I. **Purpose**

To set forth policy on contracts and other official documents.

II. **Definitions**

No policy specific or unique definitions apply.

III. **Policy**

A. General

Except as otherwise provided herein, the president is authorized to approve, sign, and execute contracts and settlements of claims in accordance with law and board policy. In addition, the president is authorized to approve or accept all gifts, grants, and contracts involving the university’s receipt of extramural funds. Should it be determined, in consultation with the board, that a contract or settlement is anticipated to have a significant impact on policies, programs, or operations; or result in potential institutional liability, the prior approval of the board shall be required regardless of amount and source of funding. Except as otherwise provided herein, the president may delegate authority for the approval, acceptance, signing, and execution of contracts and settlements to other university officials.

B. Construction Projects

The president is authorized to act as the contracting officer of the university on construction projects, including projects financed in whole or in part from federal and other grants. Construction projects, including repair and maintenance projects, in excess of and/or totaling more than $5,000,000 shall require the board’s prior approval. This requirement will not be circumvented through parceling. The president shall provide advanced notice, to the extent practical,
of potentially controversial decisions or actions that are within the authority delegated to the president. Should it be determined, in consultation with the board, that a construction project is anticipated to have a significant impact on policies, programs or operations, or generates controversy, prior board approval is required regardless of amount or source of funding.

C. Use of Consultants

Use of consultant services, including but not limited to consultants to study or review university programs and/or operations for the purposes of recommending courses of action, which are anticipated to require changes in board policies and/or have significant impact on policies, programs, or operations, shall require the prior approval of the board regardless of amount or source of funding. Consultant work which is estimated to be $1,000,000 or less, consultant expenses included, and is not expected to result in changes in board policies and/or have a significant impact on policies, programs or operations, shall be approved by the president or the president’s designee. All consultant work estimated to be in excess of $1,000,000, expenses included, shall require the prior approval of the board. This requirement will not be circumvented by parceling the amount of the contract.

D. Settlement of Claims

All settlement of claims recommended by the university’s general counsel involving payments of $500,000 or less, or involving workers’ compensation claims in any amount and which do not contravene board policy and do not have a significant impact on policies, programs, or operations, shall be approved by the president or the president’s designee. Settlements which are anticipated to require changes in board policies and/or have significant impact on policy, programs, or operations and/or where the board is named as a party to a suit, shall require the prior approval of the board regardless of amount. All settlements of claims exceeding $500,000, except for settlement of workers’ compensation claims, shall require the approval of the board. This requirement may not be circumvented by subdivision of the total amount of the settlement claim. For all settlements requiring board approval, settlement documentation shall include a signature execution line for the board.

E. Procurement Procedures

Subject to the provisions set forth herein, the president is authorized to develop internal policies and procedures for the procurement of goods, services, and construction in accordance with law and board policy, provided such procedures are approved by the board prior to implementation in accordance with Chapter 304A-105, HRS. Except as otherwise provided herein, the procurement of goods or services exceeding $5,000,000 shall require the prior approval of the
board unless, in consultation with the board, it is anticipated that such procurement will have a significant impact on policies, programs, or operations, in which case prior board approval is required regardless of amount and funding source. The specified threshold will not be circumvented by parceling.

F. Indemnification by the University

Except for four (4) limited circumstances as set forth below, the University is not legally authorized or permitted to indemnify, defend, or hold harmless other parties to a contract ("Other Parties") against claims by a third party (not a party to the contract) from damages or injuries resulting from the acts or omissions of the University. To agree to such obligations would require the University to: (1) defend the Other Parties against third party claims, which may include paying for defense costs including attorneys’ fees; and (2) pay for any monetary judgment obtained against the Other Parties by third party claimants.

For indemnification of federal agencies pursuant to Section 29-15.5, HRS, approval by the governor is required. For indemnification of county governments in the State of Hawaii pursuant to Section 46-71.5, HRS, the board authorizes the president to approve of said indemnifications, provided statutory requirements are fulfilled and following favorable review by the vice president for administration or designee and the university general counsel or designee; this authorization shall not be delegated further by the president. For indemnification of University research sponsors pursuant to Section 304A-110, HRS, and University research collaborating institutions pursuant to Section 304A-111, HRS, (gross negligence or willful misconduct only), board approval is required.

The president is authorized to establish guidelines regarding the University’s processes to obtain requisite approvals for indemnifications by the University.

IV. Delegation of Authority:

Except as otherwise provided herein, the president is authorized to approve, sign, and execute contracts and settlements of claims, to approve or accept all gifts, grants, and contracts involving the university’s receipt of extramural funds, to approve and agree to University indemnifications in limited circumstances, and may delegate certain authority to other university officials. See RP 8.201(A).

The president is authorized to act as the contracting officer of the university on construction projects, including projects financed in whole or in part from federal and other grants. See RP 8.201(B).

The president or the president’s designee is authorized to approve certain consultant contracts. See RP 8.201(C).
The president or the president’s designee is authorized to approve certain settlement agreements. See RP 8.201(D).

The president is authorized to develop internal policies and procedures for procurement. See RP 8.201(E).

The president is authorized to provide indemnifications to the four counties as provided in Section 46-71.5, HRS. See RP 8.201(F).

V. **Contact Information:**

Office of the Vice President for Administration, 956-6405, vpadmin@hawaii.edu

VI. **References:**

- [http://www.hawaii.edu/offices/bor/](http://www.hawaii.edu/offices/bor/)
- [http://www.capitol.hawaii.gov/hrscurrent/Vol02_Ch0046-0115/HRS0046/HRS_0046-0071_0005.htm](http://www.capitol.hawaii.gov/hrscurrent/Vol02_Ch0046-0115/HRS0046/HRS_0046-0071_0005.htm)

**Approved as to Form:**

Kendra Oishi  
Executive Administrator and  
Secretary of the Board of Regents

10/17/19  Date