



UNIVERSITY OF
DENVER

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POLICY MANUAL
CONTRACT MANAGEMENT

Responsible Department: Business and Financial Affairs

Recommended By: SVC Business and Financial Affairs, SVC and General Counsel, Executive Director of Enterprise Risk Management

Approved By: Chancellor

Policy Number
FINA 2.10.032

Effective Date
11/14/2022

I. INTRODUCTION

The purpose of this Policy is to establish parameters for managing the risks associated with binding contractual agreements and as such, must be followed when creating, approving, signing, and managing contracts.

II. POLICY OVERVIEW

- A. All contractual obligations must be reviewed and authorized at the appropriate level within the University, as identified in University Policy FINA 2.10.030 – *Limits of Authority*.
- B. Not all University purchases require a written contract. However, when a written contract is required by either party, the contract must be reviewed and approved in compliance with this Policy and University Policy FINA 2.10.030 – *Limits of Authority*, and the funding source must be clearly identified prior to contracting. An exchange of correspondence, including emails, can also create a binding contract.
- C. Individuals may contractually obligate the University only if they have been given specific authority as outlined in Policy FINA 2.10.030 – *Limits of Authority*.
- D. All contracts must be in writing and signed by both the Contract Signer and the vendor in order to be fully enforceable.
- E. The contract must list the legal name and address of the vendor and the terms must be clearly specified, e.g., effective date, length of contract, cost, deliverables.
- F. University Contract Forms/Templates contain the University's standard terms and conditions and must be used to the fullest extent possible. A repository of

approved University Contract Forms/Templates are available from the Office of General Counsel (OGC). Please consult with OGC on the appropriate template for your arrangement at counsel@du.edu.

- G.** The University business unit initiating the contract is responsible for knowing and understanding the terms and conditions of the contract, including the University's obligations, the contract length, and the timeline and notice period for renewal or non-renewal.
- H.** University employees are responsible for complying with this Policy in their respective capacities as a Contract Requestor, Contract Manager, Contract Approver, or Contract Signor, as the case may be. A failure to comply with this Policy may result in disciplinary action, up to and including termination.
- I.** This Policy must be read in conjunction with the other University policies listed in Section V below (Related Policies).

III. REVIEW AND APPROVAL PROCESS OVERVIEW

A. WORKFLOW

All contracts for the University must be processed through Workflow to complete the necessary reviews and approvals in accordance with this Policy, unless the Senior Vice Chancellor for Business and Financial Affairs has granted a written exemption.

B. CONTROLLER'S OFFICE/UNIVERSITY FINANCIAL SERVICES

The Controller's Office and University Financial Services, as applicable, review contracts for terms unfavorable to the University.

C. LEGAL REVIEW

- 1.** Except as specifically exempted below, all University contracts must be reviewed by the Office of General Counsel or by outside counsel approved by the Senior Vice Chancellor of Legal Affairs and General Counsel. The following contracts do not require legal review by the Office of General Counsel:
 - a.** Contracts written using a University Contract Template, provided that there are no changes made to the terms and conditions of the University Contract Template;
 - b.** Contracts written using a vendor/third party contract form when:
 - i.** The total value of the contract is less than \$75,000,
 - ii.** The term of the contract is less than one (1) year,

- iii. The subject of the contract does not involve unique risks, including the risk of harm to individuals or damage to property,
 - iv. The contract does not provide the Vendor with access to University data,
 - v. The contract does not involve the transfer or licensing of University intellectual property, including copyrights, patents, trademarks, word marks, or logos,
 - vi. The contract does not involve a foreign entity as a party or performance of work outside the United states, and
 - vii. The contract does not involve minors on campus.
- c. Contracts with hotels or other event venues written using the vendor's standard form and which contain no unusual provisions shifting risk to the University.
 - d. Contracts with vendors and performers at The Newman Center for the Performing Arts written using the vendor's standard form and which contain no unusual provisions shifting risk to the University.
 - e. Contracts solely managed by the Office of Research and Sponsored Programs involving federal and state grants that utilize template forms (issued by the applicable governmental agency and/or non-profit entity) and which contain no unusual provisions shifting risk to the University.
2. University faculty and staff may contact the Senior Vice Chancellor for Legal Affairs and General Counsel or their designee if they have questions about whether a contract requires legal review at counsel@du.edu.

D. RISK MANAGEMENT REVIEW

- 1. Contracts must be reviewed and approved by the University's Office of Enterprise Risk Management under any of the following circumstances:
 - a. The vendor seeks to reduce or modify the insurance policy types and coverage limits specified in the Contract Template;
 - b. The contract involves the purchase of any type of insurance or surety bond;
 - c. The subject of the contract involves potential risk of harm to individuals or damage to property;
 - d. The vendor seeks to include obligations on the part of the University to maintain specific insurance policies or coverage limits or requires the University to name the vendor as an additional insured on the University's insurance policies.
 - e. The contract provides or requires access to University data.

E. RESPONSIBILITIES

1. Contract Management and Retention

- a.** The business officer for the unit proposing a contractual agreement is responsible for using the University's system for Contract Review and Approval – Workflow – to obtain necessary review and approval in accordance with this Policy.
- b.** Upon receipt of all required University approvals, the business officer for the unit is responsible for obtaining and retaining a fully signed copy of the contract.
- c.** The business officer for the unit is responsible for regularly reviewing and monitoring the contract's terms and conditions, including all University and vendor obligations and any notices required for renewal or non-renewal.

