

CHAPTER IV
DELEGATED AGENCY
CONTRACT PROCESSING PROCEDURES

SECTION 1
*REQUESTING DELEGATION FOR CONTRACT
SIGNATURE AUTHORITY*

Chief financial officers and controllers may request that the state controller delegate his statutorily required signature authority for state contracts to them personally. This procedure provides guidance to agencies who are applying for the delegation of the state controller's signature authority for contracts. The state controller is the only person who can delegate his signature authority to approve state contracts to other state officers. The delegation may be granted for those contracts which require on-site approval or where situations dictate special processing and approval by the agency.

The following steps must be completed by agency personnel in order for the agency to request delegation of the state controller's approval and signature for contracts.

PROCEDURAL STEPS

- Step 1 Read the Definitions and Accounting/Fiscal requirements sections of this Chapter, Chapter 3 and 4 of the State Fiscal Rules, and Section 3 of this Chapter dealing with approving a delegated contract. If you can comply with all of these rules and requirements please proceed, if you cannot comply with all of these rules and requirements please do not apply for signature delegation. All delegates of the state controller have the same responsibilities as the state controller and are subject to the same penalties as the state controller for non-compliance with the rules and regulations.
- Step 2 Complete the "Contract Signature Primary Delegation Request Form", if applicable the "Sub-Delegation Request Form", if applicable the 'Delegated Agency Attorney Data Form', and a 'Waived Contract Reviewer Data Form' if your agency has requested a waiver from the Central Approval Task Force (CATF). These forms are included in this Chapter (see pages 6-9).
- Step 3 Forward the completed forms to the State Controller's Office for review and approval. Applicants will receive written notification of the signature authorization (if any) delegated to them.

DEFINITIONS

Contract - A formal legally binding agreement between two state agencies or one state agency and another party which ultimately results in the disbursement of funds. A contract can be distinguished from a purchase order by the fact that a contract will contain the signatures of both the state agency representative and the outside party providing service or goods, while a purchase order will contain only the signature of the state agency representative.

Contract Routing Form - A form containing contract information must be attached to all contracts, amendments, change orders, supplements, and other modifications that are required to be sent to the SCO for approval and signature. This form may be a screen print of the CLIN and CLI2 tables or, for agencies that do not use COFRS as their main accounting system, the Correctional Industries form identified as number 395-53-07-0085.

Delegated Contract - A contract that is approved and signed for the state controller by a delegate at a state agency who is designated by the state controller and is following approval guidelines issued by the state controller.

Exempt Contract - A contract that does not require the state controller's approval and signature to be valid and binding upon the State of Colorado. This category includes all contracts that do not require a disbursement of funds.

Multi-year Contract - A contract whose term falls within at least two state fiscal years.

Non-Delegated Contract - A contract that must be approved and signed by the state controller or by delegates within the State Controller's Office to be valid and binding upon the State of Colorado.

Primary Delegate - A chief financial officer or agency controller who is authorized to sign contracts for the state controller.

Sub-Delegate - An agency employee designated by the primary delegate and delegated by the **state controller** to sign contracts for the state controller.

Waived Contract - A delegated contract that has been reviewed and approved as to form by the central approvers requested by the agency to waive the agreement, including the attorney general. This allows the initiating agency to complete some vendor specific information on the contract, such as name and payment amount, without rewriting standard information such as scope of work. The contract can then be reviewed and approved at the agency without a specific review of each contract by the central approvers.

Waived Contract Reviewer - An agency employee designated by the primary delegate and approved by the state controller, who reviews waived contracts for completeness and insures that the text of these contracts has not been altered from the text approved by the attorney general.

ACCOUNTING/FISCAL ADMINISTRATIVE REQUIREMENTS

Only the state controller may delegate his signature authority to approve and sign state contracts.

Only the state controller may waive a State Fiscal Rule, **delegates do not have this authority**. If a contract requires the waiver of a State Fiscal Rule in order to be approved it must be sent to the state controller for review.

A primary delegate must be either a chief financial officer or agency controller.

Primary delegates may not sub-delegate their delegation of the state controller's signature authority for contracts. Primary delegates may request sub-delegation for their employees to sign contracts from the state controller.

When a person with primary delegation leaves the agency or changes positions within an agency, the agency must notify the state controller's office in writing and the delegation of the state controller's signature authority becomes null and void. The person who assumes the vacated position must reapply to the state controller for contract signature delegation.

When a person with sub-delegation leaves the agency or changes positions within the agency, the agency must notify the State Controller's Office in writing of the change.

When the designated attorney who provides the legal review leaves the agency or changes positions within the agency, the agency must notify the State Controller's Office in writing of the change.

When the waived contract reviewer leaves the agency or changes positions within the agency, the agency must notify the State Controller's Office in writing of the change.

