to read as follows:

7.27 Directing and managing (within applicable limits of authority) all litigation and administrative agency hearings; authorizing and approving the institution of legal proceedings; evaluating, directing and approving action and procedures relative to prosecution or defense of pending litigation and administrative proceedings; employing outside counsel; authorizing and approving settlement of claims, disputes, and litigation as authorized in Part Two, Chapter XI, Section 3 of these Rules and Regulations; and authorizing and approving appeal of litigation.

- 7.29            Reviewing and making recommendations regarding the form of institutional Handbooks of Operating Procedures, whether finally approved or not, and all amendments to such Handbooks.
- e.            Part One, Chapter II, Section 7, relating to the duties of the Vice Chancellor and General Counsel, was amended by adding new Subdivisions 7.2(16) and 7.2(17) to read as follows:
- 7.2(16)        Establishing and maintaining guidelines regarding the legal review and form of contracts and agreements, and recordkeeping requirements.
- 7.2(17)        Legal review and approval of the form of all amendments to the Regents' Rules and Regulations.
- f.            Part One, Chapter II, Section 10, relating to officers of System Administration and other code 1000 staff, was amended to read as follows:
- Sec. 10.       Officers of System Administration and Other Code 1000 Staff.
- 10.1        Executive Officers.--For purposes of these Rules and Regulations, the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, the Vice Chancellor for Governmental Relations, the Vice Chancellor for Development and External Relations, the Associate Executive Vice Chancellor for Academic Affairs, the Associate Vice Chancellor for South Texas/Border Area Development, the Executive Associate to the Chancellor, the Associate Vice Chancellor for Business Affairs, and the Special Consultant to the Chancellor are the Executive Officers of The University of Texas System.

10.2 Other Code 1000 Staff and Officers of System Administration.--Staff and officers of System Administration designated as code 1000 shall be appointed by the Chancellor, the Executive Vice Chancellors, or Vice Chancellors to whom they will report, and shall have appropriate job descriptions on file with the Office of Human Resources. Persons so appointed shall not have tenure by virtue of their respective positions. They shall serve without fixed term, subject to the pleasure of the officer to whom they report. The actions of the appointing officer concerning such positions are in turn subject to review and approval by the Chancellor or the Board as required by the Regents' Rules and Regulations.

g. Part Two, Chapter I (General), Section 1 (Gifts to The University of Texas System), Subsection 1.1 was amended to read as follows:

1.1 The authority to accept gifts to the System or to any of the components is vested in the Board and delegated by the Board as specifically set out in this Section.

h. Part Two, Chapter I, Section 1 was amended by deleting present Subsections 1.3 and 1.4 and substituting the following in lieu thereof:

1.3 The Board delegates to the chief administrative officer, or a designee specified in writing, authority to accept gifts that conform to all relevant laws and Board policies, including but not limited to the System Gifts Policy Guidelines and approved institutional policies, provided that such gifts are not processed, managed, or administered by the Office of Development and External Relations, are unrestricted or are restricted only as to a particular college, school, or unit, and have a value of less than \$500,000 (in cash or in kind).

- 1.4 The Board delegates to the Vice Chancellor for Development and External Relations, or a designee specified in writing, authority to accept all gifts of any value (either in cash or in kind) that conform to all relevant laws and Board policies, including but not limited to the System Gifts Policy Guidelines, and are processed or administered by the Office of Development and External Relations.
- i. Part Two, Chapter I, Section 1 was amended by adding new Subsections 1.5 through 1.7 as follows:
- 1.5 The Board delegates to the Vice Chancellor for Development and External Relations, or a designee specified in writing, authority to take any and all necessary or desirable actions relating to the administration and management of gifts accepted by the Office of Development and External Relations, including without limitation the modification or termination of trusts, endowments, and quasi-endowments as may be permitted by applicable law, policies and these Rules and Regulations.
- 1.6 The Board delegates to the chief administrative officer, or a designee specified in writing, authority to execute all necessary Internal Revenue Service forms, including without limitation IRS Forms 8283 and 8282, that relate to gifts accepted by the chief administrative officer or accepted by the Board as an agenda item.
- 1.7 The Board delegates to the Vice Chancellor for Development and External Relations, or a designee specified in writing, authority to execute all necessary Internal Revenue Service forms, including without limitation IRS Forms 8283 and 8282, that relate to gifts processed or administered by the Office of Development and External Relations.
- j. Part Two, Chapter I, Section 1 was amended by renumbering present Subsections 1.5 through 1.(11) as Subsections 1.8 through 1.(14).

- k. Part Two, Chapter I, Section 3, title and Subsection 3.1, relating to endowment of academic positions, was amended to read as follows:

Sec. 3. Academic Positions.

3.1 No endowment will be established or announced without prior approval by the Board or its designee(s). No initial appointment will be made to an endowed or named academic position without prior approval by the chief administrative officer after review and approval by the appropriate Executive Vice Chancellor as a Request for Budget Change. Subsequent new or continuing appointments to the endowed or named academic positions may be approved as a part of the annual operating budget.

- l. Part Two, Chapter III (Receipt, Custody, and Disbursement of Moneys; Travel Authorization, Reimbursement, and Institutional Regulations), Section 4, Subsection 4.1, Subdivision 4.11, relating to local institutional funds, was amended to read as follows:

4.1 All institutional funds not required to be deposited in the State Treasury must be deposited in official depository banks for safekeeping or invested as specified by law and by the applicable Rules and Regulations, Business Procedure Memoranda and Investment Policy Statements.

