**CONTRACT REPORTING REQUIREMENTS & EXEMPTIONS**

Legislative Budget Board

**Per Texas Government Code:**

- **Major Information Service Contracts** – Higher Education is required to report these contracts that exceed $1,000,000 per Section 2054.008 (c) – *regardless of funding source.* *(Report within 10 days after award.)*

- **Construction Projects** – Must comply with reporting of all projects over $14,000 per Section 2166.2551 - *regardless of funding source.* *(Report within 10 days after award.)*

- **Professional Services** – Must comply with reporting all contracts over $14,000 per Section 2254.006 – *regardless of funding source.* Professional Services are defined in 2254.002. *(Report within 10 days after award.)*

- **Consulting Services** – Higher Education is exempt per Section 2254.0301 (b). *(Report within 10 days after award.)*

- **Major contracts and solicitation documents** – Higher education is exempt from providing copies of these documents per Sec 322.020 (f).

**Per General Appropriations Act:**

- Higher Education must report contracts greater than $50,000 if paid with appropriated funds per Section 7.04 of Article IX in the 2014-15 GAA. *(Report within 30 days after award or modification.)*
  - For the purpose of contract reporting, appropriated funds include all Method of Finance items shown in your institution’s respective appropriation bill pattern.

- Per Section 7.12, Article IX, an institution of higher education may not spend appropriated funds for contracts if the expected amount of the purchase exceeds $10 million until notice is provided to LBB. For those contracts or purchases that fall between $1 million and $10 million, the acquisition authority set forth per Education Code 51.9335 meets the intent of (a) (2) (B) of the rider. See attached for additional clarification regarding this rider.

- Notice must:
  - Be provided 48 hours after first payment for emergency purchases.
  - Include nature, term of contract and vendor.
  - Include signed certification by agency head stating award process complied with System Contract Management Guide OR an explanation of the alternative process used, legal justification and the individual who made the decision to use alternative process.
  - Certification from the executive director or designee of the process for verification of vendor performance, ensuring payment of goods and services only within scope of the project; AND calculation and collection of damages from vendor performance.

**LBB Reporting web-site:**

[http://contracts.lbb.state.tx.us/DataEntry/LogOn.aspx](http://contracts.lbb.state.tx.us/DataEntry/LogOn.aspx)

**Questions:**

Regarding LBB reporting requirements and utilization of the LBB Agency Portal:

Jeff Zimmermann  
Director of Procurement  
HUB & Procurement Programs  
979-458-6410

Jackie Gibson  
Contract Administrator  
HUB & Procurement Programs  
979-458-6107
Rider 7.12
Notification of Certain Purchases or Contract Awards, Amendments, and Extensions.

With the implementation of the rider beginning September 1, 2015, the following is a summary of the key provisions and how institutions of higher education interpret these provisions.

1. The rider is specific to only appropriated funds.

2. In regards to purchases, the rider only applies to the purchase of goods and services from a private vendor. This corresponds to the reporting requirements described in SB 20, as it relates to the required posting of certain contracts (Government Code Section 2261.253).

3. For those contracts or purchases that fall between $1 million and $10 million, the acquisition authority set forth per Education Code 51.9335 meets the intent of (a) (2) (B) of the rider; this provision provides best value authority for institutions of higher education. Per SB 20, for an institution to maintain best value purchasing authority, certain provisions set forth by Education Code 51.9337 must be met.

Further clarification based on questions that have been raised:

- **If a contract requires multiple payments, does the contract have to be reported each time a payment is made?** The contract only needs to be reported once, prior to making the first payment.

- **If a contract is amended and the amendment pushes it beyond the $10 million, does the contract need to be reported?** Yes, the contract needs to be reported since it has reached the reporting threshold.

- **How should multiple contracts with one vendor be treated?** Each contract/dollar amount needs to be treated separately; cumulative totals do not necessitate reporting (ex. Dell computer).

- **Does the rider apply to current contracts?** The rider applies to prospective contracts (beginning September 1, 2015). However, if a contract was signed before 9/1/2015, and then goes over the $10 million threshold, it should be reported.

- **If a contract is paid with both appropriated and institutional funds, does it need to be reported?** If appropriated funds are used to pay any portion of a contract, it needs to be reported.
• **Does higher education follow the State Contract Management Guide and the State Procurement Manual Higher, as referenced in the attestation letter template?** Higher education is not required by law to adhere to these guidelines. However, higher education is required to develop procurement guides and manuals, pursuant to SB 20 (Government Code 2261.256 (b) and Education Code 51.9337 (b) (3) and Subsection (d). Reference these guidelines when an attestation letter is submitted.

• **If there are further questions regarding the rider and reporting, who should we contact at the LBB?** Do not contact the LBB; all questions need to be sent to Jeff Zimmermann and he will coordinate a response.

Clarification from LBB training instructions:

• **Is higher education exempt from reporting construction contracts pursuant to Government Code 2166.2551?** No; higher education is not exempt, and has never claimed to be exempt from the reporting requirement. Continue to report all construction contracts above $14,000 regardless of source of funds in the LBB report system.