If a primary delegate wishes to revoke a sub-delegate's authority to sign contracts because of a change in position or for any other reason, the primary delegate must notify the State Controller's Office in writing. The State Controller's Office will revoke the sub-delegate's authority and will issue a new letter of delegation.

Agencies may not request signature authority for contracts associated with debt collection services or major revisions of existing financial systems.

The primary delegate and all sub-delegates have the same responsibilities as the state controller when signing contracts for the state controller. This includes adherence to all State Fiscal Rules associated with contracts as well as all procurement rules and requirements for hiring private vendors.

A copy of the agency's contract processing procedures and all contracts must be available for review by the state controller's internal auditor.

The same person may not sign a contract for both the agency and the state controller.

The State Controller's Office may review all delegated contracts for compliance at their convenience.

All original contracts, contract change orders, contract amendments, and supplements requiring a disbursement of funds for which an agency does not have delegated signature authority must be approved and signed at the office of the state controller.

The state controller's delegate is always the last person to sign a contract or contract modification. All of the other required signatures, the vendor, the agency representative, and the attorney providing the legal review must take place prior to the approval and signature of the state controller's delegate.

All contracts and amendments must have been reviewed for legal sufficiency and signed by the attorney designated by the state controller, prior to approval and signature by a state controller's delegate. The only exceptions to this rule are interagency agreements and agreements that have been waived through the Central Approval Task Force process.

All waived contracts must be signed by the waived contract reviewer prior to signature and approval by the primary or sub-delegate. (A primary or sub-delegate may perform the functions of the waived contract reviewer, provided that they have been designated as such by the state controller's letter of delegation.)

All delegated contracts and contract modifications must have an encumbrance recorded on the agency's principal accounting system prior to approval and signature of the agreement by a state controller's delegate.

All amendments, change orders, and supplements that do not require a disbursement of funds that are related to a contract that required the disbursement of funds must be approved by a state controller's delegate.

All personal service contracts must have a certification of independent contractor form reviewed and approved by the Department of Personnel prior to approval and signature of the contract by a state controller's delegate. This form is included in this Chapter (see pages 10-11).

All contracts and amendments which the designated attorney refuses to sign must be submitted to the state controller for approval and signature by following the procedure outlined in Chapter V of this guideline.

Agencies are required to maintain a log for all delegated contracts and contract modifications. This log must contain the following data elements:

- ♦ The COFRS alpha code assigned to the agency.

- ♦ A contract control number (routing number) that the agency is responsible for defining.
- ♦ The name of the vendor.
- ♦ The type of contract, as defined in Chapter II of these guidelines.

The primary delegate and any sub-delegates must adhere to all requirements of delegation listed in their letter of delegation.

**CONTRACT SIGNATURE
PRIMARY DELEGATION REQUEST FORM**

I, _____ currently acting in the position of _____
_____ for _____ am requesting primary delegation of the
state controller's signature authority for the following types of contracts.

DESCRIPTION OF CONTRACT

CONTRACT TYPE

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

I have read the requirements section of the procedure for requesting signature delegation, the agency contract approval procedure, and Chapter 3 of the fiscal rules. I understand that the responsibility I am requesting as a primary delegate for the state controller will be the same as the state controller's responsibility. I hereby agree to follow the accounting/fiscal requirements contained in the procedure for requesting signature delegation, the agency contract approval procedure, and all requirements related to contracts in Chapter 3 of the fiscal rules.

Signed this _____ day of _____.

By: _____

Exception contract signatory recommendation: Approve Reject

Reason _____

**CONTRACT SIGNATURE
SUB-DELEGATION REQUEST FORM**

I, _____ currently acting in the position of _____
_____ for _____ am requesting sub-delegation of my contract
signature authority for the state controller signature authority to the following employees for the
following types of contracts.

NAME	STATE CLASSIFICATION	DESCRIPTION OF CONTRACT TYPE
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

I will insure that all sub-delegates read and comply with the requirements section of the procedure for requesting signature delegation, the agency contract approval procedure, and Chapter 3 of the fiscal rules. I will be responsible for all actions of the sub-delegate(s) in the performance of their duty of signing contracts for the state controller.

Signed this _____ day of _____.

