



University of California  
Office of the President

Senior Vice President—Academic Affairs

Research Administration Office

# Memo Operating Guidance

No. 07-03  
April 25, 2007

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## CONTRACT AND GRANT OFFICERS

**Subject:** State Department of General Services Administrative Order – “Approval/NonApproval and Acceptance of Untimely Submitted Procurement and Contracts Documents”

On June 26, 2006, the State Department of General Services (DGS) published the attached Administrative Order (AO) 06-05.1, “Approval/NonApproval and Acceptance of Untimely Submitted Procurement and Contract Documents.” The AO reiterates State policy that State agency and department procurement and contract documents

that require the DGS approval should be [submitted].....prior to the contractor performing any work or delivering any goods....

Specifically exempt from this requirement are contracts which involving the following circumstances:

The contract involves another governmental entity, and an action or inaction of that other governmental entity delayed timely processing of the contract or amendment by the State;

and

The contract is an interagency or revenue/reimbursement agreement, there are reasonable factors that cause the delay, and it is in the State’s best interest to process the contract or amendment.

Finally,

A late contract may be considered on an exceptional basis, if the contracting agency or department provides in writing, certification .....that there is good cause for lateness, ....

Both our office and campus Contract and Grant Officers have discussed the application of this AO to State awards to the University with DGS Office of Legal Services (OLS) and asked for a clarification statement that is does not apply to such awards. We were advised that such a clarification in writing is not possible and that exemptions for interagency agreements with the University generally are approved as noted in the above AO statements.

\*Note: The addressees above represent the standard distribution of Contract and Grant Memos. Additional addressees, if any, may be added based on the subject of the Memo. See cc’s.

Prior to the publication of this AO, campuses could incur costs under a State agreement as of the start date of the agreement, with the understanding that such costs were at risk until the agreement was fully executed by the State with the DGS signature. This AO clarifies the State policy that, unless a campus award from a State agency is an interagency agreement, work should not commence until the date of the DGS signature. Before approving any campus "Authorization for Advance Expenditure," the State agency should provide the campus with a written confirmation that the award will be an interagency agreement and that costs will be reimbursed to the start date on the award document.

If the campus is expecting a State contract (or what they call a "grant"), and not an interagency agreement, approving any expenditures of funds before you have a fully executed contract or "grant" is not advisable. Unless the State agency requests an exemption for such an award under the "late contract" consideration noted above and it is approved, campus costs incurred before the date of the fully executed contract (or "grant") will not be reimbursed.

Thus, if the State agency can provide you in writing an assurance that your campus award will be an interagency agreement (IA) and that they are specifically requesting DGS to approve performance and expenditures back to the start date on the IA, there is more assurance that campus costs will be reimbursed to the start date on the interagency agreement.

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