

## Contract Management Training (General) Frequently Asked Questions (FAQs)

1. The Board of Regents authorizes the Executive Vice Chancellor for Business Affairs to sign System Administration and Systemwide contracts. Who is the Executive Vice Chancellor for Business Affairs? Is he the only one who signs contracts? Is anyone else authorized (except Chancellor)?  
**Answer:** *The Executive Vice Chancellor for Business Affairs, Scott Kelley, has authority to sign contracts for goods and services as noted in Regent's Rule 10501, Sec. 2.5. He can further delegate in writing. If there is not a written delegation of authority, there is no authorized signature. There are others authorized to sign specific types of contracts (e.g. Executive Director, Real Estate—real estate matters or Vice Chancellor and General Counsel—outside counsel agreements).*
  
2. What is the Contracts and Procurement (CNP) group email to send contract documentation?  
**Answer:** [purchasing@utsystem.edu](mailto:purchasing@utsystem.edu)
  
3. What contracts require a Business Affairs Contract Processing Checklist (Checklist)?  
**Answer:** *All documents that bind UT System, contain terms & conditions; and need an authorized signature require a Checklist when submitted to CNP.*
  
4. Does a checklist need to be completed if an amendment only changes the expiration date (e.g., provide the vendor more time complete delivery of goods or services)? Is a Contract Processing Checklist required for a MOU?  
**Answer:** *Yes, when an authorized signature is required, a checklist is required regardless of the type of agreement it is. (see slide 4 in the Contract Management Training (General) presentation)*
  
5. How many Departmental Contract Administrators (DCAs) does CNP recommend/require per department?  
**Answer:** *There is no set amount; however, DCAs with at least one or two back-ups are better able to manage their contracts when the primary DCA is out of the office for any reason.*
  
6. Can department approvals be in email form if initialing the contract is not an option?  
**Answer:** *Department approvals of the business terms is acceptable via an email.*
  
7. What is the process for new vendor set-up for billing?  
**Answer:** *When you are finalizing your contract, confirm that your vendor is already set up in PeopleSoft. If not, direct your vendor to: <https://www.utsystem.edu/vendor-maintenance> and remind them to note your department when they upload their information. Follow up with an email note to [vendorsetup@utsystem.edu](mailto:vendorsetup@utsystem.edu) to let them know a vendor setup request is on its way.*
  
8. How many times can a contract be renewed?  
**Answer:** *The specific contract will address the length of the initial term and if any renewals are allowed for that specific contract.*
  
9. Does the cost need to include just the first year or should it include all renewals?  
**Answer:** *Yes, all years, including renewals---it should be the maximum value.*
  
10. Should we raise/lower the maximum value if the contract modification changes it?  
**Answer:** *Yes, anytime a contract modification changes the total value, it should be revised on the checklist (with the actual changed amount in parentheses next to the total max value).*

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11. Why would you check the revenue box next to value of the contract?

**Answer:** *If the contract brings revenue in rather than expenses going out, it needs to be checked. Controller's office tracks all revenue.*

12. Do we need to include the entire cost center number on the Checklist?

**Answer:** *Yes, the entire cost center number needs to be added to the Checklist. CNP relies on the DCA reported cost center for state reporting purposes.*

13. If a contract is >\$15,000 and not competitively bid, then it will need an Exclusive Acquisition Justification (EAJ). Does an EAJ limit the cap on the dollar value of a contract?

**Answer:** *An EAJ does not limit the dollar value on a contract. An EAJ must be valid and approved; not used as an option to a competitive bid. The higher the value of a contract procured through an EAJ, the more scrutiny the contract will receive from auditors and the LBB. Contracts that resulted from an EAJ require an LBB attestation letter if value exceeds \$1,000,000.*

14. How do you determine cost of contract by fiscal year when it is a Master Services Agreement (MSA) procured for Systemwide use and does not have a defined timeline?

**Answer:** *If you don't have a defined timetable, the DCA can spread the spend equally across fiscal years.*

15. How is the MSA different from other contracts and is it a contract?

**Answer:** *Yes, an MSA or Master Services Agreement is a contract that is frequently, but not always, for systemwide use that contains an Exhibit B allowing for project addenda / Order Form to be executed during the life of the MSA. The MSA contains negotiated terms and conditions and a statement of work (SOW) that can be used for various projects that fit that SOW, shortening the procurement process for certain types of projects.*

16. Please clarify question #4 on the Checklist. Does the contract provide contractor and/or its subcontractors, officers, or employees an account on a U. T. System Administration computer system?

