Kirkwood
COMMUNITY COLLEGE

College Procedure: 730.2 – Contract Management

Policy Reference:	730 – Purchasing
Responsible Department:	Finance
Approval Authority:	Cabinet
Procedure Owner:	Vice President, Finance
Effective Date:	08/01/2018
Version Number:	3
Legal Counsel Reviewed (yes/no):	No
Scope:	College-wide

Reason for Procedure

This procedure ensures Kirkwood Community College manages the risk associated with legal agreements by providing clear direction to employees responsible for establishing and managing contracts. The procedure designates the process by which authorized employees are able to negotiate and enter into contracts on behalf of the College.

The Procedure

This procedure applies to original contracts and agreements, as well as amendments, alterations, modifications, corrections, changes, renewals and extensions. The procedure does not include offers of employment and employment contracts.

Even though unwritten, oral agreements may be held by courts to be legally binding in certain circumstances, this procedure requires that all College contracts be made in writing, follow proper approval procedures and be signed by an authorized representative as outlined in the Signature Authority Procedure. Oral agreements are not permitted and will not be recognized or honored by the College.

A contract manager should be assigned to each contract and noted in the contract management system. This person will be responsible for ensuring College rights and obligations under the contract are met.

When contracts involve an exchange of money, the Purchasing Procedure must be followed.

All contracts must be entered into the College contract management system. The responsibility for ensuring the contract information has been entered into the system rests with the contract manager. All contracts must be managed in accordance with the Contract Management Procedures. All contract drafts, related correspondence and a copy of the signed contract must be stored in the system. College contracts may begin either as a draft proposal from a department or as a draft sent to the College by a third party. In either case, the College department that is recommending that the College enter into a

contract is responsible for determining that: 1) The contract language accurately reflects the current state of negotiations; 2) the contract meets programmatic and College mission requirements; 3) the contract is in the best interests of the College; 4) compliance with the obligations it places on the College can be assured; and 5) the contract is sufficiently clear and consistent. If the proposed contract involves College departments outside of the recommending department, the contract must be reviewed and approved by those departments. Once a draft has been developed the contract must go through the proper approval process as outlined below.

Contracts must include a contract term not to exceed 5 years in length. If a contract is proposed with a term greater than 5 years, it must be approved by the Vice President/CFO or the President.

Once the contract has gone through the proper approval process the final copy must be signed in accordance with the Signature Authority Procedure and a final copy must be stored in the contract management system.

Iowa Law provides that Kirkwood documents including contracts can be subject to public disclosure. Please remember that when preparing documents and storing documents in the system.

The contract management process may be periodically audited to ensure compliance with College policies and procedures.

Pre-existing contracts that were reviewed and authorized prior to the adoption of this procedure shall remain in full force and effect; however, any modification or extension of such contracts shall be reviewed and authorized in accordance with this procedure.

Violations:

Contracts made in violation of this procedure could be voidable. Employees who make or sign contracts in violation of this procedure are subject to disciplinary action up to and including dismissal.

Contract Management System (CMS):

Kirkwood Community College utilizes a third-party software to administer the storage, tracking, routing and approvals of all contracts entered into on behalf of the College. The process is designed with usage of the CMS in mind. Individuals involved in the initiation, review and approval of contracts should familiarize themselves with the CMS software.

Additional information including user guides, documentation, definitions and other support materials for the software can be found on KIN > Employee Processes Plus > C > Cobblestone Systems.

The Process:

The intent of the process is to establish sound and consistent management practices with respect to College contracts. All College contracts must follow these guidelines and must be stored within the College's Contract Management System (CMS).

1. Initiating and Authoring a Contract

It is important that the employee of the responsible College department, who is initiating the contract read each contract in its entirety to determine that the contract language accurately reflects the expectations of that department and the College. The department review must take place before the contract is forwarded to any other party for review.

The contract manager must initiate the contract process within the CMS by entering the contract and inputting the required information as requested by the system.

Even though unwritten, oral agreements may be held by courts to be legally binding in certain circumstances, it is a requirement that all College contracts be made in writing. Oral agreements are not permitted and will not be recognized or honored by the College.

2. Negotiating a Contract

The contract manager co-ordinates the contract negotiation process, and is responsible for:

- Setting up a contract file within the CMS

- Consulting with relevant individuals for advice, guidance and approvals

- Ensuring the appropriate review process occurs during the negotiation process

- Ensuring the correct authorized signatory signs the contract

- Ensuring compliance with all relevant policies and procedures

The contract manager or a representative from the department initiating the contract is responsible for negotiating all terms and conditions with the other party.

3. Reviewing and Approving a Contract

The CMS system will automate the review and approval process.

Approved standard Kirkwood Community College contracts will not require review and approval. The contract manager can use the template and complete the contract by entering the other parties' information into the CMS and selecting the approved template from within the system.

The Contract Manager must seek advice on Kirkwood Community College standard templates if the other party is requesting changes to the standard terms and conditions. In such circumstances, advice must be sought from the applicable departments including Risk Management and Legal Counsel.

Third Party agreements or Non-standard Kirkwood contracts must go through an approval process within the CMS. The CMS will send the contract through an automated approval process.

