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# The Training Post

*An Educational  
Computer Based Training Program*

# Contracts & Agreements, and Purchasing



The University of Texas at Dallas  
Compliance Training





# Contracts & Agreements

- ◆ What does this have to do with me?
- ◆ What are the rules?
- ◆ Are there special rules for consulting contracts?
- ◆ Where can I learn more?





# Contracts & Agreements

## What does this have to do with me?

- ◆ Unless you are specifically authorized by the Chief Administrative Officer (the President), you are not allowed to enter into, or sign, a contract on behalf of UTD.
- ◆ You must follow the rules set out in Part One, Chapter 1, Section 9, and Part Two, Chapter 11, of the Board of Regents' *Rules & Regulations*.





# Contracts & Agreements

## What are the rules?

### The Regents' Rules and Regulations state:

- ☒ Only the Chief Administrative Officer or his designees have authority to execute and deliver contracts and agreements on behalf of the Board.
- ☒ Certain contracts and agreements, including purchase orders and vouchers with a cost of more than \$1 million, must be approved by the Executive Committee of the Board of Regents or during a Board meeting.





# Contracts & Agreements

Are there special rules for consulting contracts?

YES . . .

UTD can ONLY use consultants if:

- ◆ There is a strong need for their services, AND
- ◆ The services cannot be performed by UTD's employees or through a contract with another U.T. System component or state agency.





# Contracts & Agreements

Are there special rules for consulting contracts?

YES . . .

Consultant contracts over \$25,000 require additional handling including pre-procurement and post-procurement oversight from the Legislative Budget Board (LBB) and the Governor's Budget and Planning Office. In addition, the contract must be published in the Texas Register.





# Contracts & Agreements

Are there special rules for consulting contracts?

◆ These consulting rules do NOT apply to other professional services, which include:

- Accounting
- Architecture
- Medicine
- Engineering
- Land Surveying
- Real Estate Appraisals





# Contracts & Agreements

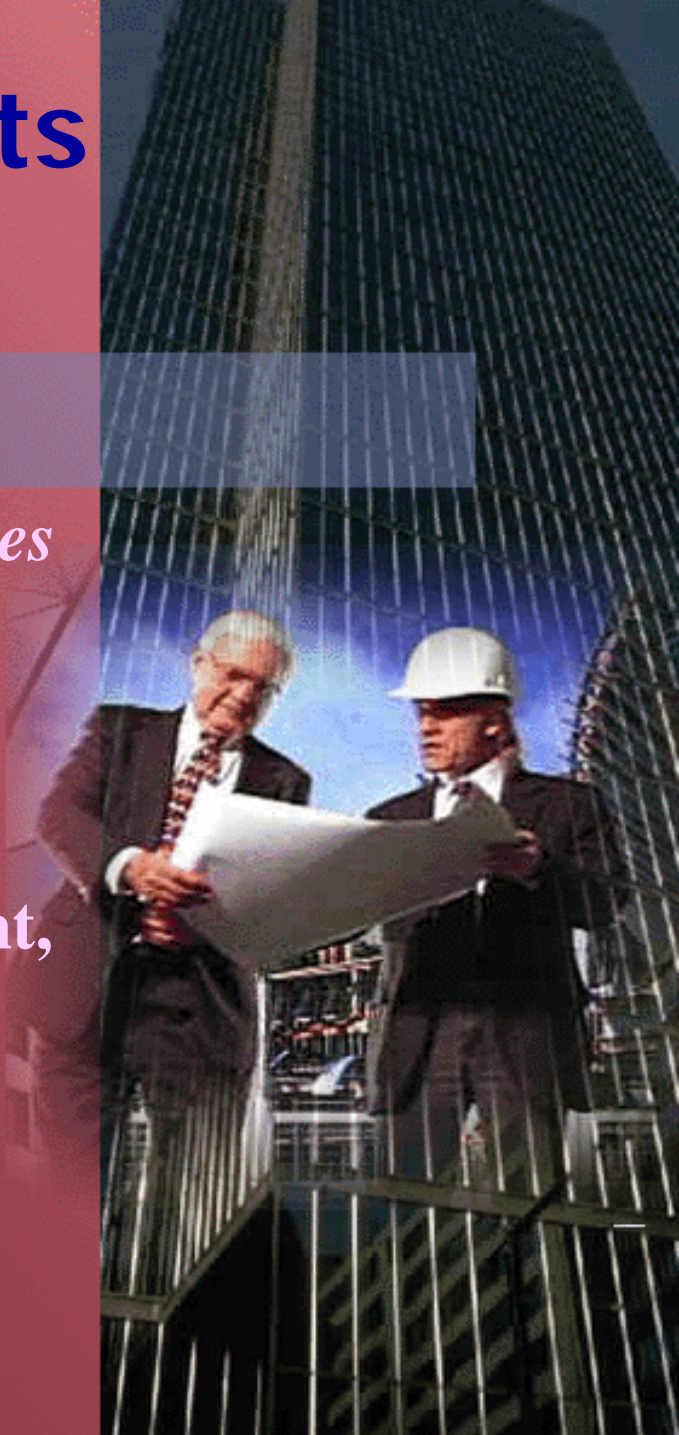
## Where can I learn more?

