

## 25.07.06 Interagency and Intrasystem Transactions

Revised [March 3, 2022](#)

Next Scheduled Review: March 3, 2027

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### Regulation Summary

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Members of The Texas A&M University System (system) may enter into agreements with other members or state agencies for services or resources as provided by the Texas Interagency Cooperation Act (TICA) and this regulation.

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### Regulation

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#### 1. INTRODUCTION

- 1.1 The TICA, Chapter 771, Texas Government Code, states that all state agencies, including agencies and institutions of higher education, are authorized to enter into written agreements with other agencies of the state to receive or furnish special or technical services, including the services of employees or resources (materials and/or equipment).
- 1.2 The TICA specifies that the performing agency is reimbursed by a voucher or electronically as prescribed by the state comptroller for the actual cost or the nearest practicable estimate of the cost of the services or resources. Reimbursement (as well as a written agreement or contract) is not required if the services or resources are provided for national defense, disaster relief or in cooperative efforts proposed by the governor to promote the economic development of the state.
- 1.3 A contract between any member and any state agency or institution for services or resources of \$50,000 or more must be in writing and executed by both parties. In situations where the amount of the transaction is less than \$50,000, the member may use an informal letter of agreement or memorandum instead of a contract.
- 1.4 System regulations governing indirect cost recovery from other state agencies are provided in System Regulation *15.01.01, Sponsored Agreements – Research and Other*.
- 1.5 A receiving agency may advance funds to a performing agency when necessary for the performing agency to be able to provide services or resources. If an advance is made, both the receiving agency and the performing agency must ensure, after the services or resources are provided, that the performing agency has received only enough funds to reimburse it for its total costs or the nearest practicable estimate of the costs. The TICA classifies an advance as a reimbursement. Also, a receiving agency may advance federal

funds to a performing agency if the receiving agency determines that such advances would facilitate the implementation of a federally funded program.

- 1.6 A contract entered into by one or more state agencies pursuant to the TICA may allow the performing agency to subcontract and purchase the services and resources.
- 1.7 System Policy 25.07, *Contract Administration*, and System Regulation 25.07.01, *Contract Administration, Delegations and Reporting*, determine who may execute interagency and intrasystem contracts.

## 2. INTERAGENCY CONTRACTING PROCEDURES

- 2.1 Except for the exempted areas described in Section 1, the TICA requires a written contract to be entered into before any services or resources may be provided or received. The contract must specify the following terms:
  - (a) the kinds and amounts of services or resources to be provided;
  - (b) the basis for calculating reimbursable costs;
  - (c) the maximum amount of the costs during the time period covered by the agreement; and
  - (d) the term of the contract.
- 2.2 An Interagency Cooperation Contract template must be established and used for joint projects and programs involving two or more Texas state agencies. If the transaction involves two or more members, the contract or transaction must be approved by each chief executive officer (CEO) or designee. Each member may establish a template or use a modified version of the system template.

## 3. INTRASYSTEM CONTRACTING PROCEDURES

- 3.1 Intrasystem cooperation contracts must meet all requirements for interagency contracts under Section 2.1.
- 3.2 An Intrasystem Cooperation Contract template must be established and used for joint projects and programs involving two or more members, except where the members involved conclude the best means of accomplishing the project or program is through the lending of personnel. As applicable, the contract must be approved by each CEO or designee. Each member may establish a template or use a modified version of the system template.
- 3.3 The system Board of Regents authorizes the establishment of service departments for the benefit of one or more members. Intrasystem cooperation contracts are not necessary for furnishing goods or services by a service department of one member to another member. Parties complete a service agreement detailing actual services to be provided and an estimate of expenses to be charged. Standard order, billing and payment procedures are used for these transactions. Refer to Regulation 21.01.05, *Service Departments or Centers*, for more details.

#### 4. CONTRACTS PROHIBITED BY TICA

- 4.1 An agency may not construct a highway, road, building or other structure for another agency under TICA, except the Texas Department of Transportation may enter into an interagency agreement with a state college, university or public junior college for the maintenance, improvement, relocation or extension of existing on-campus streets, parking lots and access-ways.
- 4.2 An 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.
- 4.3 An 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.

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### **Related Statutes, Policies, or Requirements**

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[The Texas Constitution, Article XVI, Section 21](#)

[Tex. Gov't Code Ch. 771, Interagency Cooperation Act](#)

[Interagency Cooperation Contract form](#)

[Intrasystem Cooperation Contract form](#)

[System Regulation 15.01.01, Sponsored Agreements – Research and Other](#)

[System Regulation 21.01.05, Service Departments or Centers](#)

[System Policy 25.07 Contract Administration](#)

[System Regulation 25.07.01, Contract Administration, Delegations and Reporting](#)

The May 2011 version of this regulation supersedes  
System Regulation 25.99.05, *Interagency and Intrasystem Transactions*

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### **Member Rule Requirements**

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A rule is not required to supplement this regulation.

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### **Contact Office**

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