

Purchasing Accountability and Risk Analysis Procedure

Texas Government Code 2261.256 states that each state agency shall develop and comply with a “Purchasing Accountability and Risk Analysis Procedure” by providing for:

Objective 1: Risk Analysis of Fraud, Abuse or Waste

Objective 2: Enhanced Contract Monitoring

Objective 3: Purchasing accountability and Staff Responsibilities

Objective 1: The University of Texas at Arlington’s (UTA) process for assessing the risk of fraud, abuse, or waste in the contract selection process; and, for the contract provisions, payment and reimbursement rates and methods for the different types of goods and services for which the agency contracts.

- a. Contract Selection Process - [Section 51.9335 of the Texas Education Code](#) authorizes institutions of higher education to use best value procurement processes which provide greater flexibility in the procurement of goods and services. UTA ensures that awards for the purchase of goods/services are compliant with the mandatory evaluation criteria required by the Best Value Statute and specified in the solicitation. Reference Section 5.12 of the [UTA Contract Management Handbook](#) and [UTA Procedure 4-2](#).
- b. Contract Provisions - All written agreements are drafted on University of Texas System Office of General Council (OGC) Standard Contract templates which are customized per the goods and/or service requirements. The essential provisions are outlined in Section 6.6 of the UTA Contract Management Handbook. All non-standard documents are reviewed by UTA Office of Legal Affairs, and/or OGC.
- c. Payment and Reimbursement Rates and Methods for Different Types of Goods and Services - Payment should be consistent with the product or service the University contracted for. Prior to payment, invoices must be reviewed by university staff familiar with the work and the current status of the work. Section 7.5 of the UTA Contract Management Handbook outlines the payment process for invoices, payments, third party contracts and the withholding of payment.

Objective 2: Identify contracts that require enhanced contract monitoring or the immediate attention of the Contract Management Staff.

- a. Enhanced Contract Monitoring– The University monitors all contracts, especially those which are subject to enhanced risk opportunities for fraud, abuse or waste. Reviewing the Scope of Work and other contract terms, including contractor compliance requirements to minimize risks, is the least damaging, the most productive preventive

function and the most cost effective for the University. [Appendix 16 in the UTA Contract Management Handbook is a Sample Contract Monitoring Worksheet for use by the Contract Administrator.](#)

- b. Contract Management Review- The UTA Contract Management Handbook, Section 7.1.2 outlines the responsibilities the Contract Manager, generally an employee of Procurement Services, who will oversee the overall procurement process. Once a contract has been executed, the day-to-day management of the contract work is transitioned to the key stakeholder or end user department.

Objective 3: Establish clear levels of purchasing accountability and staff responsibilities related to purchases.

- a. Authority to enter into contracts – [UT System Board of Regents Rule 10501](#) states that actual authority (not apparent authority) is required to act on behalf of the Institution and bind the Institution. Actual authority is granted through written delegations of authority by the Board of Regents to sign on behalf of the Institution. In spite of delegations of authority to sign contracts, certain contracts will require Board of Regents approval.
- b. Contract Administration – Contracts at UTA are managed at the department level with oversight by the Office of Procurement and Strategic Sourcing (Procurement). The contracting function is a collaborative effort. The department must verify contractor performance for purposes of payment, identify and notify Procurement of any material breaches of the contract, determining if corrective action is necessary, and taking action if required, developing a completion plan for contractor exit requirements, and keeping the Procurement updated as to the issues, actions and communications with the contractor/supplier.
[UTA Contract Management Handbook, Section 7](#)
- c. Acquisition of Goods and/or services – It is the policy of Procurement to facilitate and expedite the purchasing function for all departments of the University with a staff of honest, ethical and qualified purchasing professionals. All personnel authorized to make procurements on behalf of UTA are expected to identify the most appropriate and effective method of acquisition for each assigned requisition in order to obtain the maximum value for each dollar of expenditure. Staff are required to make all purchases, regardless of the source of funds, on a competitive basis unless otherwise authorized by law, UT System policy, or UTA policy. UTA requires honest and ethical conduct of all employees who are authorized to make purchases on behalf of the University. Demonstration of ethical behavior includes giving no special consideration to bidders, not accepting gifts or gratuities that might in any way result in an expectation or obligation to individuals or companies seeking business, and complying with this procedure and all related laws, rules, and regulations.
[UTA Best Value Purchasing Procedure, 4-2](#)