

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: General Administration

NUMBER: 01.D.02

AREA: Legal Affairs

SUBJECT: Employment of Outside Legal Counsel

1. PURPOSE

- 1.1. All legal services for the University of Houston System and its universities are provided exclusively by the Office of the General Counsel, which is also responsible for coordinating the litigation activities of the System and its universities with the Attorney General of Texas. See [SAM 01.D.01](#) for policies relating to requests for legal services from the Office of the General Counsel.
- 1.2. Employment of outside legal counsel on behalf of the System or its universities shall be conducted exclusively through the Office of the General Counsel. To comply with Board policies and requirements imposed by the Texas Attorney General's Office on agreements for services rendered by outside counsel, the following procedures for contracting with and paying for the services of outside legal counsel through the Office of the General Counsel is provided for members of the System.

2. POLICY

- 2.1. Outside legal counsel shall be employed exclusively through the Office of the General Counsel on behalf of the System and its universities. Members of the System or any of its universities requesting employment of outside legal counsel should send a written request for such representation to the Office of the General Counsel.
- 2.2. When the Office of the General Counsel determines that the services of outside legal counsel are necessary, negotiation for any agreement with outside legal counsel for representation will be conducted by the Office of the General Counsel.
- 2.3. The System and its universities are prohibited by Texas statute from retaining outside legal services until written approval is received from the Attorney General's Office. No payment for legal services rendered by outside counsel may be made without such written approval. Any agreement with outside legal counsel purportedly made or entered into on behalf of the System or a university by a member of the System or university without the approval of the Office of the General Counsel is not binding on the System or its universities. Any charges incurred under such an unapproved agreement may become a personal financial

obligation of the member of the System or university improperly negotiating or approving such an agreement.

- 2.4. Agreements with outside legal counsel are subject to approval by the Board of Regents as any other contract, according to their value, under [Board of Regents Policy 55.01](#) and [System Administrative Memorandum 03.A.05](#).
- 2.5. An annual or biennial agreement between the System and any outside legal counsel must be approved in accordance with requirements of the Texas Attorney General's Office.
- 2.6. Payment to an outside legal counsel may not be made prior to the Texas Attorney General's approval of an annual agreement for that counsel, and the amount paid may not exceed the maximum amount set forth in such agreement.
- 2.7. Payment for services of outside legal counsel must be authorized by the Office of the General Counsel before checks are issued. Unauthorized billing items may not be paid. The following procedures apply:
 - a. Bills for services should be sent directly to the Office of the General Counsel by outside counsel. In the event that outside counsel sends a bill to another department or office, they should be forwarded to the Office of the General Counsel immediately.
 - b. The Office of the General Counsel will forward the bill to the appropriate System or university officials that have worked with outside counsel with respect to the legal matter to review for accuracy. The official(s) will return the bill to the General Counsel, with a certification that they have reviewed the bill and 1) that the time and/or related expenses billed are correct; or 2) with an explanation of how the bill is in error.
 - c. The Office of the General Counsel requests approval from the Texas Attorney General to pay the bill.
 - d. Upon approval by the Texas Attorney General, the Office of the General Counsel will forward the bill and outside counsel voucher approval to the appropriate System, university, or state authority who is responsible for payment. A copy of the voucher should be sent to the Office of the General Counsel as verification of payment.
 - e. Errors or inappropriate charges discovered by the paying authority should be reported immediately to the Office of the General Counsel.
- 2.8. Appropriated funds may not be used to contract with an attorney who is representing clients adverse to the System or university or who has represented clients adverse to the System or university during a six-month period preceding the