Get more information from:

*UTD Administrative Policies and Procedures Manual, Sec. E2-440.0-500.0*

[http://www.utdallas.edu/utgeneral/business/Admin\\_manual/](http://www.utdallas.edu/utgeneral/business/Admin_manual/)

- ◆ Your supervisor or the Assistant Vice President for Procurement Management, extension 2301.
- ◆ For assistance with contracts related to research, contact Vice President for Research, extension 2313.





# Contracts & Agreements

## Where can I learn more?

### Get more information at:

- ◆ U.T. System Board of Regents' *Rules and Regulations*:  
[www.utsystem.edu/bor/rules](http://www.utsystem.edu/bor/rules).
- ◆ Texas Government Code, Title 10, Chapter 2254, Subchapter A, Sections 2254.002.  
<http://www.capitol.state.tx.us/statutes/statutes.html>





# Purchasing

- ◆ What does this have to do with you?
- ◆ Who can do it?
- ◆ How is it handled?
- ◆ What is a HUB?
- ◆ How does the HUB program work?
- ◆ What about purchases from and payments to employees?





# Purchasing

## What does this have to do with you?

- ◆ Unless you are specifically authorized by the President or the Assistant Vice President for Procurement Management, you are not allowed to make purchases on behalf of UTD.
- ◆ If you are authorized to make *small* purchases by the Assistant Vice President for Procurement Management, you must keep the purchases under \$1,000 when using the Purchasing Card Program, and under \$500 when using the Small Order System (SOS) and unless a higher limit has been approved.



