Contract Policy & Procedures

General Description

Policy Summary:
A contract is a legally enforceable agreement, lease or license between two or more parties. The making of a contract requires the mutual assent of two or more persons, one of them ordinarily making an offer and another accepting. In the course and scope of regular work for the University, employees may experience the need to negotiate contracts that legally bind the Institution. Execution of such contracts should be handled in accordance with this policy.

Purpose:
Entering into a contract exposes Trinity University resources and University employees themselves to certain statutory and legal risks because all contracts create legally binding obligations. It is imperative that employees intending to enter into a contract with an outside party adhere to established procedures in order to protect Trinity University and themselves against this risk exposure. It is important to remember that the dollar value of the goods or services does not have a direct relationship to the amount of potential risk. For example, a $500 contract for tree trimming carries more potential for injury or damage than a $25,000 purchase order for library books. It is the type of activity or product, not the overall expense, which determines the potential risk.

Scope:
The following policy is intended to provide employees with a framework for understanding the specific types of contracts, review process, signature authority and insurance required before a contract may be executed on behalf of Trinity University.

Exceptions:
None

Policy Content

Procedures

Step 1: Select Type of Contract

Trinity University has identified two types of contracts, (1) those on established university Contract Templates and (2) contracts submitted by an outside party.

Contract Templates
In coordination with EIIA, the University's Property and Casualty Insurance Consortium, Trinity University has created the following Contract Templates that should be used whenever possible when entering into a contract with an outside party. If the university's templates are used, and no changes are made to the contract language, then no review by Risk Management is necessary, expediting the process. These templates contain the necessary language to protect and minimize the risk exposure of Trinity University and of employees entering into the contract, if no changes are made. **Please keep in mind that Risk Management will still need to obtain the appropriate Signature Authority (See Section III).**

- **Confidentiality and Non-Disclosure Agreement:** (Used with Agreements where employees of the outside party or their subcontractors, agents, etc. will be provided with or will have access to university confidential, proprietary or financial information; when outside parties will have access to the university's network)
- **Consulting Agreement**
- **Data Security Assessment:** Required to be completed by all third parties that will have access to University confidential (including personal identifiable information), proprietary or financial information or when outside parties will have access to the University's network if the third party cannot provide a SOC 2 Report. Data Security Assessments must be reviewed and approved by ITS. A [SOC 2 Report](#) or its equivalent is preferred and ITS approval is required prior to entering into an Agreement in which University data will be shared or accessed. Data Security Assessments or SOC 2 Reports or its equivalent should be submitted for review and approval of ITS annually.
- **Entertainment-Performance Agreement**
- **Exhibition Agreement Option A (Exhibitor Insured)**
- **Exhibition Agreement Option B (Lender Insured)**
- **Freelance Master Services Agreement**
- **Independent Contractor/Vendor Agreement**
- **License Agreement Relating to Services Provided to Student Organization**
- **Speaking Services Agreement:** To be used for in-person speaking events hosted by administrative and academic departments.
- **Speaking Agreement via Video Conferencing:** To be used for virtual speaking events.
- **Staffing Master Services Agreement**
- **Tabling Vendor Agreement:** (To be used for vendor fairs such as Career Fairs and other information type fairs.)
- **Tiger Network Streaming Services Exhibit A:** (Exhibit A for use with all third party Speaking Agreements held at Trinity.)
Please follow the steps on the Risk Management Checklist for Contract Templates (link included in the Related Content section of this Policy) when entering into an agreement on an established University Contract Template.

**Outside Party Contracts**

If an outside third party refuses to sign the established University Contract Template you should carefully consider entering into a binding agreement with them. If it is determined that doing business with this particular outside third party would be the most beneficial for the University, Risk Management and Insurance must review the contract and make the appropriate recommendations on a case by case basis. Contracts prepared and submitted by vendors and other outside third parties are not easily amended and increase the turnaround time due to review requirements and negotiations. Please allow two weeks for contract review. The turnaround time may be shorter, workload permitting, but if legal review or other consultation is required it may take longer. Please plan ahead!

Please follow the steps on the Risk Management Checklist for Outside Third Party Contracts (link included in the Related Content section of this Policy) when entering into an agreement on an outside third party's contract.

**Step 2: Review**

1. The first review of all contracts, whether on the University Contract Template or on an Outside Party's Contract, should be conducted by the department or individual entering into the contract agreement. Often contracts are department or technology specific and only the person responsible for the negotiations with the other party will know if the terms and details of the contract are as agreed upon.
   - The Contract Templates have a "Department Review" signature block on the last page for the individual responsible for entering into the agreement to sign.
2. Contract Templates that have any changes made to them must be sent to Risk Management and Insurance for review.
3. All Outside Party Contracts must be sent to Risk Management and Insurance for review.
4. The above mentioned contracts must be stamped "Reviewed by Risk Management" before a signature may be obtained.
5. Please allow 2 weeks turnaround time for contract review.
6. Fully executed agreements must be returned to Risk Management and Insurance.

