Contracts

This section describes how units should handle contracts. 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.

The Procurement Agent is responsible for reviewing the business and legal aspects of the contract, including:

- Reference to Cornell’s Purchase Order Terms and Conditions (See Section 404, Terms and Conditions for additional information on modifications. All modifications to terms and conditions must be reviewed and approved by Procurement Services.)
- Quotations with terms and conditions
- Assignment
- Governing law – State of New York
- Indemnification, including patent infringement
- Payment and shipping terms
- Insurance requirements, both for in-transit and general liability when work is to be performed for Cornell
- Maintenance agreements with non-preferred suppliers
- Order forms
- Software license agreements
- Pricing agreements
- Agreements for service(s)
- Consulting agreements
- Leases
- Rental agreements
- Statement of Work or Scope of Work
- Room block guarantees, event details (e.g., date, time, number of attendees, menu, etc.)
- On campus service(s)
- Potential risk to university (e.g., financial, property, liability, etc.)
- Cancellation timing or termination requirements
- Requirement for action by end user (e.g., timing, manpower, materials, deadlines)

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 multiple months depending on the complexity and the amount of negotiation required. Units are strongly encouraged to involve Procurement Services and the appropriate Procurement Agent as early as possible, certainly in advance of submitting a final requisition with a contract.

A Procurement Agent’s signature is not required for:

- Service agreements with preferred suppliers
- Written quotation provided by vendor
- Cornell contract for caterer, performers, or small service providers less than $10,000
Confirmation of hotel guest rooms only

Roles and Responsibilities for Contract Review, Approval, and Signature

End-User:
1. Review the vendor’s contract and place NetID, initials and date on each page
2. When using a Cornell contract template, initial and date each page as indicated on the template
   Note: The purpose of initialing each page is to signify that you have read the contract and understand the responsibilities and obligations imposed by the terms and conditions in the contract.
3. 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 or (607) 254-1575.
4. Send the contract to the FTC/BSC with the request for a requisition. By submitting the contract, with or without initials, (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.

Financial Transaction or Business Service Center:
1. Review and attach the contract to the requisition

Procurement Services:
1. Perform the final review of the contract
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

Caution: A contract should not be executed without an authorized Procurement Agent’s signature as per University Policy 4.2, Transaction Authority and Payment Approval. Procurement Services has delegated signature authority for catering, facility addendum, and small services contracts for less than $10,000 to the FTC/BSC Directors or their designees.
# Requirements for Initialing and Signing Contracts

<table>
<thead>
<tr>
<th>Contracts for Services</th>
<th>Unit Initials – each page *</th>
<th>Unit Initials – last page *</th>
<th>Unit Signature</th>
<th>FTC/BSC Director or Designee Signature &lt; $10,000</th>
<th>Procurement Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor Templates</td>
<td>Yes</td>
<td>Yes</td>
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<td>Cornell Templates:</td>
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<tr>
<td>Independent Contractor</td>
<td>Schedules</td>
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<td>IC Amendment</td>
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<td>Professional Services</td>
<td>Schedules</td>
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<td>IT Professional Services</td>
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<td>Professional Services Amendment</td>
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<td>Facility Addendum</td>
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<tr>
<td>Caterer Contract</td>
<td>Yes</td>
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<td>Performer without Equipment</td>
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<tr>
<td>Performer with Equipment</td>
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<td>Small Service Provider</td>
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<tr>
<td>Service Provider for Graphic Design, Web Design, Writing, Editing, Videography</td>
<td>Yes</td>
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<td>Service Provider for Photographer, Artist, Illustrator</td>
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<td>Professional Search Firm</td>
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</table>

* By submitting a contract with or without the required initials, the end user attests that he/she takes full responsibility for understanding the business terms and conditions of the contract. Any liabilities that result due to failure to meet the business contractual terms will be the responsibility of the end user’s department or college.