Contract Management System

Objectives:

- Improve efficiency of processing through standardization and automation
- Improve transparency and reporting
- Reduce risk and exposure

[link](dartgo.org/agiloftcms)
Today’s Agenda

• Clarifying the Role of Contracts & Purchase Orders in Procurement Transactions
  • What are Procurement Agreements
  • Common Contracts
  • Purchase Order Policy
  • Key Take Aways
• Pre-Contract Diligence
• Process for Hiring Individuals
• Agiloft Contract Management System Overview
• Creating a Contract Request
• Approving a Contract Request
• Navigating the Contract Management System Power User Interface
Your Duty to Maintain Confidentiality

Proposals, Quotes, and Contracts are confidential information of Dartmouth and should not be accessed for non-business purposes or be shared with individuals who do not have a legitimate need to know.

“In the course of my employment, I may have access to...negotiated prices for goods and services, as well as other non-public financial and business records of Dartmouth ("Confidential Information").

I agree that, except as permitted by law or College policy, or as necessary to perform the functions of my job, I will not, either during my employment by Dartmouth or thereafter, use or disclose Confidential Information without the prior written consent of Dartmouth...”
Clarifying the Role of Contracts & Purchase Orders in Procurement Transactions:

What is a Procurement Agreement?

- Purchasing goods or services from a third-party.
- A written agreement prevents misunderstandings and problems.
- Gold standard, to avoid exposure for Dartmouth, is to comply with the applicable Dartmouth Standard Terms and Conditions of Purchase.
- Common forms from Procurement transactions include:
  - Non-PO and P-Card transactions: Dartmouth Standard Terms and Conditions or Purchase: https://policies.dartmouth.edu/policy/standard-terms-and-conditions-purchase
  - Purchase Orders (also reference the Dartmouth Ts and Cs, unless another set of approved terms are already in place and apply to the transaction) – are requested through OnBase Purchase Request E-Form or set-up directly by authorized personnel in Oracle.
  - Other Forms of Agreements that we manage in Agiloft.
    - Dartmouth standard forms: IC Services Agreement, Master Services Agreement, Services Agreement, Limited Engagement Agreement.
    - Vendor/Provider’s agreement.
Clarifying the Role of Contracts & Purchase Orders in Procurement Transactions:

Common Contracts that we Manage in Agiloft

Master Agreements and Institution-wide Agreements

- Master Agreements set-out *broad general terms* to govern any future engagement between Dartmouth and the provider. Think of it as the foundation of business to be conducted with the provider when the provider will perform multiple engagements, each a Statement of Work or other addendum under the Master Agreement.

- Institution-wide Agreements are approved for use across the campus. They are generally procured through Procurement activities. Institution-wide Agreements may be Master Agreements, in which case SOWs (or appropriate order documentation) are required for each transaction. Institution-wide services agreements do not require separate SOWs or order documents – vendor can submit invoices.
Clarifying the Role of Contracts & Purchase Orders in Procurement Transactions:

Common Contracts that we Manage in Agiloft

Services and/or Purchase of Goods Agreements

- Professional Services Agreements: Consulting Services, Auditing Services, Software Implementation Services, Editing Services, Printing Services...etc. (provider can be either an individual or a business).
- Performance Agreements: Speaker or Artist (Comedian, Dancer, Musician)
- Equipment Rental Agreements: Party Equipment, A/V Equipment
- Facility Use Agreements: Event Venues, Licenses to Access/Use Facility
- Hospitality Agreements: Room Blocks, Reservations, Conference/Events
- Transportation Services Agreements: Charter Buses and Planes, Car Rentals
- Software Agreements: Licenses, Subscriptions, Terms of Service, Terms of Use
Clarifying the Role of Contracts & Purchase Orders in Procurement Transactions:

Common Contracts that we Manage in Agiloft

Non-Disclosure/Confidentiality Agreements (NDAs and CAs)

- Commonly required in when contemplating a transaction, if the provider and/or Dartmouth will be sharing confidential information with the other party.
- Can be mutual or unilateral, depending on whether both or just one party is disclosing confidential information.
- The final agreement between Dartmouth and the provider will include a confidentiality clause that covers the long-term confidentiality requirements, relative to the information disclosed during the course of performing the services.
Clarifying the Role of Contracts & Purchase Orders in Procurement Transactions:

PO POLICY

The Dartmouth PO Policy states that POs are required when:

1. Buying Fixed Assets >$5,000;

2. Purchasing any good or service where the annual commitment is $10,000 or more;

3. Transacting in one of the high-risk areas;
   - Construction
   - Environmental Services
   - Food providers that have not provided insurance & Food licenses
   - Infrastructure/Financial Services
   - Intellectual Property
   - Travel & Transportation

