

Policy III.3007.B, Contract Authority

Purpose

This policy will address the authority and requirements related to the contracting for goods or services on behalf of San Jacinto College (College).

Policy

All contract activities of the College will be in accordance with state law and Board policy.

Authority

The Board delegates to the Chancellor or designee the authority to determine the type and duration of a contract and to authorize the appropriate action to ensure the ongoing operations of the College in accordance with Board policy, state and federal law, and the College budget.

The following types of contracts will require Board approval:

1. Employment contracts;
2. Purchases or sales of real property;
3. Leases with a term exceeding one year (including options to renew) that have a cumulative expenditure of \$100,000 or more over the contract term;
4. Revenue leases and revenue rental agreements exceeding a term of five years (excluding optional renewal periods);
5. Contracts involving the sale of intellectual property or technology transfer; and
6. Purchase contracts valued at \$100,000 and above.

The Board grants the Chancellor or designee the authority to approve amendments to contracts up to ten percent of the approved amount, not to exceed \$100,000, and to accelerate the timing of spending within the contract when needed to conduct College business and accomplish strategic priorities in a timely manner.

The Board delegates to the Chancellor or designee the authority to contract without prior Board approval for the replacement, construction, or repair of College equipment or facilities if emergency replacement, construction, or repair is necessary for the health and safety of College students and staff in the event of a catastrophe, emergency, or natural disaster.

This policy applies to contracts related to the purchase of tangible property and/or services.

Signature Authority

The Chancellor will have the authority to initiate and execute contracts valued up to \$100,000. All contracts will be executed in accordance with College policy and procedures. The Chancellor will enact a procedure to delegate this authority.

No employee or agent of the College will have the authority to enter into any contract on behalf of the College, except as otherwise expressly provided by this policy. If a College employee signs a contract without authority, or falsely represents to a third party that he or she has authority to sign a contract, the employee may be held personally responsible to the third party in

accordance with law. An agreement that is not expressed in writing and approved and executed in accordance with this policy will not be binding or enforceable against the College.

An employee who signs a contract or seeks to bind the College to an agreement in violation of this policy may be subject to discipline, up to and including discharge of employment.

Definitions

Contract: An agreement between two or more parties that is intended to have legal effect to create a financial commitment or obligation of the College. A contract may include, but is not limited to, goods and service agreements, memoranda of understanding, letters of intent, lease agreements, rental agreements, grant awards, purchase orders, sole source contracts, cooperative contracts, interlocal contracts, and job order contracts.

Purchasing Contract: Any contract that requires an expenditure of College funds, regardless of the funding source.

Purchase Order: A contract that legally binds the College to purchase goods and services.

The Authority, Applicability, Sanctions, Exclusions, and Interpretation do not differ from Policy II.2000.A, Policy and Procedures Development, Review, Revision, and Rescission.

Associated Procedures

Procedure III.3007.B.a, Contract Authority

Date of Board Approval	October 7, 2019
Effective Date	October 8, 2019
Primary Owner	Vice Chancellor, Fiscal Affairs
Secondary Owner	Chief Procurement Officer