

## **Contracts (formerly Section 502)**

**Definition.** A contract is a legally binding agreement between two or more persons or parties describing terms and conditions. The term “contract” is defined in this context as various agreements related to the procurement of equipment, supplies or services. These contracts should not be confused with the construction contracts that are administered by the Unit of Contracts Management. Examples of vendor’s contracts for procurement of goods and services that should be reviewed by a procurement agent include maintenance agreements, service agreements, licensing agreements, equipment leases, , and quotations/order forms with terms and conditions or links to terms and conditions.

If the contract poses a substantial risk, the Procurement Agent may request additional review by the Office of University Counsel and/or the Department of Risk Management and Insurance. Review of documents can take anywhere from two weeks to several months depending on the complexity and the amount of negotiation required. Units are strongly encouraged to involve Procurement Services (Procurement) as early as possible, certainly in advance of submitting a final requisition with a contract.

## **Roles and Responsibilities for Contract Review, Approval, and Signature**

### **End-User:**

1. **Do not sign any vendor’s contract.** Only an authorized Procurement Agent may sign a contract per University Policy 4.2, Transaction Authority and Payment Approval.
  - a. You may sign the following to confirm that the order is accurate:
    - i. Hotel room reservation confirmation
    - ii. Quote or estimate with no terms and conditions
    - iii. Guest speaker contract may be signed by unit’s Dean or VP
2. Review the vendor’s contract and initial to indicate that you have reviewed for accuracy, e.g., description of goods or services, pricing, timeframe, deliverables, etc.
3. When using a Cornell contract template, initial, sign and date as required on the template
4. The end user may complete and sign the IC Amendment and PSA Amendment if the contractual terms and conditions have **not** been modified, e.g., timeline, amount, scope of work. If the scope of work has been modified for an IT Professional Services Agreement, the Statement of Need must be updated and resubmitted to IT Security for review.
5. All requests for exceptions to the standard insurance requirements must be approved by the Department of Risk Management and Insurance. To request a waiver or modification to Cornell’s insurance requirements, submit a [Cornell Insurance Waiver Modification Request Form](#) to Risk Management and Insurance. The Cornell unit should contact Risk Management and Insurance at [risk\\_mgmt@cornell.edu](mailto:risk_mgmt@cornell.edu) for assistance with the form.
6. Send the contract, Waiver-Modification Request form, and Risk Management’s response to the service center with the request for a requisition. **By submitting the contract, or authorizing another staff member to do so, you attest that you take full responsibility for understanding the business terms and conditions of the contract, i.e., timing, payments, cancellation fees, etc. Any liabilities that result due to the failure to meet the business contractual terms will be the responsibility of the end user’s department or college.**

### **Shared Services Center:**

1. Review and attach the contract, Waiver-Modification request form, Risk Management’s response, and other necessary documents to the requisition
2. Procurement Services hereby delegates signature authority for work for hire addendums for writers, editors, indexers, and videographers for purchase order transactions below \$25,000 to

the shared services center procure-to-pay director and managers and the Student and Campus Life director of SCL procurement and sourcing (purchasing agent IV). This signature authority delegation may not be further delegated.

3. A copy of the signed work for hire addendum will be attached to the KFS requisition and sent (select "Yes" to send) to vendor with the purchase order. If the specific contract amount is \$25,000 or more, it must be routed to Procurement for review and all bid requirements apply.
4. All vendor contracts and Cornell templated agreements (Professional Services Agreement, IT Professional Services Agreement) must be routed to Procurement Services for review and approval by a procurement agent regardless of dollar amount.
5. If you have received approval for contract revisions from Risk Management or Counsel's Office, attach the approvals to the KFS requisition.

**Procurement Services:**

1. The Procurement Agent is responsible for reviewing the business and legal aspects of the contract and for negotiating terms and modifications.
2. Request additional review by the Office of University Counsel, as needed.
3. Sign the agreement on behalf of the University.
4. Send the contract to the vendor with the purchase order.

**Requirements for Initialing and Signing Contracts**

Contracts for Services	Unit Initials – each page	Unit Initials – last page	Unit Signature	Vendor Signature	SSC Signature	Procurement Signature
<b>Vendor Templates</b>	Yes	Yes				Yes
<b>Cornell Templates:</b>						
Professional Services	Schedules	Yes		Yes		Yes
IT Professional Services	Schedules	Yes		Yes		Yes
Professional Services Amendment		Yes				Yes*
Executive Search Firm			Yes			Yes
<b>Cornell Addendums:</b>						
Work for Hire Addendum for Writing, Editing, Indexing, Videography				Yes	Under \$25,000	\$25,000 or over
Right to Use Addendum for Photographer, Artist, Illustrator				Yes		

◆ **Note:** \* If the contractual terms and conditions have not been modified, a procurement agent's review and signature is not required on the amendment. If the scope of work has been modified for an IT Professional Services Agreement, the Statement of Need must be updated and resubmitted to IT Security for review.