4. When purchasing goods bearing Dartmouth marks or logos; and

5. If the vendor requires a copy of a PO.
Clarifying the Role of Contracts & Purchase Orders in Procurement Transactions:

PO POLICY EXCEPTION - a PO IS NOT REQUIRED for the completion of purchases meeting the following requirements:

- Purchases from food providers who are on the list of Insurance and Food License Compliant Vendors list.
- If an agreement covering the purchase has been negotiated and approved through Procurement and/or the Office of the General Counsel (such as a Master Goods and/or Services Agreement, an Independent Contractor Service Agreement, or an Equipment Lease Agreement)...
- Other exceptions as approved by Procurement Services.
Clarifying the Role of Contracts & Purchase Orders in Procurement Transactions:

KEY TAKEAWAYS

• The Purchase requires a PO:
  ➢ You need to request a PO or have a contract in Agiloft.

• The Purchase does not require a PO:
  ➢ PO or contract is not required to process payment; but you or the vendor may want a separate written agreement (see below).

• You may want a separate written agreement prevent misunderstandings about the purchase:
  ➢ Request a contract via Agiloft – include all applicable terms on the contract request form.

• The vendor may ask you to sign their contract:
  ➢ Request a contract via Agiloft – include vendor terms for review.

• The vendor is an individual:
  ➢ You must follow the Independent Contractors and Guests Policy.
Pre-Contract Diligence

Vendor Sourcing

- Vendor selection:

  - If the total value < $10,000:
    - Best judgement to get best price and quality
  - If the total value > $9,999 – 24,999:
    - 3 quotes required
    - or a Sole Source Justification
  - Any agreement > $25,000
    - Source with Procurement Services

See: Procurement Sole Source/Competitive Bid Policy

Diligence

- When Engaging an Individual:
  - Independent Contractor vs. Employee
  - International vs. Domestic

- For Vendors with access to Dartmouth Data: Dartmouth Information Security Controls (DISC)

- For Software Purchases
  - DISC
  - Records Management
  - Accessibility

- Conflict of Interest
  - Code of Ethical Business Conduct

See: Contract Management under Buying & Paying
Individuals Performing Services: HONORARIUM

DEFINITION:
Honoraria are payments to guests. An honorarium payment is a modest gesture of appreciation for the individual’s efforts of preparing and performing a service without expectation of payment. An honorarium payment may be of any amount and is taxable income to the recipient.

PROCEDURE:
1. Individual completes and signs the “Honorarium Acceptance Form.”
2. Department submits through the Payment Request – Other Payment eForm.
Individuals Performing Services: LIMITED ENGAGEMENT

DEFINITION:
A Limited Engagement is defined as an engagement between Dartmouth and an Independent Contractor, where:
• the independent contractor is performing a one-time service or services over a limited period of time, and the fee is $5,000 or less; or
• multiple limited engagements with the same Independent Contractor over the course of the year may not exceed $5,000; and
• the services are within the U.S. (excluding U.S. Territories); and
• the engagement does not involve the following high-risk services, identified in the Purchase Order (PO) Policy:
  ➢ Construction
  ➢ Environmental Services
  ➢ Food providers that have not provided Insurance & Food Licenses
  ➢ Info Tech/Financial Services
  ➢ Intellectual Property (LIMITED EXCEPTION APPLIES)
  ➢ Travel & Transportation

Limited ‘Works Made for Hire’ Agreement for Artistic Services – can be used for photography, videography, illustration, written work, or other freelance artistic creation

PROCEDURE:
1. Individual and Department completes and signs the “Limited Engagement Agreement” or “Limited ‘Works Made for Hire’ Agreement” Form
2. Department submits through Agiloft Contract Management System Limited Engagement Contract Type
3. Contract Record immediately moves to signed and executed
4. Invoice submitted to invoice@.dartmouth.edu or through the Payment Request eForm
**Individuals Performing Services**

**INDEPENDENT CONTRACTOR SERVICES AGREEMENT**

**DEFINITION:**

Independent Contractors that do not qualify as an Honorarium or Limited Engagement, example:

- Fee for services over $5,000 in a year.
- Services are performed outside of the US.
- High risk area

