

DEPAUL UNIVERSITY



Contract Requirements and Procedures

Category: Operations

Responsible Department: General Counsel

Responsible Officer: Vice President and General Counsel

Effective Date: 06/27/2023

Policy Summary

DePaul University enters into a wide variety of contractual agreements involving University funds, facilities, personnel and other resources. This policy sets forth the protocol for entering into contracts on behalf of DePaul. The policy details, among other things, when a written contract is required; who has the authority to sign and negotiate contracts on behalf of DePaul; when a contract must be reviewed by the Office of General Counsel (OGC); and the procedures for obtaining OGC approval.

Scope

This policy affects the following groups of the University:

- Executive Officers
- Assoc. / Assist Vice Presidents
- Budget Managers
- Vice Presidents
- Deans
- Directors/Department Chairs

This policy applies to anyone who reviews, negotiates, or signs a contract on behalf of DePaul.

Policy

1. **Definition of a Contract.** As used herein, “contract” means any document or agreement that legally binds DePaul or the party with whom DePaul is dealing. The following types of documents are contracts and thus are subject to this policy: agreements to buy or sell goods, agreements to provide or obtain services, memorandums of understanding, affiliation agreements, leases or deeds affecting real estate, leases or deeds affecting movable property, software licenses, grant agreements, letters of intent, master service agreements, promissory notes, letters of appointment or employment, waivers and releases, debt instruments, “click to agree” website contracts, and any other document or agreement that could bind DePaul.

2. **Written Contract.** All agreements entered into on behalf of DePaul must be in writing. Oral agreements are not authorized regardless of whether there is an exchange of money.
3. **Formal Written Contracts.** A formal written contract is a document with agreed-on terms that is signed by both parties. The following contracts must have a formal written contract unless authorized otherwise by the OGC:
 - a. Service contracts valued at \$3,500 or more, including, but not limited to, contracts for services, consulting, construction, and licensing; and
 - b. Contracts that have a Special Risk as defined in Paragraph 10.

A formal written contract is not required for transactions only involving the purchase of goods if the contract does not have a Special Risk as defined in Paragraph 10.

4. **Contract Required Before Start of Services or Purchase of Goods.** Departments shall not begin or accept any services or goods that are subject to a contract unless the contract has been signed by all parties and DePaul has received a final, signed copy of the contract.
5. **OGC Contract Templates.** In order to simplify the contract process, the OGC has developed and approved template contracts for use by campus offices for routine transactions and relationships (“OGC Template Contracts”). OGC Template Contracts are available on the OGC website. ([DePaul Pre-Approved Standard Contracts](#)). These Contracts should be used whenever possible.
6. **Extensions and Renewals.** This policy should be applied and followed for extensions and renewals of existing contracts as if such arrangements were being negotiated and signed for the first time.

Coordinating, Negotiating, and Monitoring Contracts

7. **Contracting Department.** The department entering into a contract (the “Contracting Department”) is responsible for initiating, negotiating, drafting, reviewing, coordinating, and finalizing the contract. Students and student employees may not perform any of these steps on behalf of DePaul.

The Contracting Department is responsible for ensuring that:

- a. The language in the contract is accurate and reflects the current state of negotiations;
 - b. The contract includes all understandings of the parties;
 - c. The contract makes good business sense for DePaul;
 - d. The department is comfortable with the business terms;
 - e. The department is willing and able to comply with the terms;
 - f. The department can furnish the services, materials, and/or funds required;
 - g. The contract is consistent with DePaul’s mission;
 - h. The contract complies with applicable DePaul policies; and
 - i. The contract meets programmatic and operational needs.
8. **Monitoring Contracts.** Finalizing a contract is only the start of the contractual relationship. The Contracting Department is responsible for monitoring and carrying out the University’s obligations under a contract. This includes ensuring that payments are timely made, and that

the services and/or goods provided are acceptable. The Contracting Department is also responsible for knowing when a contract is going to terminate and whether it should be renewed.