4.11 Funds held in demand deposits, time deposits, or non-negotiable certificates of deposit shall be deposited or invested only in banks with which the Board has a depository agreement. The Board delegates to UTIMCO or the Executive Vice Chancellor for Business Affairs authority to execute and deliver depository and custody agreements when such deposit agreements are with banks meeting the then current policies of the Board and are in substantially the form of a standard deposit agreement approved by the Board or, for other agreements, in a

form approved by the Office of General Counsel. Subject to the provisions of Part One, Chapter I, Section 9 of these Rules and Regulations, the Board delegates to each chief administrative officer and the Executive Vice Chancellor for Business Affairs the authority to execute and deliver contracts for banking services with banks that have a depository agreement with the Board.

- m. Part Two, Chapter IV (Purchasing), present Section 1, relating to authority to obligate institutional funds, was deleted in its entirety.
- n. Part Two, Chapter IV was amended by renumbering present Section 2, relating to purchasing ethics, as Section 1 and amending renumbered Subsection 1.5 to read as set forth below:
  - 1.5 All purchases, regardless of the source of funds, shall be made on a competitive basis unless otherwise authorized by law, U. T. System policy, or approved component policy.
- o. Part Two, Chapter IV was amended by renumbering present Sections 3 through 5, relating to certain purchasing guidelines, as Sections 2 through 4.
- p. Part Two, Chapter IV, present Section 6, relating to space leases, was deleted in its entirety.
- q. Part Two, Chapter IV was amended by renumbering present Section 7, relating to certain purchasing guidelines, as Section 5 to read as follows:
  - Sec. 5. Purchase from or Sale to an Officer or Employee.--Purchase from, or sale to, any officer or employee of the System or a component of any supplies, materials, services, equipment, or property must have the prior approval of the chief administrative officer and the appropriate

Executive Vice Chancellor or the Chancellor. Any such purchases shall be made only if the cost is less than from any other known source. This Section does not apply to sales or purchases made at public auction.

- r. Part Two, present Chapter VIII (Physical Plant Improvements) was deleted in its entirety and the following substituted in lieu thereof:

## CHAPTER VIII

### PHYSICAL PLANT IMPROVEMENTS

#### Sec. 1. Institutional Committees.

- 1.1 Institutional Building Advisory Committees.--There may be an Institutional Building Advisory Committee for each component. The duties, composition, and appointment of the members of the Institutional Building Advisory Committee shall be set forth in the Handbook of Operating Procedures of each component. The Institutional Building Advisory Committee shall have no further direct responsibility after the construction contract is awarded but shall be available for consultation as the building progresses, as requested by the chief administrative officer, the appropriate Executive Vice Chancellor, the Chancellor, or the project architect or engineer.
- 1.2 Ad Hoc Project Building Committee.--The chief administrative officer may appoint, according to the institutional Handbook of Operating Procedures, an Ad Hoc Project Building Committee composed of, but not limited to, representatives of the departments or divisions that will occupy the building. The chairperson of the Institutional Building Advisory Committee, or his or her delegate, shall be an ex officio member of each Ad Hoc Project Building Committee. The committee shall work with the Office of Facilities Planning and Construction to prepare a

facility program in accordance with the Facilities Programming Guidelines maintained by the Office of Facilities Planning and Construction.

Sec. 2. Major Construction and Repair and Rehabilitation Projects.

2.1 General Requirements.

- 2.11 Subject to Subdivisions 2.12, 2.13, 2.14 and 2.15 of this Section and the general provisions of Part One, Chapter I, Section 9 and except as otherwise specified in these Rules and Regulations, the Chancellor with the advice of the appropriate Executive Vice Chancellor and chief administrative officer is authorized to appoint architects, approve plans and execute contracts for all new construction projects exceeding \$300,000 and for major repair and renovation projects exceeding \$600,000 ("Major Projects") that have previously been approved or authorized by the Board.
- 2.12 Major Projects must be approved by the Board by being included in the approved Capital Improvement Program.
- 2.13 Funding for Major Projects must be allocated and appropriated by the Board through the Capital Budget.
- 2.14 Costs in excess of an amount equal to the Total Project Cost approved by the Board plus ten percent or any material change in the concept or scope of the project must be approved by the Board.
- 2.15 Construction contracts executed and delivered on behalf of the Board for Major Projects shall comply with guidelines issued by the Office of General Counsel and shall be written on a standard form approved by the Office of General Counsel. Payment and performance bonds, when required by law for contracts, shall be on a standard form approved by the Office of General Counsel.

2.16 The Chancellor or delegate shall approve the construction contractor's estimates, sign change orders, and provide general supervision of all Major Projects. To meet funding requirements in excess of the Total Project Cost approved by the Board, the Chancellor with the advice of the appropriate Executive Vice Chancellor and chief administrative officer is authorized to reallocate funding between or among approved projects at a single component if funding for such projects has previously been authorized in accordance with Subdivision 2.13, provided that costs do not exceed the Total Project Cost approved by the Board plus ten percent.

