

Contract Policy

ROWAN UNIVERSITY POLICY

Title: *Contract Policy*

Subject: *Contracting and Purchasing*

Policy No: FIN:2019:01

Applies: *University-Wide*

Issuing Authority: *Senior Vice President for Finance and CFO*

Responsible Officer: *Senior Director of Contracting & Procurement*

Adopted: *12/27/2019*

Last Revision: *05/04/2021*

Last Reviewed: *10/28/2022*

I. PURPOSE

To define the responsibilities of University employees regarding University contracts for the purchase of goods and services. Please refer to the Office of General Counsel for contracts of other types.

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, divisions, colleges, and schools who wish to procure products and/or services that result in a contract. Please note that products and/or services should not be procured without appropriate documentation.

IV. DEFINITIONS

1. **Contract:** is a written agreement, enforceable by law.
2. **Requestor:** is the contract initiator that has submitted a request to Office of Contracting & Procurement (OC&P) to review and approve a contract for the purchase of goods and/or services.
3. **Vendor:** is a company or **independent contractor** that sells goods or services.
4. **Arbitration: Form of Alternative Dispute Resolution involving the** resolution of disputes outside the court system using the services of an arbitrator.
5. **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 state's or country's laws will govern in a legal dispute between the parties.
6. **Indemnification:** is a provision in a contract wherein one party agrees to be financially responsible for losses incurred by the other party.
7. **Jurisdiction:** is the place in which legal action must be filed under a contract.

V. POLICY

1. Contract Documentation & Submission Requirements

- a. 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.

- i. 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](#).
- b. 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 agree to certain clauses in vendor service agreements. The following list is a list of the most common objectionable clauses:
 - i. Indemnification: Governing Law in a state other than New Jersey.
 - ii. Arbitration
 - iii. Jurisdiction in a state other than New Jersey.
 - iv. *If a vendor provides a document that includes any of the aforementioned clauses, it will be redlined and sent back to the requestor.*
- c. 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 at issue, including, but not limited to:
 - i. 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.
 - ii. Deliverables or the quantifiable products or services that will be provided upon project completion.
 - iii. Term or the time period in which the contract will be valid.
 - iv. Cost of products or services and/or price breakdown.
- d. Signatures:
 - i. Contracts should not be signed until the University approves any revisions to the final contract form.
 - ii. Upon approval of the contract, the vendor should be asked to sign the contract.
 - iii. Upon receipt of an executed contract, the OC&P will obtain the signature of an authorized signatory of the University. No employee of the university is authorized to sign a contract unless the Board of Trustees has authorized that signatory.

2. Amendments

- a. Contracts may require modification (amendment).
 - i. Amendments must be in writing.
 - ii. They must be approved through the OC&P.
 - iii. They must be executed as described above.

3. Legal Counsel

- a. OC&P is responsible for the processing of contracts for the purchase of goods or services and/or payments made to the contracting vendor.
- b. OC&P will consult with Legal counsel as necessary.

4. Timeframe

- a. Appropriate planning by the contract requestor should incorporate the below anticipated schedules:
 - i. If a contract is on a standard Rowan template, a two week turn-around from the time of submission to OC&P until the document is returned to the requestor should be expected.
 - ii. 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; requiring negotiation/modification.
- b. Contracts will not be processed by OC&P that are submitted past service dates or receipt of products unless emergent in nature.

5. Additional OC&P Responsibilities

- a. Vendor Maintenance:
 - i. Prior to the review of contract documentation, OC&P ensures the vendor we are contracting with is authorized in the University Banner System generating a unique identification number.
 - ii. 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.
- b. Procurement Compliance: If you are soliciting goods or services which result in a contract, OC&P ensures the correct State mandated and University required procurement supports the purchase. For additional information see Rowan University's [Procurement Policy](#).

- c. Technology Compliance: Information Resources & Technology (IRT) is responsible for ensuring that technology infrastructure meets University supported specifications and standards. Contracts for technology purchases and services will not be processed without required approvals from IRT.

6. Contract Requestor Responsibilities

- a. Follow [procedures](#) for submitting contracts:
 - i. Ensure OC&P has the final fully executed version of the agreement
 - ii. Track deliverables and contract movement including, but not limited to; perpetual renewals, renewal terms, vendor performance, etc.
 - iii. Notify OC&P regarding vendors who are potentially in breach of contract.
 - iv. Upon request, submit Key Performance Indicator or Vendor Scorecard.