Contracting Process Step One – Starting the Process

College needs goods or services

Do you know what vendor you will use?

Yes

Determine if you need a contract or not

No

Research Vendors

Do I need to do an RFP?

No

Yes

RFP Process
Contracting Process Step Two – Does the College need a contract?

Determine whether or not you need a contract

Are you buying goods or services?

Goods

Are they finished goods (ready-made)?

Yes

No

Contract is needed

Contract is NOT needed

Services

Are there any complex delivery, timing or other elements

Yes

Contract is needed

No

Contract (P.O.) is needed

Is the value of the goods ≥ $10,000?

Yes

Contract is needed

No

Contract is NOT needed

Are the services on or off site?

OFF

ON

Contract is needed

Contract is needed

Contract is needed

Do the services provide a physical or intellectual product?

No

Yes

Contract is needed

Contract is needed

Do any of the services entail any risk?

No

Yes

Contract is needed

Contract is needed

Is the value of the service ≥ $10,000?

Yes

Contract is needed

No

Contract is NOT needed
Contracting Process Step Three – Whose contract form should we use?

Contract is Needed
Creating a Contract I

Determine if you will use the Vendor’s Agreement of a College Template

Does the Vendor have a standard form that they wish to use?

Yes
Use the Vendor agreement with College modifications (Negotiating the Agreement)

No
Develop a Contract for the College using either an existing template or other standard wording
Contracting Process Step Four – Generating the Contract

Option I. Using the Vendor’s Contract Form

Creating a Contract using the Vendor’s Agreement (Negotiating the Agreement)

Carefully read the Agreement. Look for:

- Any terms or conditions that the College cannot or will not comply with
- Compare the contract against College standard clauses
- Look for any waiver of subrogation clause
- Look for any limitation of liability clause
- Look for any agreement that seems unfair or unbalanced

Negotiate and clarify the goods or services to be delivered

Negotiate terms that the College can comply with

Negotiate terms that the College can live with

Evaluate the differences for their impact on the College. If there are any differences in Insurance or Indemnity clauses the entire agreement must be sent to Risk Management for review or attach the Standard Addendum to the Agreement.

If there are any limitation-of-liability clauses the entire agreement must be sent to Risk Management for review or attach the Standard Addendum to the Agreement.

If there are any waiver-of-subrogation clauses the entire agreement must be sent to Risk Management for review or attach the Standard Addendum to the Agreement.

Ask for reviews from appropriate technical departments: Environmental Health & Safety for any environmental of chemical hazards; Library & Information Services on software or tech licenses; Risk Management for contracts involving care or transportation of children

When the contract is in its final draft, provide it to the person responsible for signing it

Signer reviews Agreement, makes any final changes & returns it to the negotiator

Negotiator forwards 2 original copies of Agreement to Vendor for signing. Upon contract return –

Authorized signatory signs the Agreement and returns it to the contract manager

Contract manager returns one signed copy to Vendor

Begin Contract Management Process
Creating a Contract using the College’s Forms

Determine what type of agreement you will need, e.g.:
- Consultant (non-construction services)
- Purchase order (complex goods or goods => $10,000
- Transfer of property

Get the template document from the web site or construct your own agreement using “ABC” clauses

Once contract is in final form, send to other party for signature. Negotiate terms as may be necessary

Send the document to any other departments for internal review, as needed

Negotiator forwards 2 original copies of Agreement to Vendor for signing. Upon contract return –

Authorized signatory signs the Agreement and returns it to the contract manager

Begin Contract Management Process

Contract manager returns one signed copy to Vendor
(1) Required documents include anything that is incorporated by reference into the agreement, such as proposals, bid specs, contract addenda and insurance certificate/s

(2) The compliance calendar should include anything that is a deadline for the agreement. It may be performance deadlines, review deadlines, insurance policy expiration dates, etc. For insurance policy expiration dates, be sure to set your calendar look-up at least 30 days in advance of the actual expiration date to follow up with the contractor for a renewal certificate.