2.2 Major Projects Procedures.

- 2.21 Following Board approval of a Major Project and the Preliminary Project Cost, the Institutional Building Advisory Committee shall make recommendations to the chief administrative officer regarding priorities for new construction consistent with the needs of the component.
- 2.22 The facility program must be approved by the Chancellor.
- 2.23 The Chancellor, on behalf of the Board, will utilize the services of a project architect or engineer for each Major Project or portion thereof as may be desirable or required by law. The Chancellor is authorized to adopt a standard contract form or forms, subject to approval by the Office of General Counsel, for the employment of architects and engineers to provide professional services.
- 2.24 After approval of the facility program, the Chancellor or delegate is authorized to give the project architect or engineer the facility program and direct the preparation of schematic plans, exterior design and

site plans, cost estimates, and other necessary and appropriate documents ("Schematic Plans"), and design development plans, elevations, and sections, outline specifications, cost estimates, and other related work to fix the design, dimensions, materials, and scope of the project in greater detail ("Design Development Plans"). Design Development Plans are referred to as Preliminary Plans in applicable rules of the Texas Higher Education Coordinating Board. The project architect or engineer shall work with the Ad Hoc Project Building Committee, if any, and the Office of Facilities Planning and Construction with regard to preparation of all plans and documents.

- 2.25 Design Development Plans for Major Project new construction and for architecturally or historically significant repair and rehabilitation projects shall be submitted to the Board for approval upon the recommendation of the Chancellor. The Executive Officers and chief administrative officers shall be responsible for identifying to the Chancellor architecturally or historically significant major repair and rehabilitation projects. Upon approval of the Design Development Plans for Major Project new construction or an architecturally or historically significant repair and rehabilitation project, the Board will authorize expenditure of funds for the Project.
- 2.26 The Chancellor is authorized to approve Design Development Plans and authorize expenditure of funds for all other Major Project repair and renovation.
- 2.27 After approval of the Design Development Plans, the Chancellor is authorized to direct the preparation of the working drawings and specifications ("Construction Documents").

2.28 The Chancellor is authorized to approve the Construction Documents upon the recommendation of the chief administrative officer and the appropriate Executive Vice Chancellor.

Sec. 3. Minor Construction and Repair and Rehabilitation Projects.

- 3.1 Delegation of Authority.--Subject to Subsections 3.2, 3.3, and 3.4 of this Section and the general provisions of Part One, Chapter I, Section 9 and except as otherwise specified in these Rules and Regulations, each chief administrative officer is authorized to appoint architects, approve plans and Construction Documents, and execute and deliver contracts, agreements, and other documents on behalf of the Board for all new construction projects of \$300,000 or less and for repair and rehabilitation projects of \$600,000 or less ("Minor Projects").
- 3.2 Required Review and Approval.--Minor Projects shall be subject to review as directed by the appropriate Executive Vice Chancellor. If the Minor Project is to accommodate facility program changes requiring System approval or approval of the Texas Higher Education Coordinating Board, then (i) necessary facility program approvals must be secured in advance of requests for construction approval or must be included with the construction request; (ii) funds must have been approved through standard System budgetary procedures; and (iii) the project must have been approved by the component director of physical plant, chief business officer, and chief administrative officer.
- 3.3 Professional Services.--Subject to the provisions of Part One, Chapter I, Section 9 of these Rules and Regulations, each chief administrative officer is authorized to execute and deliver on behalf of the Board contracts and agreements with architects, engineers, and other professional service providers for

Minor Projects previously approved in accordance with this Chapter. Contracts with architects and engineers shall be on a standard form adopted by the Chancellor pursuant to Subdivision 2.22.

Sec. 4. Bidding, Award of Contract, and Final Payment.

- 4.1 Advertisement for Bids.--The Chancellor with respect to Major Projects or the chief administrative officer with respect to Minor Projects (the "Responsible Administrator") is authorized to advertise for bids for construction projects. The Construction Documents must be approved by the Chancellor before the advertisement for bids for Major Projects.
- 4.2 Modification of Bids.--No bid may be changed, amended, or modified after the time for bid filing set out in the advertisement for bids. The substance of this requirement shall be stated in the advertisement for bids; provided, however, that this requirement shall not be construed to prohibit the submission or filing of more than one separate and independent bid by any bidder.
- 4.3 Proposed Decision for Award.--The Responsible Administrator or delegate shall receive and open bids, and, with the project architect or engineer, if any, and others, tabulate and study such bids. After tabulation and study of the bids, the Responsible Administrator shall make a proposed decision for award.
- 4.4 Notice of Proposed Decision for Award.--In the event the lowest bidder is found to be not responsible, or other facts and circumstances necessitate award of contract to other than the lowest bidder, the bidder(s) submitting proposal(s) lower than the bidder to whom award is proposed shall be notified of the proposed decision for award. If the lowest bidder fails to timely file notice of protest, the proposed decision for award will be final.

- 4.5 Notice of Protest.--If the lowest bidder timely files notice of protest, the Responsible Administrator will hear the protest or will appoint a Hearing Officer who shall promptly convene and conduct a hearing and subsequently prepare and submit a report of his or her findings to the Responsible Administrator. The Responsible Administrator shall make a final decision based upon the records of the hearing before the Hearing Officer.
- 4.6 Award of Contract.--All contracts associated with construction projects shall be awarded by the Responsible Administrator. The contract must be signed by the contractor(s) and the Responsible Administrator.
- 4.7 Final Payment.--The Responsible Administrator or delegate shall inspect the completed building and is authorized to approve final payment.

Sec. 5. Constitutional and Legislative Restrictions.