By: _____

Exception contract signatory recommendation: Approve Reject

Reason _____

**DELEGATED AGENCY
ATTORNEY DATA FORM**

NAME OF ATTORNEY

COLORADO SUPREME COURT ATTORNEY REGISTRATION NUMBER

ATTORNEY'S CPPS JOB CLASSIFICATION TITLE

ATTORNEY'S PHONE NUMBER

**PRE-APPROVED FORM CONTRACT
REVIEWER DATA FORM**

NAME OF PRE-APPROVED FORM CONTRACT REVIEWER

REVIEWER'S CPPS JOB CLASSIFICATION TITLE

REVIEWER'S PHONE NUMBER

TYPES OF PRE-APPROVED FORM CONTRACTS TO BE REVIEWED

SECTION 2
LEGAL REVIEW OF CONTRACTS

All contracts and amendments, other than interagency agreements and agreements waived through the Central Approval Task Force process, must be reviewed for legal sufficiency and signed by the attorney designated by the state controller.

The attorney's legal review insures that:

- ♦ Adequate performance under the contract can be successfully enforced.
- ♦ The State of Colorado will not incur an exposure to unnecessary or excessive liability because of the contract.
- ♦ The contract is worded to insure that good business practices are being followed by the agency when entering into and performing under the contractual agreements.
- ♦ The laws of the State of Colorado are not violated.

In order to meet the requirements of CRS 24-30-202, any contract involving the disbursement of funds by the state shall contain a clause stating that the contract will not be deemed valid until it has been approved by the state controller or such assistant as he may designate.

SECTION 3
APPROVING A DELEGATED CONTRACT

This procedure provides guidance to contract signatories, both primary and sub-delegates, to insure that all contracts approved and signed by them for the state controller meet the requirements of CRS 24-30-202 and the State Fiscal Rules.

The statutes and fiscal rules require that an appropriation be available to fund the contract obligation for the current year, an encumbrance for the current year disbursement has been recorded in the agency's accounting system, someone authorized by the executive director or university president to enter into contracts for the agency has signed the contract, the contract has been reviewed for legal sufficiency by an attorney, and that the contract has been recorded in the official contract log.

The following procedural steps for contract approval outline the general steps that should be used for processing the approval of a contract by a primary or sub-delegate.

PROCEDURAL STEPS

- Step 1 Receive the contract.

- Step 2 Review Chapter II of this procedure guideline and identify the type of contract.

- Step 3 Review your letter of delegation to insure that you have been delegated to sign this type of contract for the state controller.

- Step 4 Determine whether the contract needs central approvals other than the state controller by reviewing Chapter 3 of the State Fiscal Rules and Chapter II of this procedure guideline. If the contract requires central approvals, verify that the contract has been approved by those parties.

(There are several different agencies involved in central approval and they all have their own rules. This guideline does not list all of the requirements of each agency.)

- Step 5 Verify the following required signatures and prior approvals on the contract:
 - ♦ Vendor signature

 - ♦ Authorized agency signature

 - ♦ Division of State Buildings approval for a capital construction or lease contract, amendment, change order, or supplement.

- ♦ Attorney's approval for an original contract or contract amendment.
- ♦ Waived contract reviewer's signature for all waived contracts.

- Step 6 Verify that an encumbrance has been recorded on the agency's primary accounting system for the amount of the contract to be disbursed, per the contract terms, in the current fiscal year.
- Step 7 Ensure that the contract prices are fair and reasonable and that the Special Provisions are included in the contract.
- Step 8 Verify that the contract has been recorded on the official contract log of the agency.
- Step 9 Sign the required number of contracts.
- Step 10 Distribute the contracts to the agency program representative.

(For lease contracts return a copy of the contract with original signatures to the Division of State Buildings)

Additional procedural steps required when a contract has been rejected because of inadequate appropriations or improperly recorded encumbrance transactions.

(A contract for which a properly recorded encumbrance on the agency's primary accounting system has not been recorded does not meet the state controller's criteria for approval and should not be approved by a primary or sub-delegate)

- Step 11 Write a memorandum to the agency contract accounting section informing them of the refusal to approve the contract because of the lack of a valid encumbrance.
- Step 12 Attach the memorandum to the contract package and return the contract package to the agency contract accounting section.

Procedural steps required when a contract has been rejected by the designated attorney and contains unresolved issues.

- Step 1 Receive the contract with a letter of rejection from the designated attorney.
- Step 2 Prepare a memorandum addressed to the contract exception signatory, Phil Holtmann, at the State Controller's Office. Identify the contract as a delegated contract that has been rejected by the designated attorney and state the reason or reasons that you believe the contract should be approved by the state controller over the objections of the designated attorney.

- Step 3 Prepare a contract routing slip following the procedures outlined in Chapter II of this procedure guideline.
- Step 4 Send the memorandum prepared in step two of this procedure and the following items to the State Controller's Office:
- ♦ A properly completed contract routing slip.
 - ♦ A screen print of a properly prepared encumbrance document.
 - ♦ The letter of rejection from the designated attorney.
 - ♦ Three copies of the contract, amendment, change order, or supplement containing original signatures for the vendor, the agency, and any other central approvers that are necessary.