**PROCEDURE:**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Domestic</th>
<th>Individual completes Independent Contractor Questionnaire (&quot;ICQ&quot;) and submits to Procurement Services for review. Approved/rejected ICQ is returned to Individual and Department. Completed annually</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>International</td>
<td>Department submits completed International Staffing Form (&quot;ISF&quot;) to International Staffing Committee for review. Approved/rejected ISF is returned to Department. Contract must be consistent with approved engagement.</td>
</tr>
<tr>
<td><strong>Vendor Set-Up</strong></td>
<td>PW Invitation Instructions and Invitation sent by Procurement Once Classification is approved.</td>
<td></td>
</tr>
<tr>
<td>Purpose: Collect and verify Vendor payment and tax information and documentation</td>
<td></td>
<td></td>
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<tr>
<td><strong>Contracting</strong></td>
<td>Department submits Contract Request via Agiloft; Contract Request Preliminary Approval; Contract Manager Queue; Contract Manager Review; Contract Generation (IC Services Agreement or other form); Final Approvals; Contract Execution.</td>
<td></td>
</tr>
<tr>
<td>Purpose: Creating a written agreement between the Parties</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Payment Request</strong></td>
<td>Vendor Invoice (<a href="mailto:invoice@dartmouth.edu">invoice@dartmouth.edu</a> or Department)</td>
<td></td>
</tr>
<tr>
<td>Purpose: Request and tender payment for services in accordance with agreement</td>
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</tr>
<tr>
<td></td>
<td>Payment Request (OnBase)</td>
<td></td>
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</tbody>
</table>
Process for Hiring and Contracting with Individuals

IC Classification

International Staffing Questionnaire completed by Department for International Staffing Committee Review
Independent Contractor Questionnaire completed by Individual for Procurement Review

PaymentWorks Registration
Notification is sent to department & individual of decision
If approved, new IC invited to register

Contracting
If approved, department submits Contract Request & agreement is created
User Groups

• Contract Requesters
  • Access to submit & view submitted contract requests, as well as Master Service Agreements within their department or that are identified as Institutional Agreements (Procurement /Campus Service Master Agreements - PMA/CMA).
  • Any employee who has not been identified as Power Users in permission groups of Department Administrator, Approver, or Contract Manager/Legal Specialist.

• Department Administrators
  • Power Users and have access to view all contracts within their Org-Level permissions, as well as all Institutional Agreements (PMA/CMA)

• Approvers
  • Power Users and have access to approve contracts either during preliminary approval or final approval.
  • Preliminary approvers are those individuals with fiscal responsibility for the GL Orgs or the Award PI
  • Final approvers are those individuals with contract signature authority for their Orgs, Divisions, or for the Institution.

• Contract Managers/Legal Specialists
  • These individuals are Power Users within Procurement or Campus Services and can manage the transition of the contracting process through review, drafting & negotiating, approval, and execution.
Approval Workflows – Preliminary Approval

- Immediately after Contract Request is submitted.
- After preliminary Approval, the Contract Request will show up in the Procurement or Campus Services Contract Manager queue.
- Preliminary Approval based on:
  - Funding Type
    - GL → Routed to Responsible Person of the GL Org, unless preliminary approver overwritten by Contract Requester
    - PTAEO → Routed to the Department Grant Manager with notification and automatic approval to PI & if vendor is an individual (IC) or when > $5K, notification and automatic approval to OSP
  - Campus Services Contract Type
    - All route to Julie Findley, designated Responsible Person for any campus services agreement (for all Campus Service Orgs)
Approval Workflows – Final Approval

• After terms are finalized with the Vendor (Drafting and Negotiation is complete)

• After final approvals, the Contract Manager will facilitate having the contract signed.

• Signed contract will be stored in Agiloft

• Final Approval work-flow based on Signature Authority Policy
  • Purchases of Goods and/or services using a GL (Appendix A - General Business Transactions)
    • Up to $250,000 → Department Authorized Approver
    • $250,000.01 – $999,999 → Divisional Authorized Approver + CFO/EVP Finance (Rick Mills, Scott Frew)
    • $1,000,000 - $4,999,999 → Divisional Authorized Approver + CFO/EVP Finance (Rick Mills, Scott Frew) + President/Provost
Approval Workflows – Final Approval, cont’d

• Final Approval work-flow based on Signature Authority Policy
  
  • Purchases of Goods and/or services using Grant Funds (Appendix G - Purchases of goods and services with grant or contract funds)
    
    • Up to $5,000: PI (When a grant or contract has more than one PI, each PI is authorized to exercise the authority under this Policy with respect to the portion of the project for which he or she is responsible.)
    
    • $5,000 - $99,999: PI (or PI’s Designee) + OSP
    
    • $100,000 +: PI + OSP + Dean’s (or Dean’s Designee)
  
  • Campus Service Agreements (Appendix E - Contracts for services (including facilities services))
    
    • Up to $500,000: Department Approver (Project Managers, Unit Directors, Senior Financial Analysts, or Director of Geisel Facilities)
    
    • Up to $1,000,000: Divisional Approver (VPCS or Chief Operating Officer, CS)
    
    • Over $1,000,000: Divisional Approver (VPCS, Chief Operating Officer, CS) + Unit Director
Contract Management Portal
Contract Requester View

- Create a Contract Request – Request a New Contract
- View My Requests - View Contracts Created
- View All Contracts – View Department/Institutional Contracts
- Search – Search Department/Institutional Contracts
Questions

Heading into CMS