- 5.1 Improvements Financed by Bonds.-- Sections 17 and 18 of Article VII of the Texas Constitution (regarding the Permanent University Fund and the Higher Education Assistance Fund) require approval by the Legislature, or an agency designated by the Legislature, prior to the construction of physical improvements financed by bonds authorized under those Sections at components other than The University of Texas at Austin.
- 5.2 Texas Higher Education Coordinating Board.--Unless otherwise authorized by law, new construction projects in excess of \$300,000 and major repair and rehabilitation projects in excess of \$600,000 must be approved by the Texas Higher Education Coordinating Board. Format for submission will be as prescribed by the Coordinating Board. Submission will be prepared by the component, in consultation with and assisted by the Office of Facilities

Planning and Construction, if necessary, and forwarded to System Administration for review, approval, and handling of submission. It is anticipated that necessary documents will be submitted to the Coordinating Board when the project scope and estimated cost are sufficiently defined to meet the Coordinating Board's requirements for approval. Normally, submission will be made after the Chancellor and the Board have approved the Design Development Plans and the related cost estimate.

- s. Part Two, Chapter IX (Matters Relating to Investments, Trusts, and Lands), Section 1, relating to authority regarding assets, was amended to read as follows:

Sec. 1. Authority Regarding Assets.--Except as otherwise specified in these Rules and Regulations, the authority to manage and invest assets owned or controlled by the Board shall be as set forth in this Chapter.

- 1.1 The management and disposition of interests in real property owned or controlled by the Board, other than real property acquired and managed by UTIMCO for investment purposes, is governed by Section 6 of this Chapter and the remainder of this Chapter does not apply.
- 1.2 All assets received by the Board to establish an endowment (other than the Permanent University Fund), a fund functioning as an endowment, or a life income or annuity fund shall be accepted and processed by the Office of Development and External Relations and, after acceptance and processing, shall be delivered to the appropriate office for management.

- 1.3 All assets received by the Board through a bequest, a distribution from an account held in trust by others, or any planned gift shall be accepted and processed by the Office of Development and External Relations and, after acceptance and processing, shall be delivered to the appropriate office for management.
- 1.4 Rights in intellectual property received by the Board through a gift or bequest shall be accepted and processed by the Office of Development and External Relations and, after acceptance and processing, shall be delivered to the appropriate office for management in accordance with Part Two, Chapter XII of these Rules and Regulations. This Chapter shall not apply to rights in intellectual property owned or controlled by the Board except as provided in this Subsection.
- 1.5 All assets of the Permanent University Fund, other than Permanent University Fund lands, shall be managed by UTIMCO or as otherwise directed by the Board.
- 1.6 All assets received for or held in an endowment fund (other than the Permanent University Fund), a fund functioning as an endowment, or a life income or annuity fund shall be managed by UTIMCO or as otherwise directed by the Board until such funds terminate.
- 1.7 All assets of Retirement of Indebtedness Funds, Bond Proceeds, Unemployment Compensation Funds, Workers' Compensation Funds, the Medical/Dental Self-Insurance Fund, the Vision Services Fund, and the Medical Liability Self-Insurance Fund ("consolidated System funds") shall be managed with respect to investment of such funds as set forth below:
  - 1.71 The Office of Business Affairs shall invest the Retirement of Indebtedness Funds, Bond Proceeds, Unemployment Compensation Funds, Workers' Compensation Funds, the Medical/Dental Self-Insurance Fund,

and the Vision Services Fund in the same manner that chief business officers may invest the operating funds of each component.

1.72 UTIMCO shall invest the Medical Liability Self-Insurance Fund in the Long Term Fund, Short/Intermediate Term Fund, and Short Term Fund as directed by the Vice Chancellor and General Counsel.

1.8 Assets that are not a part of the Permanent University Fund, an endowment fund, a fund functioning as an endowment, a life income or annuity fund, or consolidated System funds shall be managed as set forth in this Subsection:

1.81 Tangible personal property shall be managed by the chief administrative officer.

1.82 Intangible personal property consisting of securities, interests in businesses, and equity interests in technology transfer firms as set out in the Regents' Intellectual Property Policy shall be managed by UTIMCO. Other intangible personal property shall be managed by the chief administrative officer.

t. Part Two, Chapter IX, Section 2, relating to authorizations regarding sales, assignments, conveyances, receipt of property, and proxies, was amended by deleting present Subsection 2.5 in its entirety, renumbering present Subsections 2.6, 2.7, and 2.8 as Subsections 2.5, 2.6, and 2.7, and amending renumbered Subsection 2.5 to read as follows:

Sec. 2. Authorizations Regarding Sales, Assignments, Conveyances, Receipt of Property, and Proxies.

2.5 Authority to Receive and Collect Money or Property.

2.51 UTIMCO is authorized and empowered to seek, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects, or demands due, payable, or

belonging, or that may become due, payable, or belonging to the PUF or the Board from any person or persons as a result of any investment transaction and to execute any and all necessary or proper receipts, releases, and discharges therefor and any other instruments as may be necessary or appropriate from time to time relating to the handling, management, control, and disposition of any investment. The authority granted in this Subdivision does not include the authority to institute litigation on behalf of the Board.

2.52 The Vice Chancellor for Development and External Relations or the Director - Estates and Trusts is authorized to seek, demand, collect, recover, and receive any and all sums of money, debts, dues, rights, property, effects, or demands due, payable, or belonging, or that may become due or payable to the Board from any person or persons as a result of, or relating to, a gift or bequest and to execute any and all necessary or proper receipts, releases, and discharges therefor and any other instruments as may be necessary or appropriate from time to time relating to the receipt, handling, management, control, and disposition of any asset acquired by gift or bequest unless and until such time as the Office of Estates and Trusts has delivered the asset to another office for management purposes as provided in these Rules and Regulations.