**Step 3: Signature Authority**
Signature authority is limited to the President, Vice Presidents, Assistant and Associate Vice Presidents, and Risk Management. In addition, Designated Authorized Signators are authorized to sign unaltered University Contract Templates up to $10,000 ($25,000 for Facilities Services and Office of the University Architect).

The signature of one of these officers or administrators is required on any contract binding the University. Before a signature may be obtained, the contract must be stamped "REVIEWED BY RISK MANAGEMENT." Generally contracts should be signed by the VP whose area has authority over the type of service or product. For example, software licensing, maintenance, service, and other IT related agreements would be signed by the Chief Information Officer. The University has established three levels of signature authority and approval that govern the execution of contracts on behalf of Trinity University.

**Tier One: Up to $10,000**

Any contracts entered into with values up to $10,000 may be signed by the President, respective Vice President, Chief Information Officer, Assistant or Associate Vice Presidents, Chief Human Resources Officer, or Director or Associate Director for Risk Management and Insurance.

In addition, Designated Authorized Signators are authorized to sign unaltered University Contract Templates up to $10,000 ($25,000 for Facilities Services and Office of the University Architect).

**Tier Two: $10,000 to $100,000**

Contracts with values in excess of $10,000 up to $100,000 may only be signed by the President, respective Vice President, or Assistant or Associate Vice Presidents. Risk Management and Insurance will obtain the appropriate signature and return a copy of the contract to you.

**Tier Three: $100,000+**

Contracts with values in excess of $100,000 may only be signed by the Vice President for Finance and Administration, the Associate Vice President for Finance and Administration, or the President. Risk Management and Insurance will obtain the signature and return a copy of the contract to you.

**Step 4: Insurance**
The University requires certain levels of insurance coverage for all parties entering into a contract agreement with Trinity University. For a list of required insurance limits please see EIIA Certificates of Insurance Limits. Contracting parties should attest to such coverage requirements by providing a Certificate of Insurance endorsing Trinity University as an "Additional Insured" prior to beginning work.

The Certificate Holder must be listed as:
Trinity University
One Trinity Place
San Antonio, TX 78212
Please submit Certificates of Insurance to Risk Management prior to beginning work.

For a sample COI please see Related Content section.

- **If an outside contracting party does not have Commercial General Liability insurance**, they can purchase an individual General Liability and Participant Accident Protection for Special Events from Francis L. Dean Associates, Inc. This company is not required and is only provided as a convenience for outside parties wishing to contract with Trinity University.
- **If an outside contracting party has their own insurance**, departments or the individual(s) entering into the contracts are responsible for ensuring that Certificates of Insurance are received from the outside party and for forwarding them to Risk Management and Insurance for file maintenance.

**Requirements**

**Approvals:**

VP for Finance and Administration
Attachments

Contract Template Checklist
External Party Contract Checklist
Related Documents

Related Content:
Contract Templates:

- Confidentiality and Non-Disclosure Agreement: (Used with Agreements where employees of the outside party or their subcontractors, agents, etc. will have access to University confidential, proprietary or financial information; when outside parties will have access to the University's network)
- Consulting Agreement
- Data Security Assessment: (To be completed by third party that will have access to University confidential, proprietary or financial information; when outside parties will have access to the University's network)
- Entertainment-Performance Agreement
- Exhibition Agreement Option A (Exhibitor Insured)
- Exhibition Agreement Option B (Lender Insured)
- Freelance Master Services Agreement
- Independent Contractor/Vendor Agreement
- License Agreement Relating to Services Provided to Student Organization
- Speaking Services Agreement: Condensed (To be used for speaking events hosted by administrative and academic departments)
- Staffing Master Services Agreement
- Tabling Vendor Agreement: (To be used for vendor fairs such as Career Fairs and other information type fairs.)
- Tiger Network Streaming Services Exhibit A: (Exhibit A for use with all third party Speaking Agreements held at Trinity.)

EIIA Insurance Guidelines for Contracts
Sample COI
Designated Authorized Signators
Francis L Dean Associates, Inc.

Revision Management

Revision History Log:

<table>
<thead>
<tr>
<th>Revision #:</th>
<th>Date:</th>
<th>Recorded By:</th>
</tr>
</thead>
<tbody>
<tr>
<td>v3.0</td>
<td>1/31/2021 5:39 AM</td>
<td>Gary Logan</td>
</tr>
<tr>
<td>v2.0</td>
<td>10/8/2020 11:41 AM</td>
<td>Gary Logan</td>
</tr>
<tr>
<td>v1.0</td>
<td>8/2/2019 11:44 AM</td>
<td>Jennifer Gilmore Adamo</td>
</tr>
</tbody>
</table>