Contracts with subject matter involving more than one department require supplemental review by additional, specific College employees/departments. Reviewing departments will provide you with important subject matter expertise, feedback, perspective and guidance.

Contracts containing insurance clauses, indemnity agreements and complex legal terms will be reviewed by Risk Management and legal counsel.

If the other party involves an attorney in the negotiations, the designated attorney from Kirkwood may negotiate directly with the other party's attorney.

The review exchange between the College and the other party continues until all terms are acceptable to both the College and the other party. Once accepted by both the College and the other party, the contract is ready for final approval by the authorized signatory.

4. Signing/Executing a Contract

Once there is a version of the contract that both the College and the other party have accepted as final, the contract must be routed for final approval and signature.

The E-signature module in the system should be used to send the document to the appropriate parties for signature. Employees must comply with the Kirkwood Community College Signature Authority procedure when signing contracts. If the vendor cannot sign contracts electronically, the contract may be printed and sent for signature.

5. Storing a Contract and Supporting Documentation

A final copy, signed by both parties, must be stored in the CMS. If the E-signature process is not utilized the final signed copy must be uploaded back into the system for storage.

All contract notes, recommended changes and corresponding attachments and files must be kept in the contract record with the contract.

6. Managing an Executed Contract

Contracts must be monitored in accordance with any monitoring and reporting requirements specified in the contract terms and conditions.

The Contract Manager must ensure arrangements are made with Finance to ensure payments to be made or received under the Contract are either invoiced to the Other Party, or paid by the College to the Other Party, in accordance with the timeframes specified in the Contract.

7. Renewing/Expiring Contracts

Proactive management of all renewal and review processes must be undertaken to secure best advantage. Any request for Contract renewal and review, should be received or initiated by the Contract Manager no later than 90 days prior to expiration, unless another date has been stipulated in the Contract.

If the request is to:

- Renew (or not to renew) the Contract, the Contract Manager must discuss with the relevant department and follow the process set out in the Contract, ensuring that deadlines pertaining to notices to be issued or received are met, and that there is sufficient time in the process to address any issues or concerns.

- Review the Contract, the Contract Manager should follow the process set out in the Contract and:

- note the date and parameters of the review;

  - o evaluate the contract;

  - o prepare issues for discussion at review time;

  - o communicate any issues arising out of the review; and

  - o send the contract through the CMS approval process

- Non-renew or Expire, the contract manager should note the reason in the CMS and make sure the contract is marked as expired.

8. Audit

The Contract Management Process may be audited by internal compliance periodically.

References

PURCHASING PROCEDURE
PURCHASING CARD PROCEDURE
SIGNATURE AUTHORITY PROCEDURE

Definitions

Contract: AN AGREEMENT OR OTHER BUSINESS RELATIONSHIP BETWEEN KIRKWOOD AND ONE OR MORE PARTIES WHICH LEGALLY OR FINANCIALLY BINDS OR OBLIGATES THE COLLEGE. THE COLLEGE MAY ENTER INTO A CONTRACT WITH AN INDIVIDUAL PERSON, A BUSINESS, AN ORGANIZATION, A GOVERNMENT AGENCY, A COLLEGE OR UNIVERSITY, OR ANY OTHER LEGAL ENTITY. CONTRACTS ALSO INCLUDE PRE-CONTRACTUAL AGREEMENTS, WHICH ARE WRITTEN AGREEMENTS NOT INTENDED TO BE LEGALLY BINDING WHICH MAY INCLUDE LETTERS OF INTENT, MEMORANDUMS OF UNDERSTANDING (MOU), OR OTHER SIMILAR DOCUMENTS. FOR THE PURPOSE OF THIS PROCEDURE, CONTRACTS SHALL ALSO INCLUDE RENEWALS OR MODIFICATIONS OF EXISTING CONTRACTS, CERTIFICATIONS, FILINGS AND OTHER INSTRUMENTS EXECUTED AND DELIVERED IN CONNECTION WITH A CONTRACT OR IN CONNECTION WITH ANY LEGAL OR REGULATORY REQUIREMENTS.

Contract Manager: THE KIRKWOOD COMMUNITY COLLEGE EMPLOYEE WITH RESPONSIBILITY FOR ENSURING ALL RIGHTS AND OBLIGATIONS UNDER THE CONTRACT ARE MET AND THAT THE CONTRACT MANAGEMENT POLICIES AND PROCEDURES ARE FOLLOWED.

Contract Management System (CMS): THE CENTRALIZED ONLINE, DIGITAL REPOSITORY HOLDING ALL OF KIRKWOOD COMMUNITY COLLEGE CONTRACTS.

Contract Management Procedures: THE DOCUMENT THAT OUTLINES THE STEPS FOR ENTERING INTO CONTRACTS, CONTRACT APPROVAL AND SIGNATURE REQUIREMENTS AND INPUTTING THOSE CONTRACTS INTO THE CONTRACT MANAGEMENT SYSTEM.

Revision Log

Table 1 Revision Log

Version Number	Date Approved	Approved by	Description of Change
1	08/01/2018	Jim Choate, Vice President, Finance	New procedure
2	08/31/2017	Cabinet	New template
3	10/22/2019	Cabinet	Procedure template