2.6 Authority to Execute Proxies and Consent to Modifications in Bond Indentures.-- UTIMCO is authorized to consent to modifications in bond indentures and to execute proxies within the approved investment policies.

- 2.7 Authority to Deliver and Maintain Securities in Book-Entry Form.--Securities owned by the PUF or the Board may be delivered and maintained by a custodian bank or a member bank of the Federal Reserve System in book-entry form subject to applicable law.
- u. Part Two, Chapter IX was amended by adding a new Section 6 on matters relating to real property to read as set forth below:

Sec. 6. Matters Relating to Real Property.

- 6.1 Management of Interests in Real Property Generally.--All interests in real property owned or controlled by the Board shall be administered and managed by the System Real Estate Office, except Permanent University Fund lands, real properties used for institutional purposes, and real property investments managed by UTIMCO. "Institutional purposes" shall not include use solely to generate funds for the institution.
- 6.2 Management of Real Properties Used for Institutional Purposes.--All interests in real property owned or controlled by the Board and used for institutional purposes shall be administered and managed by the component, with the assistance and supervision of the System Real Estate Office.
- 6.3 Management of Permanent University Fund Lands.--Permanent University Fund lands shall be administered and managed by the West Texas Operations Office.
- 6.4 Delegation of Authority.--Subject to Subdivisions 6.41 and 6.42 of this Subsection and the general provisions of Part One, Chapter I, Section 9 and except as provided in Subdivision 6.43 or otherwise specified in these Rules and Regulations, the Board delegates to the Executive Vice Chancellor for Business Affairs the authority to execute and

deliver on behalf of the Board contracts, agreements, and other documents or instruments regarding or conveying interests in, real property owned or controlled by the Board, including Permanent University Fund lands; real property acquired by purchase, gift, or bequest; and real property used for institutional purposes. The authority granted in this Subsection shall include all instruments necessary and convenient relating to the management, control, sale, lease, and disposition of any real property, including mineral interests, owned or controlled by the Board, and licenses, permits for activities on such lands, and instruments relating to mortgages.

6.41 The delegate shall comply with all guidelines issued by the Office of General Counsel.

6.42 The delegate shall consult with the institutional chief business officer prior to approving and executing any agreement or instrument relating to lands used for institutional purposes.

6.43 The authority granted by this Subsection 6.4 does not include authority to execute or deliver binding agreements relating to the acquisition of real property, except easements and other similar agreements necessary to implement projects approved by the Board in the Capital Improvement Program and the Capital Budget.

6.5 Delegation of Authority Regarding Space Leases.--Subject to Subdivision 6.41 of this Section and the general provisions of Part One, Chapter I, Section 9, the Board delegates to each chief administrative officer the authority to execute and deliver on behalf of the Board lease agreements and related documents for the purpose of leasing space for use by the institution for institutional purposes.

- 6.6 Responsibilities of the Board Under Oil and Gas Leases and Other Documents Issued by the Board for Lease.--The Board delegates to the Executive Vice Chancellor for Business Affairs authority to take any action on behalf of the Board as may be necessary or desirable with regard to the management and administration of oil and gas leases and other instruments issued by the Board for Lease of University Lands, including without limitation, promulgating forms and requiring submission of documents, records, or reports to verify gross production, and disposition and market value of the production.
- 6.7 All Real Property Interests Held in the Name of the Board.--Title to all interests in real property, including leasehold interests, held for the use or benefit of the System, a component, or otherwise shall be held in the name of the Board.
- 6.8 Gifts and Bequests.--The Office of Development and External Relations shall accept and process real property received via a bequest or planned gift, from an account held in trust by others, or to establish an endowment, a fund functioning as an endowment, or a life income or annuity fund. The Office of Development and External Relations shall coordinate the acceptance, receipt, and processing of all such real estate with the System Real Estate Office and upon completion of such processing transfer same to the System Real Estate Office for management.
- 6.9 Rents, Mortgages, and Other Charges.--The Board delegates to the System Real Estate Office authority to collect, and account for, all rents, mortgages, and other charges relating to real property managed by that Office.

- v. Present Chapter XI (Contracts and Grants) of Part Two was deleted in its entirety and the following substituted in lieu thereof and the Regents' policy relating to Settlement of Claims and Litigation as approved at the May 1995 meeting of the U. T. Board of Regents was rescinded:

## Chapter XI

### CONTRACT ADMINISTRATION

- Sec. 1. Delegation of Authority.--Subject to Subsection 1.1 and to the general provisions of Part One, Chapter I, Section 9 and except as otherwise provided in these Rules and Regulations, the Board delegates to the chief administrative officers authority to execute and deliver on behalf of the Board contracts and agreements of any kind or nature, including without limitation licenses issued to the Board or a component.
- 1.1 Business Aspects.--The chief business officer of the component or the Executive Vice Chancellor for Business Affairs, as appropriate, shall approve the business aspects of contracts or agreements prior to execution.
- 1.2 Applicability.--This Chapter applies to all contracts and agreements except contracts or agreements relating to personnel, faculty, athletics or athletic events, real properties (except the lease of space for use by a component), physical plant improvements, acceptance or administration of gifts or bequests, intellectual properties owned or controlled by the Board, contracts and grants for sponsored research, contracts for legal services, and agreements to settle claims, disputes, or litigation.
- Sec. 2. Special Approval Processes.
- 2.1 Foreign Contracts.--A contract or agreement with a foreign government or agency thereof or with an institution, corporation, enterprise, or individual subject to the jurisdiction of a foreign

government shall be submitted to the Board for approval as an item on the agenda or via the institutional docket, as determined by the appropriate Executive Vice Chancellor.

