

**UNIVERSITY OF CENTRAL ARKANSAS
BOARD POLICY**

Policy Number: 416

Subject: Contract Review Procedures

Date Adopted: 05/09 Revised: 11/09, 08/13, 05/16, 12/20

1. **Contract Defined**: For purposes of this policy, a “contract” is a written agreement between two or more parties, one of which is the University of Central Arkansas (“UCA” or “university”), creating obligations that are enforceable or otherwise recognizable by law. No oral agreements shall be recognized as valid or binding legal obligations of the university.

For purposes of this policy, a purchase order is a contract. If a purchase order is based on a contract, such contract is subject to the provisions of this policy.

2. **No Contract Valid without Compliance**: No contract shall be deemed to be a valid obligation of the university unless the provisions of this policy are complied with in full.
3. **Signature Authority**: Unless otherwise provided by law or by specific policy of the Board of Trustees, only the Board of Trustees, president, provost, chief of staff, and vice presidents have the authority to enter into a contract to bind the university.
4. **Contract Review and Routing Procedure**: The university employee with responsibility for the contract (“responsible employee”) shall read and review it in its entirety. By starting the process to (a) secure a purchase order, or (b) have a contract approved, the responsible employee is verifying the following matters:
 - The contract language accurately reflects the current state of negotiations;
 - The contract meets programmatic and UCA requirements;
 - The contract is in the best interest of UCA;
 - UCA can comply with the terms of the contract; and
 - The contract is sufficiently clear and consistent.

The responsible employee shall contact the Purchasing Office to ensure that such office has either acknowledged that state purchasing laws and regulations have been complied with, or that such laws and regulations do not apply.

In addition, the responsible employee shall ensure that if matching funds are to be used as part of the contract that the office/department of the university responsible for securing such funds has been contacted and has agreed, in writing, to supply such funds.

If the University of Central Arkansas Foundation, Inc. is to supply private funds under the contract, the responsible employee shall also transmit a copy of the contract to the president of the foundation for a determination of whether or not the approval of the foundation and/or its board is required.

After review, the responsible employee shall indicate his/her approval and certification to the matters above by signing a routing form.

The responsible employee shall then deliver the contract to the Purchasing Department. Purchasing will deliver the contract to the Office of General Counsel. The general counsel will review each contract to assure the following:

- The contract does not contain any prohibited clauses;
- The contract is consistent with federal and state laws;
- The contract is consistent with UCA policies;
- Risk management concerns have been reasonably addressed; and
- The contract is consistent with any predecessor documents.

No contract may be entered into by the university except with the approval of the Office of General Counsel.

The Office of General Counsel shall develop and maintain all forms necessary to ensure compliance with the steps set forth above.

5. **Contract Approval Process:** Once the steps set forth above have been taken, the following approvals must be secured prior to the execution of the contract by any official of the university:
 - a. The Board of Trustees must approve the following contracts:
 - i. Any contract that will require the university to expend funds, at any time, in excess of \$250,000; or
 - ii. Any contract with a term exceeding one year, unless the Office of General Counsel certifies, in writing, that the contract (A) may be terminated by the university on the giving of written notice of 90 days or less or (B) will not require the university to expend funds in excess of \$99,999.
 - b. The chair of the board and the university president must approve any contract that will require the university to expend funds, at any time, in the amount of \$100,000 to \$249,999.

- c. The president of the university must approve any contract that will require the university to expend funds, at any time, of an amount up to \$99,999, although the president may delegate to the provost or any vice president the authority to sign contracts up to \$49,999.
6. **Exemptions from Contract Approval Process:** The following contracts are exempt from the “Contract Approval Process” above:
- a. Any contract that provides for professional or clinical training for students of the university and that does not require the expenditure or payment of any university funds to a third party; and
 - b. Any contract arising out of or related to an external grant administered through the Office of Sponsored Programs and that does not require the expenditure or payment of any university funds to a third party.

Notwithstanding the foregoing exemption from the Contract Approval Process, such contracts must still be processed through the routing procedures set forth herein, as well as be reviewed by the Office of General Counsel. Such contracts, after appropriate review, shall be signed by the provost.

Any person who enters into a contract that purports to bind UCA without following these steps is acting without authority and could be held personally liable for the contract.

7. **Certain Provisions Incorporated by Reference:** It is hereby declared to be the policy of the university that any contract to which the university is a party shall be deemed to have the following provisions incorporated by reference:
- a. ***“Notwithstanding any other provision of this agreement or contract, the University of Central Arkansas shall not be responsible or liable for any type of special or consequential damage to the other party, specifically including, but not limited to, lost profits or commissions, loss of goodwill, or any other damages of such nature.”***
 - b. ***“Notwithstanding any other provision of this agreement or contract, the University of Central Arkansas shall never indemnify or hold another party harmless from any damages, liability, claims, demands, causes of action or expenses. However, with respect to any loss, expense, damage, liability, claim or cause of action, either at law or in equity, for actual or alleged injuries to persons or property, arising out of any negligent act or omission by UCA, or its employees or agents, in the performance of this agreement, UCA agrees that:***
 - i. ***it will cooperate with the other party to this agreement in the defense of any action or claim brought against the other party seeking damages or relief;***
 - ii. ***it will, in good faith, cooperate with the other party to this agreement should such other party present any claims or causes of action of the foregoing nature against***

UCA to the Arkansas State Claims Commission; and

- iii. it will not take any action to frustrate or delay the prompt hearing on claims of the foregoing nature by the Arkansas State Claims Commission, and will make reasonable efforts to expedite any hearing thereon.*

UCA reserves the right, however, to assert in good faith any and all defenses available to it in any proceedings before the Arkansas State Claims Commission or any other forum.

Nothing herein shall be interpreted or construed to waive the sovereign immunity of UCA.”

- c. *“The University of Central Arkansas does not have any form of general liability insurance. It does have liability insurance coverage on vehicles, as well as certain professional liability coverage for clinical programs (and students assigned through those programs). Please contact the university department with responsibility for the program involved or the Office of General Counsel, if you have questions concerning insurance coverage.”*

The above rider is, however, not required for contracts with entities of the State of Arkansas, contracts with entities of the federal government, contracts procured by the State of Arkansas, Department of Finance and Administration, Office of State Procurement, or research or clinical affiliation agreements that do not require the university to expend any funds.

8. **Notice to Other Persons and Entities:** The responsible employee of the university, the Office of Purchasing and all university departments shall ensure that all persons or entities dealing with the university on any contracts shall be made aware of this policy and all of the provisions hereof.
9. **Personnel Actions:** No contract or decision to hire a person for employment at UCA shall be official until signed by the president. Furthermore, no offer of employment shall be deemed to be valid and binding on the university until approved by the president. Salaries of appointed personnel shall not be paid unless the personnel action forms have been completed.
10. **Effective Date:** This policy is effective from and after July 1, 2009.