If a party has not performed its end of the bargain in a contract, then it may be in breach of the contract and the other party may be able to seek damages or other remedies. Please contact the OGC as soon as possible if there is a potential or actual breach.

OGC Legal Review

9. **OGC Review.** The purpose of the OGC review is to assess whether the contract is legally sufficient. This means that the contract complies with relevant laws, adequately protects DePaul's interests and rights, and appropriately allocates risks among the parties. The OGC's review of a contract or drafting of a contract is not an approval of the business terms or authorization to proceed with the transaction. It is the authorized signatory's decision whether to enter into a contract.

Upon completion of its review, the OGC will either propose recommended changes or indicate that no changes are necessary. The Contracting Department is responsible for reviewing the OGC's changes and sending the changes to the other contracting party.

10. **Mandatory Legal Review of Contracts.** The following contracts are considered to have a "Special Risk" and must be reviewed by the OGC before execution unless they fall under an exemption outlined in paragraph 11:
 - a. Contracts with an actual or estimated value of \$75,000;
 - i. This includes, without limitation, contracts that might incur an aggregate of \$75,000 or more of charges or expenses during the term of the contract.
 - b. Contracts that involve a third party's use of DePaul's intellectual property;
 - i. DePaul's intellectual property includes, without limitation: university logos, marks, artwork, symbols, or copyrighted materials.
 - c. Contracts involving the lease or purchase of real estate;
 - d. Contracts that require DePaul to indemnify an outside party;
 - e. Contracts involving off-campus educational programs or activities;
 - i. This includes, without limitation, international affiliation agreements, study abroad and international program contracts, student internship contracts, and service-learning contracts.
 - ii. This Special Risk category excludes certain contracts related to international programs (including in-bound programs) managed by Global Engagement in accordance with procedures developed by Financial Affairs, in consultation with Academic Affairs and the OGC.
 - f. Contracts that give any outside entity access to confidential information, including Highly Sensitive Data, Sensitive Data, and Internal Restricted Data as defined in the [Access to and Responsible Use of Data](#) policy, for example, information protected by FERPA, HIPAA, the Gramm-Leach-Bliley Act, or the Payment Card Industry Data Security Standard;

- g. Contracts that may expose DePaul to significant risk or liability (these must be reviewed even if they are an OGC Template Contract);
- h. Contracts that involve the authority to open or maintain banking accounts for DePaul. *See* the [DePaul University Bank Accounts](#) policy; and
- i. Service contracts with an individual who is a current or past employee of DePaul.

Please send any questions regarding whether a contract requires OGC review to contractreview@depaul.edu.

11. **Mandatory Legal Review Exclusions.** Unless otherwise noted herein, the following contracts do not need to be reviewed by the OGC even if they fall under a provision of Paragraph 10:
 - a. Current versions of OGC Template Contracts when no changes are made to any of the legal terms. ([DePaul Pre-Approved Standard Contracts](#)).
 - b. Domestic hotel/lodging, catering, restaurant, venue, meeting space, and individual car rental contracts unless they have an actual or estimated value of \$75,000 or more.
 - c. Online software end user agreements valued at \$25,000 or less, unless the contract gives any outside entity access to confidential information, including Highly Sensitive Data, Sensitive Data, and Internal Restricted Data as defined in the [Access to and Responsible Use of Data](#) policy, for example, information protected by FERPA, HIPAA, the Gramm-Leach-Bliley Act, or the Payment Card Industry Data Security Standard;
12. **Requesting OGC Review.** If a contract requires a Purchase Order, then Procurement Services will submit the contract for OGC review. If the contract does not require a Purchase Order, then it is the Contracting Department's responsibility to submit the contract to the OGC for review. In order to submit a contract for OGC review the Contracting Department must complete a [Contract Review Submission Form](#), and then email the Form and the contract, including all exhibits, etc., to contractreview@depaul.edu.
13. **Timing of Legal Review.** Please submit contracts for OGC review as early as possible prior to the anticipated start date of the contractual relationship. The OGC reserves up to seven business days after all required documents are submitted to review contracts. The OGC may expedite this timing upon request.
14. **Statements of Work.** Statements of work that fall under master contracts and service agreements only need to be reviewed by the OGC if they contain terms that conflict with the master contract or service agreement.