2.2 System Administration and System-Wide Contracts.--Subject to Section 1, the Board delegates to the Executive Vice Chancellor for Business Affairs authority to execute and deliver on behalf of the Board contracts or agreements with third parties affecting only System Administration or, with the concurrence of the components affected, contracts for the benefit of all or a majority of the components.

2.3 Contracts Between or Among Components.--The Board delegates to the chief administrative officer authority to execute and deliver on behalf of the Board contracts or agreements between or among components for resources or services. Any such contract or agreement shall provide for the recovery of the cost of services and resources furnished.

Sec. 3. Legal Matters.

3.1 Contracts for Legal Services.--The Board delegates to the Vice Chancellor and General Counsel authority to execute and deliver on behalf of the Board contracts for legal services after obtaining any necessary approvals from the Office of the Attorney General.

3.2 Settlement of Disputes.--The Board delegates to the Vice Chancellor and General Counsel authority to execute and deliver on behalf of the Board agreements settling any claim, dispute, or litigation with a third party in the following amounts. The Vice Chancellor and General Counsel shall consult with the chief administrative officer and the appropriate Executive Vice Chancellor with regard to all significant settlements that will be paid out of institutional funds. The Vice

Chancellor and General Counsel shall consult with the Office of Development and External Relations with respect to settlement of will contests and other matters relating to gifts and bequests administered by that Office.

<u>Amount</u>	<u>Additional Requirements</u>
\$150,000 or less	None
\$150,001 to \$300,000	Concurrence of the Chancellor or the appropriate Executive Vice Chancellor
\$300,001 to \$500,000	Concurrence of the Chairman of the Board
More than \$500,000	Concurrence of the Board of Regents, the Executive Committee, or the appropriate standing committee of the Board

w. Part Two, Chapter XII (Intellectual Property), Section 9, Subsection 9.1, regarding the approval of legal documents relating to rights in intellectual property, was amended to read as follows:

9.1 Sponsored research agreements, except as provided below, and license agreements, except trademark license agreements on a standard form, that grant to a third party an interest in intellectual property shall be approved by the Board on the institutional docket following review by the Office of General Counsel and approval by the chief administrative officer and the appropriate Executive Vice Chancellor. Agreements such as clinical trial agreements, pre-clinical laboratory studies, material transfer agreements, nondisclosure agreements, and trademark license agreements on a standard

form that do not require the review of the Office of General Counsel may be executed and delivered in accordance with the provisions of the Regents' Rules and Regulations, Part Two, Chapter XI.

- x. A new Chapter XIII, relating to contracts and grants for sponsored research, was added to Part Two as follows:

### Chapter XIII

#### CONTRACTS AND GRANTS FOR SPONSORED RESEARCH

- Sec. 1. Delegation of Authority.--Subject to Subsections 1.1 and 1.2 of this Section and to the general provisions of Part One, Chapter I, Section 9, the Board delegates to each chief administrative officer authority to execute and deliver on behalf of the Board contracts or grant proposals for sponsored research from or with third parties, including institutional support grants. Funds shall not be encumbered or expended prior to execution of the contract or grant by the chief administrative officer. The chief business officer or delegate must approve the business aspects of contracts or agreements prior to execution.
  - 1.1 Intellectual Property.--Sponsored research agreements and license agreements shall be processed as required by Part Two, Chapter XII, Subsection 9.1 of these Rules and Regulations.
  - 1.2 Foreign Contracts.--A contract for sponsored research from a foreign government or agency thereof or with an institution, enterprise, or individual subject to the jurisdiction of a foreign government shall be submitted to the Board for approval as an agenda item or via the institutional docket, as determined by the appropriate Executive Vice Chancellor.

Sec. 2. Budgets, Overhead Rates, and Specialized Rates.

- 2.1 Budget.--Expenditures under any contract or grant must conform to the detailed budget, if any, included in the proposal for such contract or grant, as such budget may be amended by authorized procedures.
- 2.2 Overhead Rates.--Proposals regarding overhead rates and specialized rates for fringe benefits, computers, services, and other facilities and equipment chargeable to cost-reimbursement contracts and grants shall be negotiated with the appropriate cognizant agency by the institution's chief business officer. The chief business officer shall send a copy of the final negotiated agreement to the Controller.
- 2.3 Renewals and Replacements.--To the extent that indirect cost recoveries from the application of overhead rates are derived from use charges for buildings, other improvements, or equipment, the funds so derived shall be designated for renewals or replacements of such buildings, improvements, or equipment or for other purposes specified and approved in the budget processes as related to the indirect cost recoveries.