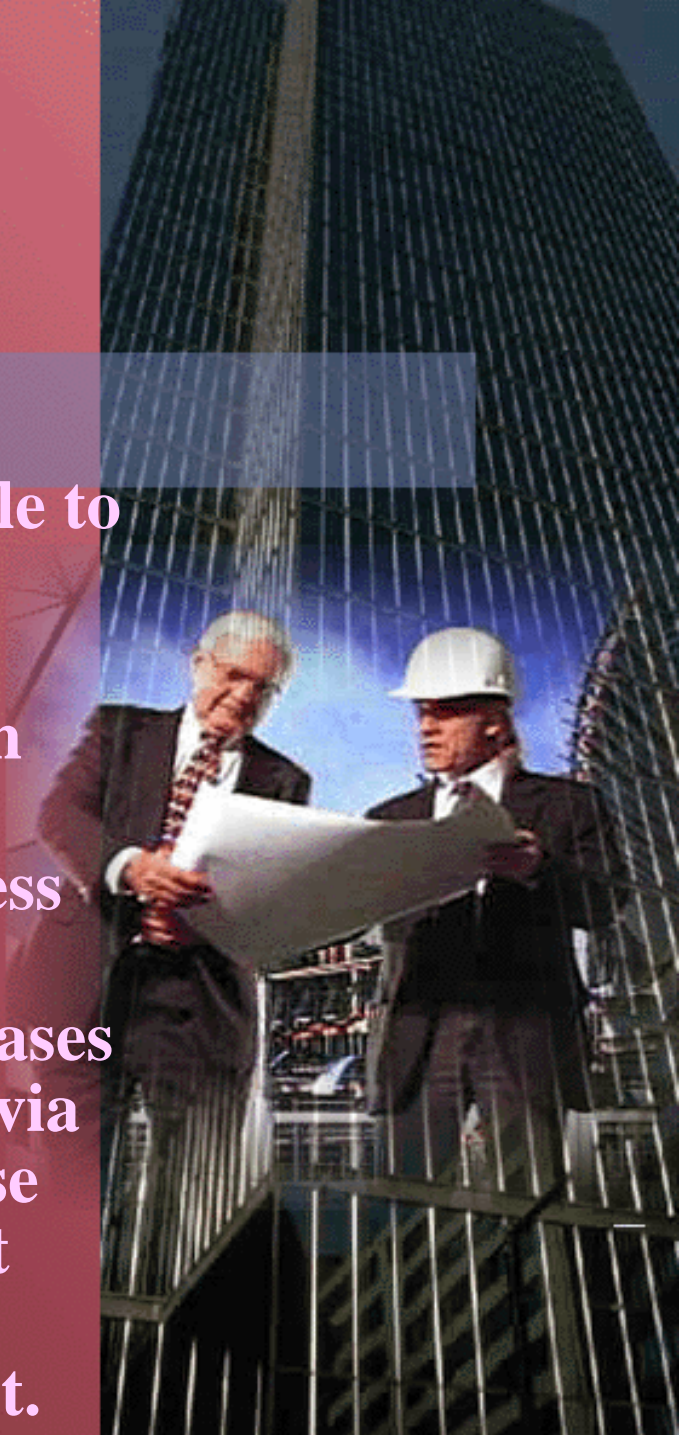


# Purchasing

## Who Can Do It?

### ◆ Standard Purchasing Methods Available to Authorized UTD Personnel:

- ◆ Petty Cash - less than \$50
- ◆ Small Order System (SOS) - less than \$500
- ◆ Purchasing Card Program (PCP) - less than \$1,000
- ◆ Purchase Requisition - For all purchases of goods and services not purchased via other authorized programs. Purchase Requisitions are sent to Procurement Management, who then makes the purchase on behalf of the department.





# Purchasing

## Who Can Do It?

### Competitive Bidding

As a State agency, under certain circumstances UTD is required to obtain competitive bids to determine which vendor provides the best value. Only Procurement Management is authorized to solicit formal written bids.





# Purchasing

## Who Can Do It?

### Competitive Bidding

Guidelines followed by Procurement Management for bidding:

- ◆ \$0 - \$4,999 - No bidding required
- ◆ \$5,000-\$24,999 - Informal competitive bidding by Certified Buyers in the UTD Purchasing Department
- ◆ \$25,000 + - Formal competitive bids and posting to the Texas Marketplace (Internet) by Certified Buyers in the UTD Purchasing Department.





# Purchasing HUB Program

Please note that the University extends opportunities at all dollar levels to Certified TX Minority & Women Owned Businesses via the Historically Underutilized Business – (HUB) Program





# Purchasing

## Who can do it?

- ◆ **Purchase Orders** may only be signed by the Assistant Vice President for Procurement Management, the Purchasing Manager or the Vice President for Business Affairs, as designated by the President.
- ◆ The Assistant Vice President for Procurement Management develops procedures to keep the purchasing function running smoothly.





# Purchasing

## How is it handled?

### What about small purchases?

- ◆ UTD has programs to allow authorized employees to purchase routine supplies, services, and equipment.
  - The Small Order System is typically limited to purchases under \$500.
  - The Purchasing Card Program is typically limited to purchases under \$1,000.
- ◆ Always check UTD's policies before making a purchase!





