

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

**Definition.** A contract is an agreement between two or more 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.

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 and Payment 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
2. Review the vendor’s contract
3. When using a Cornell contract template, initial, sign and date as required on the template
4. All requests for exceptions to the standard insurance requirements must be approved by the Department of Risk Management and Insurance. To request an exception, submit a detailed scope of work and a clear explanation of the circumstances to Risk Management and Insurance. Please be sure to include any relevant information, such as data analysis, ownership of intellectual property, and requirements/detail from sponsored funds agreement. Please provide advance notice for review of the exception request. The Cornell unit should contact Risk Management and Insurance at [risk\\_mgmt@cornell.edu](mailto:risk_mgmt@cornell.edu) or (607) 254-1575.
5. Send the contract to the BSC 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**

### **Business Service Center:**

1. Review and attach the contract to the requisition
2. Procurement and Payment Services hereby delegates signature authority for contracts totaling less than \$25,000 to the directors of the financial transaction, administrative service, and business service centers and their designees for the following Cornell contracts and addendums only:
  - a. Caterer
  - b. Facility and Hotel Event Management Addendum
  - c. Performer without Equipment
  - d. Performer with Equipment
  - e. Service Provider
  - f. Service Provider for Graphic Design or Videography
  - g. Service Provider for Photographer, Illustrator, Artist
  - h. Service Provider for Writing, Editing, Indexing

- i. Service Provider for Deaf or Foreign Language Translation
- j. Service Provider for Transcription and Closed Captioning Services
- 3. The BSC director/designee should attach a copy of the signed contract (per number 2 above) to the requisition.
- 4. All vendor contracts must be submitted to Procurement for review and approval by a procurement agent.
- 5. Any revisions to Cornell's standard contracts must be submitted to Procurement for review and approval by a procurement agent.
- 6. If you have received approval for contract revisions from Risk Management or Counsel's Office, attach the approvals to the KFS requisition.

**Procurement and Payment 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	BSC Director or Designee Signature < \$25,000	Procurement Signature
<b>Vendor Templates</b>	Yes	Yes			Yes
<b>Cornell Templates:</b>					
Independent Contractor	Schedules	Yes			Yes
IC Amendment					Yes
Professional Services	Schedules	Yes			Yes
IT Professional Services	Schedules	Yes			Yes
Professional Services Amendment					Yes
Facility Addendum				Yes	Yes
Caterer Contract			Yes	Yes	Over \$25,000
Performer without Equipment			Yes	Yes	Over \$25,000
Performer with Equipment			Yes	Yes	Over \$25,000
Small Service Provider			Yes	Yes	Over \$25,000
Service Provider for Graphic Design, Web Design, Videography			Yes	Yes	Over \$25,000
Service Provider for Writing, Editing, Indexing			Yes	Yes	Over \$25,000
Service Provider for Photographer, Artist, Illustrator			Yes	Yes	Over \$25,000
Service Provider for Deaf or Foreign Language Translation			Yes	Yes	Over \$25,000
Professional Search Firm			Yes		Yes