For the record, the foregoing amendments contain substantive and minor editorial corrections as summarized below:

- a. Regents' Rules and Regulations, Part One, Chapter I (Board of Regents) -- Adds conditions generally applicable to the delegation of contracting authority, including a limitation specifying that delegated contracting authority applies only to consulting contracts with a value of less than \$250,000 and all other contracts with a value of less than \$500,000, except group purchases, the purchase of replacement equipment and routine supplies, and certain previously approved equipment purchases, for which no maximum contract value will apply; specifies that acquisitions must be made on a competitive basis unless otherwise authorized by law, U. T. System policy, or approved component policy; and amends the duties of the Executive Committee to allow the Executive Committee to approve contracts on behalf of the Board.
- b. Regents' Rules and Regulations, Part One, Chapter II (Administration) -- Updates the description of certain offices within the Office of Business Affairs and clarifies the duties of the Executive Vice Chancellor for Business Affairs; amends the duties of the Vice Chancellor and General Counsel as necessary to accomplish the delegation of authority; and specifies who the System Executive Officers are.
- c. Regents' Rules and Regulations, Part Two, Chapter I (General) -- Clarifies authority to accept, process, and administer gifts and bequests and delegates authority, subject to certain restrictions, to the chief administrative officer to make initial appointments to an endowed or named academic position.
- d. Regents' Rules and Regulations, Part Two, Chapter III (Receipt, Custody, and Disbursement of Moneys; Travel Authorization, Reimbursement, and Institutional Regulations) -- Clarifies contracting authority relating to depository agreements and banking services.

- e. Regents' Rules and Regulations, Part Two, Chapter IV (Purchasing) -- Deletes specific contracting authority previously assigned to the official purchasing agents of the components; deletes specific authority relating to space leases; and clarifies provisions relating to approval for purchase from or sale to an employee. The authority previously assigned to the official purchasing agents is now included in the more broad contracting authority delegated in Part Two, Chapter XI of the Regents' Rules and Regulations. Authority to enter into space leases is now included in Part Two, Chapter IX, Section 6, relating to the management and disposition of interests in real property.
- f. Regents' Rules and Regulations, Part Two, Chapter VIII (Physical Plant Improvements) -- Reorganizes the provisions of the Chapter; with regard to major construction projects, delegates to the Chancellor or his designee the authority to enter into contracts within parameters previously approved or authorized by the Board; incorporates certain provisions of the revised capital improvement process approved by the Board in December 1994; and delegates to the chief administrative officers, or designee, the authority to enter into contracts with regard to minor construction and repair and rehabilitation projects.
- g. Regents' Rules and Regulations, Part Two, Chapter IX (Matters Relating to Investments, Trusts, and Lands) -- Clarifies authority of the Office of Development and External Relations to accept, process, and administer certain assets received by gift or bequest and clarifies delegated authority relating to the management and disposition of real property interests owned or controlled by the Board.
- h. Regents' Rules and Regulations, Part Two, Chapter XI (Contract Administration) -- Delegates contracting authority generally to the chief administrative officers subject to specified conditions and restrictions; delegates contracting authority for System Administration and System-wide contracts to the Executive Vice Chancellor for Business Affairs; and delegates contracting authority relating to legal matters to the Vice Chancellor and General Counsel.

- i. Regents' Rules and Regulations, Part Two, Chapter XII (Intellectual Property) -- Clarifies the type of contracts to which Chapter XII applies and specifies certain types of intellectual property contracts and agreements that may be executed and delivered pursuant to the delegation of contracting authority in the Regents' Rules and Regulations, Part Two, Chapter XI.
  
- j. Regents' Rules and Regulations, Part Two, Chapter XIII (Contracts and Grants for Sponsored Research) -- Adds a new Chapter delegating authority to pursue grants and enter into contracts for sponsored research to the chief administrative officers. Provisions relating to contracts and grants for sponsored research previously found in Part Two, Chapter XI have been moved to this new Chapter.

CONSIDERATION OF EXECUTIVE COMMITTEE LETTER 96-24

1. U. T. Board of Regents: Approval for a Limited Exception to the Regents' Rules and Regulations, Part One, Chapter VI, Section 6, Subsection 6.6 (Solicitation) to Permit the U. T. Austin Departments of Intercollegiate Athletics for Men and Women to Consider Sponsorship Arrangements for Selected Athletic Contests.--Upon recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Berdahl, the Board authorized a limited exception from the provisions of the Regents' Rules and Regulations, Part One, Chapter VI, Section 6, Subsection 6.6 regarding solicitation to permit on a one-time trial basis the Departments of Intercollegiate Athletics for Men and Intercollegiate Athletics for Women at The University of Texas at Austin the flexibility to participate in sponsorship agreements with AT&T and Mercedes-Benz AG and a joint sponsorship involving Leif Johnson Ford and Reebok.

The Regents' Rules and Regulations currently provide that only a registered student, faculty, or staff organization may distribute literature from an assigned kiosk or table on campus and that merchandise demonstration may be conducted only as part of a sanctioned athletic tournament. As a key feature of a trial sponsorship to benefit the U. T. Austin Department of Intercollegiate Athletics for Men and the Department of Intercollegiate Athletics for Women, AT&T and Mercedes-Benz AG propose to be allowed to distribute informational materials and conduct limited product demonstrations adjacent to Memorial Stadium on a selected game day. A joint sponsorship promotion proposed by Leif Johnson Ford and Reebok would involve a season-long promotion during the football season, culminating in the giveaway of a vehicle at the Texas A&M game and might also involve game day vehicle display. The other features of the sponsorship agreement proposals are consistent with authorizations currently in the Regents' Rules and Regulations.

AT&T proposes, as part of its title sponsorship of the Texas A&M/U. T. Austin football game ("the Texas Show-down"), to have informational kiosks at sites as designated by the institution. Mercedes-Benz AG would like to display its prototype sports utility vehicle adjacent to the stadium the day of the football contest with Notre Dame University. The proposals are pursuant to an approved agreement with Host Communications for game

sponsorship activities. Projected consideration to U. T. Austin for 1996-97 is \$209,000 for the AT&T sponsorship, \$24,500 for the Mercedes-Benz AG promotion, and \$25,000 for the Leif Johnson Ford/Reebok proposal.