2. Responsibility of the Contract Manager

- a.** Contract Managers are identified by their department head and shall be adequately skilled in Contract Management according to the level and complexity of the contract. The Contract Manager is responsible for:
- b.** Administering the contract, including any changes, renewals, addenda, and amendments in Workflow;
- c.** Understanding and administering the terms of the contracts, including the business terms, scope of work and/or statement of services, and high level legal terms and actionable tasks, such as the notice period for contract renewal or cancellation;
- d.** Where relevant, confirming that a detailed scope of work or statement of services, including specific milestones, is included with each contract;
- e.** Making business decisions based on the performance of the contract;
- f.** Monitoring the performance by both the University and the vendor of the obligations under the contract;
- g.** Managing the relationship between the vendor and the University;
- h.** Ensuring charges are appropriate and payment is made in accordance with the terms of the contract;
- i.** Identifying the funding source for the purchase; and
- j.** Retaining the fully executed contract and related documentation.

3. Responsibility of Contract Approvers

Contract Approvers are responsible for:

- a.** Reading and reviewing each contract received;
- b.** Understanding the business terms and conditions of the contract; and

- c. Confirming that the contract complies with applicable law and University policy and mitigates any known risk to the University.

4. Responsibility of Contract Signer

The Contract Signer is responsible for:

- a. Reading and understanding the contract's business terms and conditions;
- b. Determining whether the contract is in the best interest of the University;
- c. Ensuring the vendor has signed the agreement;
- d. Confirming that all required approvals have been obtained;
- e. Physically, where permissible, or electronically signing the contract;
- f. Electronic signatures have the same force and effect in contracts as traditional signatures, when all of the parties to the contract agree to conduct their transaction by electronic means. "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record; and
- g. Signatures delivered by facsimile transmission, by e-mail of a ".pdf" format data file, or by transmission of a data file in another legible format have the same force and effect in contracts as traditional signatures on original documents, if the chosen delivery method is mutually acceptable to the parties.

5. Responsibility of the Office of General Counsel

The OGC is responsible for:

- a. Developing standard University terms and conditions;
- b. Reviewing and approving University Contract Templates;
- c. Legal review of vendor contract forms and proposed changes to the Contract Template and/or the standard University terms and conditions;
- d. Selecting and approving outside counsel to review and negotiate contracts on behalf of the University; and
- e. Ensuring conformity with applicable laws and regulations.

6. Responsibility of University Financial Services

University Financial Services is responsible for:

- a. Facilitates the review of all contracts submitted to the procurement Workflow;
- b. Reviews contracts for terms unfavorable to the University;

- c. Works directly with the requesting department business officer and vendor in negotiating the terms and conditions of the contract; and
- d. Communicating the University's procurement procedures and confirming that they are being followed by Contract Managers.

7. Responsibility of Accounts Payable

The Accounts Payable Office is responsible for reviewing payment requests prior to processing to confirm:

- a. All required signatures are on the request;
- b. Index and account coding are on the request; and
- c. Payment is reviewed and processed within the payment terms.

8. Responsibility of Internal Audit

Internal Audit is responsible for providing periodic review for compliance with this Policy.

IV. DEFINITIONS

- A. **"Contract"** is any binding commitment by or on behalf of the University, either oral or written, regardless of the title of the operative document or documents. For purposes of this Policy, the term "Contract" includes, but is not limited to contracts, agreements, leases, memoranda of understanding ("MOU's"), gift agreements, mutual aid agreements, settlement agreements, resolution agreements, letter agreements, and binding letters of intent. A commitment means, in addition to any financial commitment, any obligation to provide services, performance, information, or property (whether tangible or intangible). Examples of "contracts" that create a University Commitment are provided in the Definitions below. It being understood that such services will be valued by the amount of payment being paid to the University in return for such services. For example, if a contract states that the University will provide facilities in return for a \$5,000 payment, then the contract involves a \$5,000 University commitment.
- B. **"Contract Approver"** is the University employee responsible for approving or rejecting requests for contracts and contract terms and conditions that fall within the realm of their responsibility. Contract approvers are responsible for reading and approving the terms of all contracts within their scope of responsibility.
- C. **"Contract Management"** the process of creating, negotiating, approving, executing, and implementing a contract. This includes confirming that deliverables, deadlines and contract terms and conditions are met; addressing related problems; incorporating changes or modifications to the contract; and

confirming that both parties meet their obligations under the terms of the agreement.

- D. **“Contract Manager”** is the employee responsible for managing the ongoing relationship with the vendor including implementation, renewal, and support. This person is responsible for confirming that the University’s rights and obligations under the contract are met. Contract Managers can view, create and submit contracts for approval, as well as update contract information and attach related documentation for their department or division.
- E. **“Contract Requestor”** is the employee who can create a contract record within Workflow and submit a request for a contract or for contract review.
- F. **“Contract Signer”** is the employee responsible for approving and signing contracts on behalf of the University, as defined in Policy FINA 2.10.030 – *Limits of Authority* and the Contract Matrix. These individuals are the only persons with the authority to contractually bind the University.
- G. **“University Contract Template”** is a contract written using a University and OGC approved contract template or form.
- H. **“Vendor”** is the party with whom the University contracts to provide the goods and/or services identified in a contract.
- I. **“Vendor/Third-Party Contract Form”** is a contract written using a form provided to the University by a vendor or other third party that is written by a vendor, or another party, which may deviate from the University’s standard terms and conditions.
- J. **“Workflow”** is the system of record for review and approval of all University contracts.

V. **RELATED POLICIES**

- A. University Policy FINA 2.10.030 – *Limits of Authority*

Revision Effective Date	Purpose