

25.07 Contract Administration

Revised [May 7, 2024](#) (MO -2024)
Next Scheduled Review: May 7, 2029
Click to view [Revision History](#).



Policy Summary

The effective administration of contracts is an essential operational function of The Texas A&M University System (system). All contracts entered into by a member of the system, unless specifically exempted by this or another policy adopted by the Board of Regents (board), are subject to this policy.

Definitions

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Policy

1. CONTRACT ADMINISTRATION RULES

It is the responsibility of each member to develop and implement a contract administration rule. Such rule must address the following:

- (a) the process for contract origination, recommendation, approval, execution, administration, and contract close-out; and
- (b) contract reporting requirements.

2. CONTRACTS REQUIRING BOARD APPROVAL

Unless exempted in Section 3 below, the following contracts must be submitted to the board for approval or authorization:

- (a) Contracts that involve an annual stated or implied consideration of \$500,000 or more;
- (b) Contracts that have a primary term longer than five years regardless of dollar value;
- (c) Member chief executive officer (CEO) employment contracts; and
- (d) Athletic department administrator or coach employment contracts with:
 - (1) an annual salary consideration of \$500,000 or more;
 - (2) a term longer than five years; or

- (3) an annual salary of \$250,000 or more **and** that exceeds the median annual compensation for a comparable position within the member's respective athletics conference by 10%; and
- (e) Contracts to perform educational and/or service activities consistent with a member's mission and involving a total stated or implied consideration of \$500,000 or more.

The board must approve any contract amendment, extension or renewal that exceeds 10% of the value of the original contract approved by the board unless the authority to exceed the approved amount is expressly delegated by the board or the board expressly adopts an exception.

The foregoing does not abrogate the authority of the chancellor or a member CEO to appoint officials as set out in System Policy *01.03, Appointing Power and Terms and Conditions of Employment*.

3. CONTRACTS NOT REQUIRING BOARD APPROVAL

The following types of contracts are not required to receive board approval regardless of dollar value or term unless a specific dollar or term limitation is stated below:

- (a) Sponsored research contracts;
- (b) contracts transferring rights in technology or products protectable by (1) patent or as a plant variety; (2) copyright; (3) treatment as a trade secret of unpatented technological know-how; or (4) trademark or service mark;
- (c) contracts which are procured through a state contract, state catalogue or other procurement methods;
- (d) contracts for athletic events, athletic contests and use of athletic facilities in which the event, contest or use occurs over the course of two years or less;
- (e) contracts to perform educational and/or service activities consistent with a member's mission and involving a total stated or implied consideration of less than \$500,000; and
- (f) interagency and intrasystem contracts to perform educational and/or service activities consistent with a member's mission.

4. REQUIRED GENERAL COUNSEL REVIEW

The members of the system must review contracts in accordance with the contract review procedures and checklist established by the System Office of General Counsel (OGC) and approved by the chancellor. The OGC contract review procedures and checklist are required by state law and assist members of the system in reviewing and revising contracts before the contract is executed. Unless exempted under the OGC contract review procedures and checklist, all contracts with a stated or implied consideration of \$200,000 or more must be submitted to OGC for review and approval as to form and legal sufficiency.

5. CONTRACTS GOVERNED BY OTHER POLICIES

All contracts for (a) the purchase or sale of real property; (b) the lease, license or use of system real property; (c) the lease, license or use of real property from third parties; (d) the granting or acceptance of easements or rights-of-way; and (e) any other use, acquisition or disposition of real property or real property interests are governed by the policies under Policy Series 41, *Real Property*, and any regulations promulgated under these policies. The delegation of authority for all construction contracts are governed by System Policy 51.04, *Delegations of Authority on Construction Projects*, and the regulations promulgated under that policy.

6. DELEGATION OF AUTHORITY

With the exception of Section 3(b) which is covered in System Policy 17.01, *Intellectual Property Management and Commercialization*, the chancellor delegates the authority to approve, execute and deliver contracts that are not otherwise reserved for approval by the board to the respective member CEO, or their designee. Contracts approved or authorized by official board action may be approved, executed and delivered by the primary delegate identified in the minute order, which may further delegate such authority, unless otherwise specified.

7. WRITTEN AUTHORIZATION REQUIRED

Unless otherwise specified in this policy or in an official board action, the authority to approve, execute and deliver contracts on behalf of the system or any of its members must be by express written authority pursuant to the policies of the board and approved contract administration rules of the system or the respective member.

8. EXTENSION OF PRE-EXISTING CONDITIONS FOR CONTRACTS WHICH PRE-DATE THIS POLICY

Contracts reviewed and authorized prior to the adoption of this policy will remain in full force and effect; however, any amendment, extension or renewal of such contracts must be reviewed and authorized in accordance with this policy.

Related Statutes, Policies, or Requirements

[Tex. Educ. Code §51.9335](#)

[Tex. Educ. Code §51.9337](#)

[Tex. Gov't. Code Chapter 791](#)

[System Policy, Series 41, *Real Property*](#)

[System Policy 51.04, *General Requirements and Delegations of Authority on Construction Projects*](#)

[System Member Delegations of Authority for Contract Administration](#)

[OGC Contract Review Procedures and Checklist](#)

Member Rule Requirements

A rule is required to supplement this policy. See Section 1.

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