Approval was granted on a one-time trial basis only. Should further such sponsorships be desired after evaluation of these activities, a change in the applicable Regents' Rules and Regulations will be requested.

2. U. T. Austin: Authorization to Conduct a Private Fund Campaign for Longhorn Athletics (Regents' Rules and Regulations, Part One, Chapter VII, Section 2) and Agreement to Waive the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1 (Naming of Buildings) and to Rename Texas Memorial Stadium as the Darrell K Royal - Texas Memorial Stadium Consistent with the Private Fund Campaign.--Upon recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, and President Berdahl, the Board unanimously:
  - a. Approved a private fund campaign at The University of Texas at Austin to be called The Campaign for Longhorn Athletics with a goal of \$30 million to benefit athletic programs, with fund raising directed to the expansion and renovation of Texas Memorial Stadium, a new artificial turf practice field, renovation and enlargement of the Neuhaus-Royal Complex, construction of a new track/soccer field, and endowments dedicated to the enhancement of academic and life skills for student athletes
  - b. Waived the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.1, requiring that persons to be honored with the naming of a building "shall have been deceased at least five years" and renamed Texas Memorial Stadium at U. T. Austin as the Darrell K Royal - Texas Memorial Stadium, consistent with the approved fund campaign.

A significant feature of The Campaign for Longhorn Athletics will include individual naming opportunities for donor recognition.

Examples of areas with naming opportunities on which the U. T. Board of Regents had been briefed are listed below. Additional naming opportunities may become available as the project progresses.

Examples of Leadership Gift Opportunities

Football Field  
Longhorn Coaching Excellence Endowment  
Track and Soccer Stadium  
Softball Stadium  
Architectural Features of Texas Memorial Stadium

- East Central Tower
- East North Tower
- East South Tower
- East Festival Court
- East Side Arches
- West Concourse Mezzanine
- Historical North Gate
- Press Box
- Centennial Room

Competition Running Track and Field  
Soccer Field  
Football Practice Fields  
Various Rooms and Facilities in:

- Neuhaus-Royal Complex
- Belmont Hall
- Softball Stadium
- Track Stadium

Endowed scholarships and other restricted endowments will be named and recognized in accordance with established University policies. An appropriate plaque will be placed in each new donor recognition area. In addition, an architectural area in the stadium will be designated to honor all donors to the campaign.

A proposed war memorial plaza will enhance that historical aspect of the facility and provide a fitting tribute to those Texans who gave their lives in World War I and subsequent conflicts through consolidation and relocation of war memorials currently located in various places within the stadium.

Dependent upon the size of the donation made, donors will also have opportunities to select a U. T. Austin All-American football player to sponsor for recognition on a new "Longhorn All-American Wall" to be located in the Longhorn Plaza on the east side of the stadium. The

plaza will also provide opportunities for new memorial gifts in support of the campaign. Other donors may choose to participate in a "walk" utilizing donor recognition tiles.

The addition of Coach Darrell K Royal's name to Texas Memorial Stadium recognizes his numerous and significant contributions to the institution and retains the original stadium name granted in 1924 to memorialize military veterans. Coach Royal was employed initially by U. T. Austin in 1956 as head football coach and assumed the dual job of head football coach and athletics director in 1962. In his time as an administrator, he was directly responsible for the rise in excellence of all men's sports and was a guiding factor in the creation of one of the best women's athletic programs in America.

Coach Royal, who was a professor, was voted Coach of the Decade by ABC-TV for his work in that remarkable span between 1961 through 1970. When he retired from coaching after the 1976 season, Coach Royal, who was the youngest head coach in America when he came to Texas, was 52 years old. He stayed on as athletics director through the Fall of 1979, helping to lay the foundation for stricter NCAA guidelines on recruiting and admission standards for student athletes. His career was highlighted by efforts to maintain high standards of integrity and honesty in the workplace of college athletics.

In 1980, he became a special adviser to the U. T. Austin president on athletic matters. Off the field, he created a position for the nation's first academic counselor for athletics. He stressed the importance of the college degree, creating a unique "T" ring which he personally gave former players who earned their degrees. Of the 48 lettermen on his 1963 national championship team, 45 graduated.

Coach Royal's service went far beyond the University. He served on the Board of Directors for Stillman College, a predominantly African-American institution in Alabama, and has parlayed his love of country music and golf into numerous fund-raising events for underprivileged youngsters. Most significant of those is the East Austin Charity Golf Tournament, which has raised almost \$5 million to benefit the youth of East Austin. His honors are numerous, the most recent being the prestigious Horatio Alger Award this past spring.

Born in the Dust Bowl days in Hollis, Oklahoma, Coach Royal played his college ball at the University of Oklahoma. He served in the Army Air Corps, 1943-1946, during World War II, and entered the coaching profession in the early 1950s. He served as head coach in the Canadian League at Edmonton, Canada, at Mississippi State University, and at the University of Washington before coming to Texas. He led the Texas Longhorns football team to eleven Southwest Conference titles, ten Cotton Bowl wins, and three national championships.

This honor to Coach Royal was endorsed by the donors of recent substantial gifts to benefit the proposed stadium renovation project, which includes plans to reemphasize the stadium as a tribute to war veterans.

ADJOURNMENT.--Chairman Rapoport announced that the purpose for which this special meeting was called had been completed and the meeting was duly adjourned at 11:25 a.m.

/s/ Arthur H. Dilly  
Executive Secretary

September 11, 1996