

## **25.07 Contract Administration**

*Approved February 27, 1995 (MO 44-95)*

The effective administration of contracts which in any way obligate performance by the System is an essential operational function. Contracts are agreements which create an obligation to do or not to do a particular thing. All contracts entered into by a component of the System, unless specifically excluded by this or another policy adopted by the Board of Regents, are subject to this policy, including all original contracts, amendments, alterations, modifications, corrections, changes and extensions.

1. It shall be the responsibility of the Chancellor, university presidents and agency directors to develop and implement contract administration procedures for all contracts that include the following:
  - (1) written express delegations of authority specifying those officers who are authorized to execute contracts on behalf of the System, institution, agency or service, and limiting contracting authority to those officers with written express delegations of authority;
  - (2) delegations of authority specifying the type of contract and dollar limitations applicable to each delegation; and
  - (3) a process for contract origination, recommendation and approval for each type of contract.
2. The above procedures and delegations shall be reported annually to the Chancellor and Board of Regents in the format prescribed by the Chancellor.
3. All contracts must be submitted to the Office of General Counsel for review as to form and legal sufficiency, except those contracts entered into pursuant to an unaltered contract form approved by the Office of General Counsel within the preceding three years. Substantive contract requirements called for by the Office of General Counsel but not adopted by the System, institution, agency or service, shall be reported by the General Counsel to the Board of Regents.
4. The following contracts must be submitted to the Board of Regents for approval:
  - (1) contracts granting rights in real property owned by the System, other than residential leases, and licenses which do not transfer any interest in the real property and residential leases;
  - (2) vending contracts and contracts for pay telephone stations;
  - (3) contracts which involve a stated or implied consideration of more than \$300,000, or have a primary term longer than five (5) years; excluding sponsored research contracts and contracts transferring rights in technology or products protectible by Patent or as a Plant Variety; and
  - (4) any type of contract not addressed in approved contract administration procedures.

The delegation of authority on construction contracts is addressed in System Policy Section 51.04

5. The authority to enter into contracts on behalf of the System or any of its components must be express written authority pursuant to the policies of the Board of Regents and approved contract administration procedures. Any contract entered into on behalf of the System or any of its components not in conformance with this policy shall be null and void.
6. Contracts reviewed and authorized prior to the adoption of this policy shall remain in full force and effect; however, any modification or extension of such contracts shall be reviewed and authorized in accordance with this policy.
7. All policies in conflict with this policy are hereby overruled to the extent of such conflict.