Other Reviews and Approvals

15. **Other Reviews.** Some contract clauses must be reviewed and approved by other offices before they are finalized. The Contracting Department should send the full contract to the office that needs to review it and identify the provision(s) that requires review for the office (as applicable). To the extent possible, these reviews should occur before the contract is submitted to Procurement or the OGC for review. This will ensure that the OGC is reviewing the most finalized version of the contract and avoid delays.

16. **Office of Insurance.** The Office of Insurance must be notified if a proposed contract contains an insurance provision and must approve all insurance provisions. The Office of Insurance does not need to be consulted regarding insurance provisions in current versions of OGC Template Contracts when no changes are made to the insurance provision.
17. **Financial Affairs.** Tax Services must be notified if:
 - a. DePaul will receive consulting services from an individual who is classified as an independent contractor;
 - b. DePaul will receive consulting services from an individual who is a current or past employee of DePaul;
 - c. A contract contains a provision that leases equipment by or to DePaul;
 - d. A contract imposes a financial obligation, such as debt, upon DePaul;
 - e. A contract requires or pertains to banking services, including opening banking accounts; and/or
 - f. A contract includes payments to DePaul for advertising or sponsorship.
18. **Accounts Payable.** Accounts Payable must be notified if a contract requires payments to or from a non-United States person, business or government.
19. **Advancement.** Advancement must be notified if DePaul is receiving any gifts or annuity payments under a contract.
20. **Information Services.** Information Services must be notified if a contract involves:
 - a. Information technology, including, but not limited to, purchasing equipment or software, networks, electronic record processing, or the use of cloud services;
 - b. Information technology consulting services; and/or
 - c. A third-party hosting DePaul data, including, but not limited to, research data, intellectual property, and information such as student records, medical records, employee records, financial records, covered data, credit card information, or Social Security numbers.
21. **Compliance and Risk Management.** Compliance and Risk Management must be notified if a contract involves minors participating in programs or activities: (1) taking place at the university, or (2) conducted elsewhere under the authority and direction of DePaul.
22. **Office of Research Services.** The Office of Research Services must be notified regarding all externally funded grants and contracts.
23. **Multiple Departments.** If a contract governs activities in more than one Officer's area of responsibility or department, then the Contracting Department must consult with the other affected areas prior to execution of the contract.
24. **Office of University Real Estate.** The OGC will forward all leases and purchase agreements for real property to the Office of University Real Estate for review.

Signing Contracts

25. **Signing Party.** All DePaul contracts should be signed on behalf of “DePaul University.” Contracts should not be signed in the name of a specific college, department, center, institute, or other entity.
26. **Academic and Administrative Officers Authority to Sign.** Academic Officers and Administrative Officers of DePaul University (“Officers”) are authorized to sign contracts within their respective areas of competence and responsibility if another signature is not required under this policy and the value of the contract is less than \$250,000. The Senior Vice President of Advancement may sign gift agreements regardless of the value of the gift.
27. **Executive Officer Authority to Sign.** Executive Officers are authorized to sign any contract within their respective areas of competence and responsibility. Unless otherwise noted herein, the following contracts can only be approved and signed by an Executive Officer:
 - a. Contracts with a value of \$250,000 or more;
 - b. Contracts that govern activities in more than one Academic Officer’s or Administrative Officer’s area of competence and responsibility;
 - c. Contracts that are for a duration of more than 5 years;
 - d. Contracts that establish a relationship with a provider of goods and services to the exclusion of all other providers of similar goods or services; and
 - e. Contracts that include a provision that will renew the contract automatically unless it has an annual value of \$15,000 or less.
28. **Officer Delegation of Authority to Sign.** Officers may delegate authority to sign contracts to any employee within the Officer’s area of responsibility. (“Specific Designees”). Officers normally may not delegate authority to more than three people per operational area by Vice President or per college/school by Dean. Officers must exercise oversight of, and will be held accountable for, the contracts negotiated and signed by their Specific Designees.

