

Interagency and Interlocal Contracts

Original Implementation: Unpublished

Last Revision: July 23, 2019

Purpose

This policy defines and describes the appropriate usage of Interagency and Interlocal contracts.

Definitions

Interagency – The purchase of goods or services from another agency of the state of Texas is allowed by the Interagency Cooperation Act, except that a state agency may not enter into an agreement or contract that requires or permits the agency to exceed its duties and responsibilities or the limitations of its appropriated funds. An agency may purchase goods, equipment and special or technical services including the services of an employee through an Interagency Cooperation Agreement.

Interlocal – The purchase of goods or services from or by a local government such as a city or county government, school district, junior or community college district, or other political subdivision, is handled as an Interlocal Agreement, and is allowed so long as neither the agency nor the political subdivision exceeds its duties and responsibilities or the limitation of its appropriated funds or its governing board or commission.

General

A state agency may not provide services or resources to another agency that are required by Article XVI, Section 21, of the Texas Constitution to be provided under a contract awarded to the lowest responsible bidder. Printing services may not be purchased through an Interagency or Inter-local Agreement.

Interagency contracts shall follow financial approval thresholds allowed in university policy 1.4. All interagency contracts must conform to appropriate procurement procedures and be approved by an authorized administrator from each agency. An interagency agreement, if required under applicable law, must specify the following:

- a. the kind and amount of goods or services to be provided;
- b. the basis for computing reimbursable costs; and
- c. the maximum cost during the period of the agreement.

Interlocal contracts must contain a formal written agreement signed by the university agency head, or designee, and the local government, regardless of the dollar amount. The written agreement must:

- a. state the purpose, terms, rights, and duties of the contracting parties; and
- b. specify that each party paying for the performance of governmental functions or services must make those payments from current revenues available to the paying party.

Forms for interagency and interlocal agreements are available on the general counsel's website.

Cross Reference: Tex. Gov't Code §§ 771, 791; Tex. Const. art. XVI, § 21; Items Requiring Board of Regents Approval (1.4)

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Director of Procurement and Property Services/HUB Coordinator

Forms: Purchase Requisition (Banner System); Interagency Cooperation Agreement; Interlocal Agreement

Board Committee Assignment: Finance and Audit