

## Guidelines for Contracts and Agreements

### **Mission Statement:**

Efficiently manage contract creation, execution, and analysis for the purpose of maximizing financial and operational performance and minimizing risk.

### **Types of Contracts:**

A contract is a written agreement between the parties identified in the agreement to fulfill the terms and conditions outlined in the agreement. Examples include:

- Sales contracts (including leases)
- Purchasing contracts
- Partnership agreements
- Trade agreements
- Intellectual property agreements
- Purchase orders
- Construction contracts
- Utility contracts
- Personal services
- Clinical Affiliation agreements
- Memorandums of Understanding

### **Process for Goods and Services:**

1. Project Manager (Person responsible for project implementation and oversight) develops scope of work, purpose of project, period of performance and any technical specifications needed.
2. Project Manager obtains approval of supervisor and any other authority for expenditure.
3. Project Manager obtains outside approval (e.g. Grant Officer, Board of Education, etc.) depending on funding source, if required.
4. Project Manager contacts Business Office to apprise them of project and initiate any needed accounting or fund creation.
5. Project Manager contacts Purchasing/Contracts Coordinator to determine applicable procurement method and type of contract.

Under \$5,000            Project/Budget Manager approves the purchase. (Documentation of three (3) verbal Quotations is encouraged but are not required.)

\$5,000 - \$74,999      Project Manager obtains quotes and completes Purchase Order. (A minimum of three written quotations are required.) All Purchase Orders and supporting documentation will be evaluated for adequate assurances.

- Quotes may be solicited via phone, fax, or e-mail. Vendors can submit Quotes via email, fax or mail.
- Purchasing/Contracts Coordinator will assist departments in obtaining quotes involving complex, detailed specifications.

Over \$75,000      The Purchasing/Contracts Coordinator will seek sealed bids or proposals through written solicitations, publishes a Public Notice of Solicitation, conducts a public opening, and submits to Board for approval.

6. Purchasing/Contracts Coordinator consults Legal consul if applicable

7. Purchasing/Contracts Coordinator contacts Risk Management for coordination and approval for applicable insurance requirements in contract

8. If grant funded, coordination with grant committee is conducted by Project Manager

9. Purchasing/Contracts Coordinator and Project Manager draft contract language.

10. Project Manager sends draft contract to vendor for review. Applicable changes incorporated and 2 copies with original signatures submitted to Dr. Toda for signature.

- All contracts will have a completed and signed Contract Cover Sheet when submitted to Dr. Toda

11. Following signatures, Project Manager sends one copy sent to vendor and one copy with original signatures to the President's Office for archiving. Electronic copies sent to Business Office and Purchasing/Contract Coordinator.

Process for Personal Services:

Appropriate categorizing of individuals performing services for the College is essential to avoid incurring substantial tax penalties and other liabilities. Decisions concerning the appropriate category will be made by Human Resources, in consultation with legal counsel as needed. APPROVAL MUST BE SECURED BEFORE COMMENCEMENT OF SERVICES.

Employee: An individual performing services for the College is to be regarded as a College employee, whether the service is full-time or part-time, regular or temporary, unless it is clearly demonstrated that the relationship is that of a true independent contractor. An individual will be considered and treated as an employee if others in the same or substantially similar positions are employees.

Independent Contractor: A person acts as an independent contractor if the College directs and controls only the intended results and not the means and methods of accomplishing them. Doubtful cases of interpretation are to be resolved in favor of categorizing the individual as an employee. Specific cases will be decided on particular facts, but the following guidelines are instructive.

- A. Before services begin all actions necessary to engage an individual as a contractor or to hire the individual as an employee must be completed.
- B. A department seeking to enter an independent contractor relationship must complete the Independent Contractor Questionnaire. If the service provider falls under the employee classification, the department must submit a position requisition form and a job description if these do not already exist.
- C. The department must then submit the completed Questionnaire to Human Resources for review and approval.
- D. Independent Contractors must enter into a Personal Services Contract with the college.
- E. All Personal Services Contracts must be reviewed by the Chief Talent & Operations Officer before submission to the President for approval.
- F. All Personal Services Contracts must have a completed and signed Contract Cover Sheet prior to submittal to President for approval.