The OGC shall contact Officers annually and ask them to provide a written list of their Specific Designees along with authorized dollar levels. Officers shall promptly notify the OGC in writing of any changes during the year.
29. **Purchase Orders.** The authority to negotiate and sign Purchase Orders shall be determined by Procurement Services.
30. **Authority Provided by the Board of Trustees.** If the Board of Trustees has, pursuant to a resolution or otherwise, provided specific authority to an Officer of DePaul to negotiate or execute certain contracts, such specific authority shall supersede the provisions of this policy regarding authority to negotiate or execute contracts.
31. **Executive Vice President and Treasurer.** In furtherance of the authority given to the Executive Vice President and the Treasurer in Article VIII of the university’s By-laws, the Executive Vice President and the Treasurer shall each have the authority to execute contracts and agreements related to the funds, securities and investments of DePaul, without restriction on the value thereof but within any limitations and pursuant to any requirements established by the Board of Trustees from time to time.

32. **Leases for Real Property.** Agreements for the lease of real property exceeding \$25,000, longer than one year in duration, or containing an option to extend must be approved and signed by an Executive Officer or the Treasurer. These agreements may be signed by the Treasurer regardless of the dollar amount.
33. **Scope of Authority.** No person has the authority to bind DePaul contractually except in accordance with this policy. Contracts signed by anyone acting outside of their signing authority are not binding on DePaul and may subject the signor to personal liability.

Filing Contracts

34. **Filing of Contracts Submitted for OGC Review.** If a contract was submitted to the OGC for review, then the OGC shall maintain a copy of the executed contract. The Contracting Department should also retain a copy of the executed contract. The OGC may establish appropriate practices and procedures for maintaining and protecting contracts.

If a contract was submitted to the OGC for review and it required a purchase order, then Procurement Services will send a copy of the executed contract to the OGC.

If a contract was submitted to the OGC for review and it did not require a purchase order, then it is the Contracting Department's responsibility to send a copy of the executed contract to the OGC. The Contracting Department should send the executed contract to the OGC within seven days of receiving it.

The OGC will report annually to Executive Officers, Internal Audit, and Compliance on contracts reviewed and the non-receipt of signed contracts.

35. **Filing of Contracts That Were Not Submitted for OGC Review.** Absent other arrangements approved by the OGC, if a contract was not reviewed by the OGC, then the Contracting Department shall file, maintain, and protect a copy of the executed contract in accordance with DePaul's Records Management policy. See [Records Management](#) policy. These contracts should not be forwarded to the OGC.

Procedures

This is the procedure for contracts that require a purchase order:

Contracts involving goods or services valued over \$3,500 generally require a purchase order. See the [Purchasing & Bidding Requirements](#) policy for more information.

STEP 1: The Contracting Department confirms that:

- The language in the contract is accurate and reflects the current state of negotiations;
- The contract includes all understandings of the parties;
- The contract makes good business sense for DePaul;
- The department is comfortable with the business terms;
- The department is willing and able to comply with the terms;
- The department can furnish the services, materials, and/or funds required;
- The contract is consistent with DePaul's mission;
- The contract complies with applicable DePaul policies; and
- The contract meets programmatic and operational needs.

STEP 2: The Contracting Department routes the contract through all appropriate offices for review and approval. (See Paragraphs 15-24 for more information).

