**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

**Who Is Involved and What Are Their Roles? - Standard Contract**

* 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

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

* 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.
* 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.***

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

* 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.
* Senior Director - Review red packet, sign the executive summary as well as sign the requisition after the contract is signed by VP
* 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/Process**

* **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

**Timeline Consideration/Critical**

* 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