**Answer:** *Question #4 is not asking if the training has been completed, just reminding the DCAs that if the contract requires their vendor/contractor/subcontractor/etc. to have access; the DCA will need to coordinate and confirm that the person requiring access has completed the training and attestation, before access is granted. **This requirement must be completed annually by the person granted access under a contract, in the case of a multi-year contract.***

17. What exactly are the vendors 'attesting' to in the LBB attestation letters?

**Answer:** *Vendors do not prepare LBB Attestation Letters, the LBB Attestation Letter is prepared by the DCA and CNP; after Dr. Kelley signs, it is uploaded to the LBB database.*

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18. If a contract has been executed by both parties and requires BOR approval, can work begin prior to BOR approval?

**Answer:** *Only if it has the OGC approved provision stating that costs can not exceed \$1 million without Board of Regents' approval. It should be submitted for approval by the BOR via the consent agenda to the next regularly scheduled meeting.*

19. When does CNP need to receive the completed Checklist?

**Answer:** *CNP needs the completed Checklist when the DCA has obtained vendor/contractor signature and is submitting the contract packet for signature.*

20. Do MOUs with the institutions have purchasing requirements, e.g. EAJ; Board Approval; or a risk assessment and contract monitoring plan?

**Answer:** *MOUs and interagency contracts/interagency cooperation contracts do not require EAJs, risk assessment or a contract monitoring plan. They do not require Board approval as contracts with an outside vendor do. Many/most MOUs are entered into as a result of an initiative that has been approved by the Board and it is certainly worthwhile to note that on the Checklist.*

21. Is there a Business Affairs contract closeout checklist?

**Answer:** *CNP has contract closeout checklist in draft form, it should be ready to publish soon.*

22. Should the DCA document any of the closeout responsibilities?

**Answer:** *Yes, absolutely.*

23. Do direct bill hotel agreements/contracts have to be closed out?

**Answer:** *Sometimes, but not always. It mostly depends on the value of the agreement. A ten-room hotel block is not the same as a 100-room hotel block. Currently, a lot of hotel agreements have been canceled due to Force Majeure so there is more to the closeout process than in the past.*

24. Who is the official recordkeeper for contracts and procurement documentation? What is records retention on contracts and procurement documentation? What should the DCA keep in department's file and what should be sent to be filed in the Contracts Repository?

**Answer:**

*The official UT System contracts and bid documentation recordkeeper is the Office of Business Affairs. The official contracts repository is Content Navigator. CNP, with the assistance of the Controller's Office, maintains the contracts repository with bid documentation information and associated contracts. CNP maintains the legislatively required [Contract Transparency Report](#) and the [past Request for Proposal Postings Report](#).*

*The contracts repository in Content Navigator should contain the RFP package; the contract packet (Checklist with any backup); the contract, all amendments and addenda; and Notices plus other required insurance documentation including any official correspondence with the vendor and contract closeout documentation. Most emails would stay with the department. As would most logs you might use to track your departments' contracts.*

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*In the UT System State of Texas Records Retention Schedule, the sections applicable to all departments, contracts and bid documentation are listed below:*

*ALL1933, **5.1.017**: Logs and Tracking Records (Contracts, correspondence, etc.) FE+3*

*ALL1953, **5.1.001**: Contracts and Leases (goods/services), states the retention period is AC+7 (AC=Expiration or termination of the instrument according to its terms).*

*ALL1852, **5.3.007**: Bid Documentation A/C+7 (AC=for a successful bid/request for proposal + supporting documentation, it must be retained for the same period as the contract)*

*ALL1853, **5.3.008**: Unsuccessful bid documentation (no award was extended) AC+2 (A/C = after award)*

*There are other Record Series numbers exclusive to the type of contract (e.g. capital projects; employment; oil and gas; or real estate) that are not covered in this response.*

*At this time, invoices and contract management are not integrated; invoices and HUB PAR forms are managed through A/P. CNP is exploring a contract management system that may allow for a more central repository for all contract-related materials that would help reduce the amount of documentation kept on a department level.*