

Interagency and Interlocal Contracts

Original Implementation: Unpublished

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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.

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 Interlocal Agreement.

For some large dollar interagency contracts, board approval may be required; see Items Requiring Board of Regents Approval (1.4).

A requisition must be submitted to initiate an interagency or interlocal purchase where SFA is the receiving agency. The requisition must include 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.

Where SFA is the performing agency, the procurement office is not involved.

A formal written agreement signed by both agency heads is required regardless of the dollar amount. The written agreement must contain the items listed above required to be in the purchase requisition.

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.

For some large dollar interlocal contracts, board approval may be required; see Items Requiring Board of Regents Approval (1.4).

An Interlocal Agreement requires a formal written agreement 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 – Forms for interlocal and interagency contracts 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