STEP 3: The Contracting Department enters a requisition into Blue Sky and submits the proposed contract along with any exhibits and the [Contract Review Submission Form](#) to Procurement.

STEP 4: Procurement routes the contract to other departments if required under the [Purchasing & Bidding Requirements](#) policy:

- If the contract involves a Special Risk, then it will be routed to OGC.
- If the contract involves a fund 5xx series, then the requisition is routed to the Office of Research Services.
- If the Contracting Department selects one of the categories listed below when entering the requisition, then the contract will be routed to Information Services:
 - Professional Services (Technology)
 - Software and Online Resources
 - Technology Equipment (CDM)
 - Technology Equipment (Departments)
 - Technology Equipment (IS)
 - Technology Support & Maintenance

STEP 5(a): If legal review is **not** required, then the Contracting Department coordinates the signing of the contract by the appropriate Officer or Specific Designee. The Contracting Department shall ensure that DePaul receives a final, signed contract and send the executed contract to Procurement Services immediately upon receiving it. Procurement Services will in-turn, approve the requisition and generate a Purchase Order. The remaining steps do not apply to this contract.

STEP 5(b): If legal review is required, then these are the typical steps of the OGC's review:

- The OGC acknowledges receipt of the contract.
- The OGC checks the signatory listed on the Contract Review Submission Form against its list of authorized signatories to ensure that the signatory has authority to sign the contract.
- An OGC attorney is assigned to review the legal terms of the contract.
- The assigned attorney reviews the contract.
- The assigned attorney responds to the Contracting Department and either proposes changes or indicates that no changes are necessary.

STEP 6(a): If the OGC does not propose changes, then move to Step 8.

STEP 6(b): If the OGC proposes changes, then the Contracting Department shall review the changes, ensure that the changes are compatible with the department's business objectives, and if so, send the changes to the other contracting party.

STEP 7(a): If the contracting party agrees with the proposed changes and does not make any additional changes, then move to Step 8.

STEP 7(b): If the contracting party sends a revised contract back then the Contracting Department shall review the revised contract to determine if the department agrees with all changes to the business terms. Then the contract shall be sent back to the OGC for further review. Steps 6(b) and 7(b) should be repeated until the contract is final.

STEP 8: Once negotiations are complete and the contract is in final form, the Contracting Department shall coordinate the signing of the contract by the appropriate Officer or Specific Designee. The Contracting Department shall ensure that DePaul receives a final, signed contract and send the executed contract to Procurement Services immediately upon receiving it. Procurement Services will in-turn, approve the requisition and generate a Purchase Order as well as ensure the original contract is delivered to the OGC for storage in accordance with DePaul's [Records Management](#) policy.

This is the procedure for contracts that do not require a purchase order:

STEP 1: The Contracting Department confirms that:

- The language in the contract is accurate and reflects the current state of negotiations;
- The contract includes all understandings of the parties;
- The contract makes good business sense for DePaul;
- The department is comfortable with the business terms;
- The department is willing and able to comply with the terms;
- The department can furnish the services, materials, and/or funds required;
- The contract is consistent with DePaul's mission;
- The contract complies with applicable DePaul policies; and
- The contract meets programmatic and operational needs.

STEP 2: The Contracting Department routes the contract through the appropriate offices for review and approval. (See Paragraphs 15-24 for more information).

STEP 3: The Contracting Department determines if OGC review is required. (See Paragraphs 10 and 11).

Step 4(a): If OGC review is not required, then the Contracting Department coordinates the signing of the contract by the appropriate Officer or Specific Designee. The Contracting Department shall ensure that DePaul receives a final, signed contract. The remaining steps do not apply to this contract.

Step 4(b): If OGC review is required, then the Contracting Department completes the [Contract Review Submission Form](#), and then sends the Form and the contract, including all exhibits, etc., to contractreview@depaul.edu.