# Purchasing

## How is it handled?

### Use Proper Internal Controls!

When making purchases, be sure to segregate duties associated with the transaction.

- ◆ No one employee may initiate, authorize, receive, and reconcile a transaction.





# Purchasing

## What is a HUB?

HUB = Historically Underutilized Business

What does that mean?

- ◆ In accordance with State law, UTD is committed to increasing purchases from, and contracts with certified Texas-based, Historically Underutilized Business (HUB) firms, which include:
  - ▣ Minority-owned businesses,
  - AND
  - ▣ Female-owned businesses.





# Purchasing

## How does the HUB program work?

- ◆ Texas Building and Procurement Commission (TBPC) is responsible for certifying all firms that apply for HUB certification status.
- ◆ The primary goal is to make a good faith effort to increase contracting opportunities for HUB vendors.
- ◆ If you have a question about HUB policies or procedures, please contact the Assistant Vice President for Procurement Management (ext. 2301) or the Purchasing Manager (ext. 2307).





# Purchasing

## What about purchases from employees?

Part Two, Chapter Four, Section 5 of the Regents' Rules and Regulations states:

- ◆ Purchases from UTD employees of any supplies, equipment, or services must be approved by the Chief Administrative Officer of that component prior to purchase.
- ◆ The purchase can only be made if the cost is less than from any other source.





# Purchasing

## What about payments to employees?

If a UTD faculty or staff member performs consulting work for UTD or for another U.T. System component:

- ◆ Additional consulting fees, on top of the employee's regular salary, will not be paid, unless . . .
- ◆ The Chief Administrative Officer of the component receiving the work approves the payment prior to commencement of the work.





# Purchasing

Where can I learn more?

Get more information from:

- ◆ UTD *Administrative Policies and Procedures*, Sec. E1-100.0 through E4-140.0: [policies](#)
- ◆ Procurement Management [web page](#)
- ◆ Your supervisor or the Assistant Vice President for Procurement Management at extension 2301.





# Purchasing

Where can I learn more?

Get more information at :

- ◆ U.T. Board of Regents' Rules & Regulations [Website](#)
- ◆ U.T. System Business Procedures Memorandum 58 - HUB Program [Website](#)





# Test Your Knowledge

Following are several questions to test your knowledge of the information presented.

Answer all questions correctly to receive credit for the training.





# Question #1

Only the Chief Administrative Officer or his designees are authorized to execute and deliver contracts on behalf of the Board.

TRUE

FALSE





# SORRY TRY AGAIN

**REVIEW**





# Question #2

A contract with a total cost of \$1 million or greater must typically be approved by:

**THE BOARD OF REGENTS**

**THE CHIEF ADMINISTRATIVE OFFICER**

**BOTH OF THE ABOVE**





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# Question #3

Small purchases using the Purchasing Card System, must be kept under:

**\$1,000**

**\$5,000**

**NEITHER OF THE ABOVE**





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# Question #4

Purchases can be made by . . .

**Any UTD employee**

**Authorized employees  
designated by the President or the  
Assistant Vice President  
for Procurement Management**

**Both of the above**





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# Question #5

Historically Underutilized Business (HUB) firms include:

**MINORITY-OWNED FIRMS**

**FEMALE-OWNED FIRMS**

**BOTH OF THE ABOVE**





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# Question #6

UTD can purchase supplies from a UTD employee ONLY if the cost is less than all other known vendors, and the purchase is approved in advance by the Chief Administrative Officer.

TRUE

FALSE





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**Thank you for completing the questions related to Contacts & Agreements, and Purchasing.**

**Click on the button below to complete this module and receive credit for this course.**

**[Click Here to Receive Credit for This Course](#)**





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# Congratulations!

You have completed  
compliance training on

**Contracts & Agreements,  
and Purchasing**



The University of Texas at Dallas  
General Compliance Training





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