

## I. PURPOSE

To establish sound and consistent management practices along with defining the responsibilities of University employees regarding University contracts.

## II. ACCOUNTABILITY

At the direction of the President, the Senior Vice President for Finance and CFO shall implement this policy and the Senior Vice Presidents, Vice Presidents, Deans, Directors, Department Service Requestors and Supervisors shall ensure compliance with this policy.

## III. APPLICABILITY

This policy applies to all Rowan University departments (Academic and Administrative) who wish to procure products and/or services that result in a contract whether requested by the vendor or University requestor.

## IV. DEFINITIONS

**Contract:** is a written agreement, especially one concerning sales, that is intended to be enforceable by law.

**Requestor:** is the contract initiator that has submitted a request to Office of Contracting & Procurement (OCP) to review and approve a contract.

**Vendor:** is a company or [independent contractor](#) that sells goods or services.

**Arbitration:** is a legal technique for the resolution of disputes outside the courts presented to a third party or arbiter.

**Governing Law:** also known as choice of law, is a clause that is included within contracts, which gives the parties involved the right to choose which region's laws they will follow if two regions' laws conflict with one another.

**Indemnification:** is a type of agreement wherein one party agrees not to hold another party liable for legal causes of action in the future.

**Jurisdiction:** is the venue in which any legal proceedings will take place, i.e., State of New York, Province of Quebec, 3<sup>rd</sup> Circuit, etc.

## V. POLICY

### A. Contract Documentation & Submission Requirements

1. Individual departments often solicit products or services from vendors that may result in the request for additional contracts; however, it must be noted that purchase orders are in fact binding, legal contracts and are considered a fully executed contract and the University's ultimate binding document.
  - a. Vendors should be strongly encouraged to accept the University's purchase order as its official contract. But if a contract is absolutely necessary, the requestor should ask the vendor to employ one of the University's [standard service agreements](#).
2. If the vendor insists on providing their own contract, they must be made aware that the University is a New Jersey Public Institution and is not permitted to sign agreements that contain certain clauses often found in vendor service agreements.
  - a. Indemnification: OCP may never indemnify a vendor that is not a New Jersey State entity.
  - b. Governing Law: Choice of law must always be New Jersey.
  - c. Arbitration: It is not permissible to subrogate the State's rights to arbitration.
  - d. Jurisdiction: Must always be the State of New Jersey.
  - e. *If a vendor provides a document that includes any of the aforementioned clauses, it will be redlined and sent back to the requestor.*
3. Whether the contract is on a standard University service agreement template or initiated by the vendor, the contract should clearly outline the products and or services solicited for; including, but not limited to:
  - a. Scope of work or an accurate, detailed, and concise description of the services to be provided or the work to be performed by the vendor.
  - b. Deliverables or the quantifiable products or services that will be provided upon project completion.

- c. Term or the time period in which the contract will be valid.
- d. Cost of product or service and/or price breakdown.

**4. Signatures:**

- a. The contract must include the vendor's signature with submission to OCP. If the vendor will not provide a signature before the University provides their own, contact OCP to address the vendor's concerns directly.
- b. Appointed by the Board of Trustees, there are only four designated University signatories with the authority to legally bind the University to the terms and conditions set forth within a contract.
- c. The OCP will not review documents signed by unauthorized individuals.

**B. Contract Cover Sheet:**

- 1. A contract will not be processed without the most up-to-date version of the [Contract Cover Sheet](#). The cover sheet includes the required levels of departmental approval and vital information for the OCP.

**C. Amendments**

- 1. Often there are modifications made to existing contracts.
  - a. Verbal adjustments are prohibited.
  - b. Amendments will be treated as binding-legal documents and handled in the same manner as a contract.

**D. Legal Counsel**

- 1. Any contract that ultimately results in the purchase of goods or services and/or payments made to the contracting vendor, will be reviewed and approved within OCP.
- 2. If OCP recognizes an additional need for legal counsel, their assistance will be requested.

**E. Timeframe**

- 1. Appropriate planning by the contract requestor should incorporate the below anticipated schedules:
  - a. If a contract is on a standard rowan template, a two week turn-around from the time of submission to OCP until the document is returned to the requestor, should be expected.
  - b. The requestor should allow for a 30 day turn-around when a contract is initiated by the vendor. Often clauses that are standard for a vendor, are not permitted by the State; thus adding OCP negotiation to the timeline.
- 2. Contracts will not be processed by OCP that are submitted past service dates or receipt of products.

**F. Additional OCP Responsibilities**

**1. Vendor Maintenance:**

- a. Prior to the review of contract documentation, OCP ensures the vendor we are contracting with is legitimized in the University Banner System generating a unique identification number.
- b. The vendor data is cross referenced against documentation requirements from the State; including, but not limited to: New Jersey Business Registration Certification and EO117 Compliance Documentation.

- 2. **Procurement Compliance:** If you are soliciting goods or services which result in a contract, OCP ensures the correct State mandated and University required procurement is behind the purchase. For additional information see Rowan University's [Procurement Policy](#).

- 3. **Technology Compliance:** Information Resources & Technology (IRT) is responsible for ensuring that technology infrastructure meet University supported specifications and standards. The contract will not be processed without required approvals from IRT.

**G. Contract Requestor Responsibilities**

- 1. Follow procedures for submitting contract.
- 2. Ensure OCP has the final fully executed version of the agreement.
- 3. Track deliverables and contract movement including, but not limited to; perpetual renewals, renewal terms, vendor performance, etc.
- 4. Notify OCP regarding vendors who are potentially in breach of contract.