**XIII. Hire the Contractor**

**a. Method of Contracting**

**What is it?**

A contract is a binding agreement between the university and an outside vendor

that can be legally enforced.

**Why is it required?**

The purpose of the written contract is to ensure that both parties fully

understand the agreement and are committed to complying to its stipulations.

**Various methods of contracting**

Standard Contract / Red Packet – This is required when construction work

exceeds 100K

Short Form Contract / Red Packet – This is required when construction work is at

or under 100K

No Contract PO –. Can be used for small work (*no $$ limit assigned yet*) with

low to no risk or vendor liability.

No contract PO for Time and Material Contractors – Refer section XII - a

**Standard Contract - Who is involved and what are their roles?**

Contractor / Vendor – Provide proposal / bid, insurance certificate, bonds in a

timely manner.

Project Manager – Review proposal/ bid thoroughly to make sure it meets

universities terms and conditions, prepare red packet to include all its

component’s for review and approval by superiors.

Director - Review red packet and sign on the executive summary.

Senior Director - Review red packet, sign the executive summary as well as sign

the requisition after the contract is signed by VP

AVP – Review red packet and sign on the executive summary.

VP*-* Review red packet, sign the executive summary as well as two copies of the

contract

Business Services – Confirm availability of funds in the project account, assign

requisition number as well as process requisition in online procurement system.

Purchasing Department – Assign Purchase Order Number

**Short Form Contract - Who is involved and what are their roles?**

Contractor / Vendor – Provide proposal / bid, insurance certificate, bonds (if

Applicable – bid over 50K) in a timely manner.

Project Manager – Review proposal/ bid thoroughly to make sure it meets

universities terms and conditions, prepare red packet to include all its

component’s for review and approval by superiors.

Director - Review red packet and sign on the executive summary.

Senior Director - Review red packet, sign the executive summary as well as sign

the requisition after the contract is signed by AVP

AVP – Review red packet and sign the executive summary as well as two copies

of the contract.

Business Services – Confirm availability of funds in the project account, assign

requisition number as well as process requisition in online procurement system.

Purchasing Department – Assign Purchase Order Number

Note: *Short form contract does not go to the VP’s office.*

**No Contract PO - Who is involved and what are their roles?**

Contractor / Vendor – Provide proposal

Project Manager – Prepare draft requisition and attach proposal as well as

financial summary for review.

Senior Director - Review and sign the draft requisition.

Business Services – Confirm availability of funds in the project account, assign

requisition number as well as process requisition in online procurement system.

Purchasing Department – Assign Purchase Order Number

Note: *Director, AVP or VP signature is not required.*

**How is it done?**

Verify the following documents:

Executive Summary

* Addressed to the right people (< $100,000 or > $100,000) )
* Project number
* Project name
* Project description is understandable to someone unfamiliar with the project and the industry.
* That the math works (verify against the PFA and Financial Summary)
* If additional funding is requested make sure date of request is included.
* If someone other than low bidder is selected be sure explanation is included as to why the apparent low bidder was not selected.

Financial Summary

* Contract amount is in the pending column and highlighted
* Math works (formulas have not been over written)
* Funding is reflected.

Contracts

* Correct contract used: GC, CM, JOC, PV, Consultant, short form or regular
* Project name and number are on cover
* Contract sum matches bid, executive summary and financial summary
* Unit prices, and alternates included in contract if applicable.
* Allowances defined in contract amount if applicable.
* Nothing has been crossed out or written in.
* Signed by agent of the company. Verify same person signed bonds.

PFA

* Math is correct and matches financial summary (When estimated to complete is added to uncommitted funds it should equal the balance on the PFA summary.)

Bid tab

* Highlight selected bidder
* Was low bidder selected? IF not is explanation included.

Bid

* Does bid match contract sum?
* Are unit prices and alternates included in contract?
* If an allowance is it clearly included in the base bid value

Draft Req

* Correct contractor
* Correct account
* Commodity code included
* Project number and name
* Correct terms

Bonds

* Payment and Performance
* Signed (by agent of the company). Verify same person signed contract.
* Stamped

Insurance certificate

* Verify not expired
* Certificate holder should be Risk Management and their address.
* Copy to be sent to Risk Management for review

**Critical Timeline**

Contractor has 5 business days to return two signed copies of contract, bonds and insurance certificate

KPI’s related to the topic….

Vendor must not incur any cost for the project until the requisition is signed by

Seniors Director or a Purchase Order is assigned.

**Forms**

See attachedcomponents of standard, short form and no contract PO

**Filing**

File hard copy and electronic copy of executed contract in project folder.

**Reference**

Insert link to toolbox and red packet developer