

University of Texas at Tyler

Contract Processing Procedures

1. Determinations and Negotiations Prior to Processing. Before executing a document, the University department must determine whether the document is a contract that needs to be appropriately routed and approved by the Office of Legal Affairs and the Purchasing Department.

Generally, any document that contains “Terms and Conditions” in the language is considered a contract (aka agreement). Although it may be entitled “Proposal”, “Invoice”, “MOU”, etc. it is likely a contract that must be processed as described below through Legal and Purchasing (if required).

The originating University Department is responsible for the negotiation of the business terms of the contract. The originating department is responsible for negotiating for the best available business terms for agreements it originates. For agreements that involve significant monetary value or exposure to other risk, the originating department may schedule a meeting with Business Affairs, the Office of Legal Affairs or the Office of Risk management to discuss additional resources available to the originating department.

2. Purchasing Approval. **If the contract involves an expenditure, the department should submit the contract to the Purchasing Department for approval.**

Please be sure that all pertinent information is included in the contract before submission (fill in blanks, etc.). Obtain and complete the Contract Approval Routing Form. The link to the form is: <http://www.uttyler.edu/finserv/files/contract-approval-routing-form.pdf>. Contact Purchasing with any questions regarding the completion of the Routing Form.

Once the Contract Approval Routing Form is completed, **Purchasing will submit the contract and all related paperwork to legal for review and processing and cc the originating University Department.** Once submitted, allow 7 to 10 days for the processing of a contract that contains no legal issues. If legal issues are found, that timeline will extend.

If the contract does not involve an expenditure, begin with Step 3.

3. Submission for Legal Review. **Please be sure that all pertinent information is included in the contract before submission (fill in blanks, etc.).** Unless the vendor requires original signatures, scan the contract and completed routing form (if an expenditure) and email to Office of Legal Affairs for processing at ttaylor@uttyler.edu. In most circumstances the Office of Legal Affairs will only accept contracts for processing that have been sent as attachments through email. Emailing the document creates a record that the contract has been submitted to the Office of Legal Affairs. Please submit a .pdf or Word version of the contract...**we do not e-sign.** Once submitted, allow 7 to 10 days for

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4. Legal Revisions. Legal will review for legal content, make revisions and often add the UT Tyler version of the UT System Office of General Counsel Recommended Contract Addendum containing language recommended by OGC, including provisions that may be mandatory under the Constitution and the laws of the State of Texas.
5. Approval of Legal Revisions. If revisions have been made by the Office of Legal Affairs, the document will be emailed back to your department. On rare occasions, counterparties object to language recommended by the Office of Legal Affairs and several stages of negotiation of contract language may occur. In this situation, the University Department can contact the paralegal in the Office of Legal Affairs to help guide it through the process of legal revision.
6. Execution by Counterparty. When the vendor has approved all necessary revisions, the vendor will sign the contract and any necessary addenda. The vendor will then send the executed contract back to the originating department.
7. Execution by the University. The department will email the approved and signed contract to the Office of Legal Affairs at ttaylor@uttyler.edu for signature and execution by the appropriate University contracting authority. When the appropriate authority has signed, the Office of Legal Affairs will email an executed copy of the contract to the originating department and to Purchasing if needed.
8. Contract Management. The originating department has responsibility to ensure that the counter party has fulfilled its obligations under the contract. The originating department must monitor the performance of the counter party as often as necessary to ensure it is complying with its obligations under the contract.

In the vast majority of instances, contract management does not place an additional burden on the originating department because the products or services procured are delivered at the beginning of the contractual relationship or incorporated into the normal functioning of the originating department. In rare instances, the originating department must develop a proactive plan to monitor compliance with contracts it is managing.

Warning Regarding the Unauthorized Execution of Contracts. Unless a University employee has a delegation of authority to sign contracts from the President of the University, the employee is not authorized to execute contracts that bind the University. Individuals without a delegation should not sign contracts that involve the University in any way. If a University employee executes a contract involving the University without the authority to do so, that individual may be personally bound by the contract when the University is not. If an employee has questions regarding their authority to execute contracts on behalf of the University, the employee should contact the Office of Legal Affairs.