STEP 5: These are the typical steps of the OGC's review:

- The OGC acknowledges receipt of the contract.
- The OGC checks the signatory listed on the Contract Review Submission Form against its list of authorized signatories to ensure that the signatory has authority to sign the contract.

- An OGC attorney is assigned to review the legal terms of the contract.
- The assigned attorney reviews the contract.
- The assigned attorney responds to the Contracting Department and either proposes changes or indicates that no changes are necessary.

STEP 6(a): If the OGC does not propose changes, then move to Step 8.

STEP 6(b): If the OGC proposes changes, then the Contracting Department shall review the changes, ensure that the changes are compatible with the department’s business objectives, and if so, send the changes to the contracting party.

STEP 7(a): If the contracting party agrees with the proposed changes and does not make any additional changes, then move on to Step 8.

STEP 7(b): If the contracting party sends a revised contract back then the Contracting Department shall review the revised contract to determine if the department agrees with any changes to the business terms. Then the contract shall be sent back to the OGC for further review. Steps 6(b) and 7(b) should be repeated until the contract is final.

STEP 8: Once negotiations are complete and the contract is in final form, the Contracting Department shall coordinate the signing of the contract by the appropriate Officer or Specific Designee. The Contracting Department shall ensure that DePaul receives a final, signed contract and send the executed contract to the OGC immediately upon receiving it. The OGC will store the contract in accordance with DePaul’s [Records Management](#) policy.

Divisional Collaborations

Information Services

Compliance & Risk Management

Insurance and Loss Prevention

Internal Audit

Procurement Services

Financial Affairs (Controller’s Office, Accounts Payable, Tax Services, and Treasury)

Academic Affairs

Contact Information

General questions regarding the [Contract Requirements and Procedures](#) policy may be answered by consulting the [Office of the General Counsel’s website](#). Employees with specific questions may forward their questions to contractreview@depaul.edu.

Appendices

OTHER UNIVERSITY POLICIES. Departments should be aware that other university policies may apply to the review, negotiation, internal DePaul routing, and signing of a contract, including but not limited to the following:

Purchases More Than \$3,500. Departments making purchases of more than \$3,500 must open a requisition with Procurement Services. Departments should review DePaul's [Purchasing & Bidding Requirements](#) policies and contact Procurement Services for additional information. See [Purchasing & Bidding Requirements](#) policy.

Externally Funded Grants and Contracts. All externally funded grants and contracts must be submitted to the Office of Research Services (ORS), which is responsible for coordinating proposal review, proposal approval, award negotiation, and final contract execution. Departments and Principal Investigators should consult DePaul's [Administration of Externally Funded Grants and Contracts](#) policy and contact ORS for additional information. See [Administration of Externally Funded Grants and Contracts](#) policy.

Vehicle Purchase/Lease Agreements. All requests for vehicle purchases or leases must be initiated through Procurement Services.

Purchasing& Bidding Requirements. All purchases over \$25,000 require documentation of competitive bids, an approved exception from either Procurement Services or an Executive Officer, or otherwise be in compliance with the [Purchasing & Bidding Requirements](#) policy. Departments and individuals should consult the [Purchasing & Bidding Requirements](#) policy and contact Procurement Services for additional information. See [Purchasing & Bidding Requirements](#) policy.

Conflict of Interest. Employees who have a conflict of interest or an appearance of a conflict of interest in a matter must refrain from involvement in that matter or disclose the matter pursuant to DePaul's [Conflict of Interest](#) policy and ensure that proper safeguards are put in place. Employees should contact Accounts Payable or the Controller's Office for additional information. See [Conflict of Interest](#) policy.

Prohibited and Special Purchases. Certain types of purchases have special processes or may not be allowed (*e.g.* catering, computers, gift cards, sales tax, used equipment, etc.). See the [Prohibited and Special Purchasing Processes](#) policy for more information.

Confidential Information. This policy explains the processes and requirements for accessing and using University data. See [Access to and Responsible Use of Data](#) policy for more information.

History/Revisions

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