



# **UCSB Contracts & Grants STAR Program**

## **Class #5: Business Contracts**

**May 12, 2021**

**who process contracts?**

# What is a Contract?



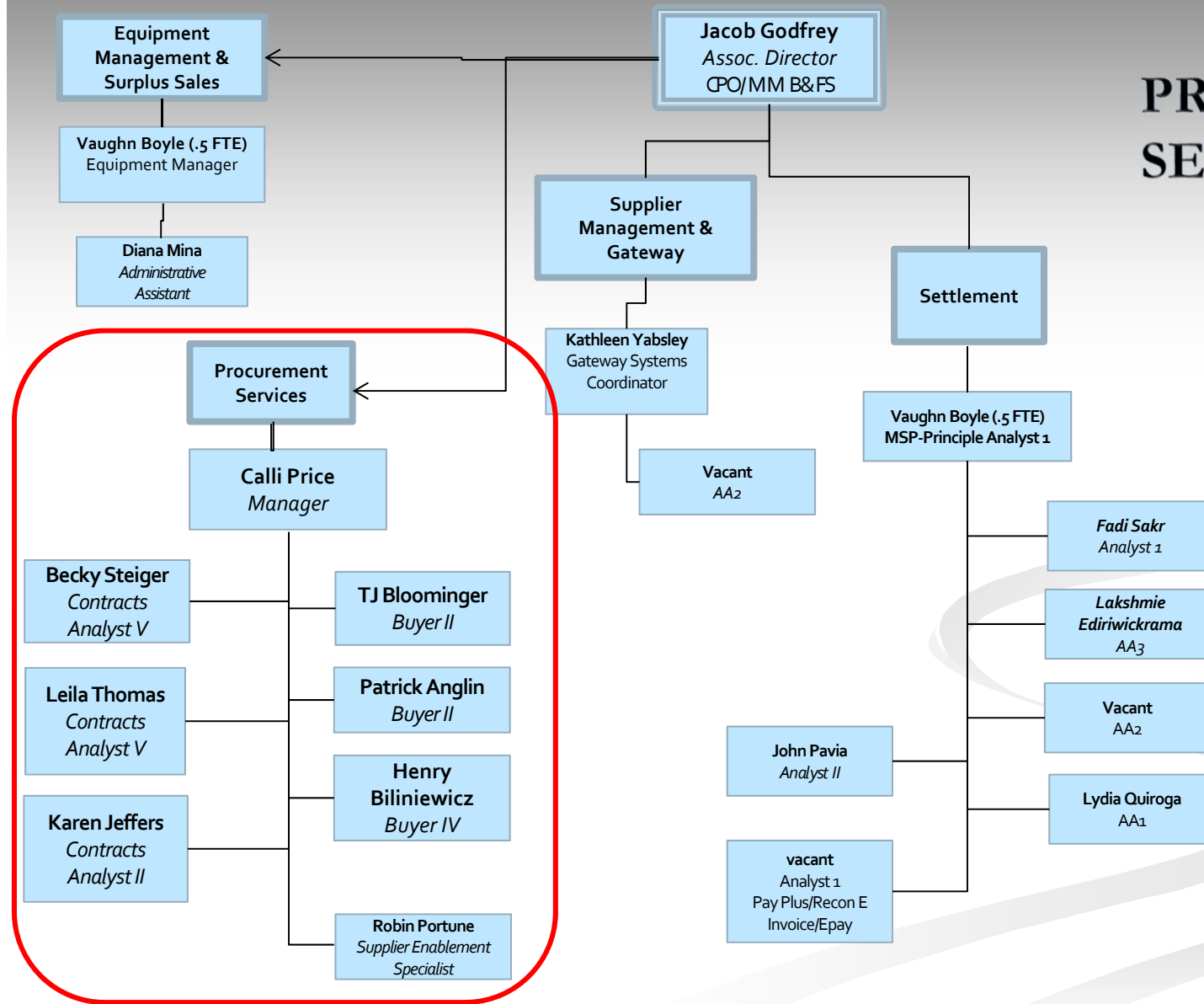
**Legally enforceable agreement  
between two or more parties  
in which each agrees to give and  
receives something  
of legal value**

# Overview

# When do we come in?

- Pre-Award:
  - Small Business Subcontracting Plan (*Federal Contracts over \$700k only*)
  - Service or Subaward determination
- Post-Award:
  - Purchase orders for commercial goods/services
  - Contracts for commercial goods/services

# PROCUREMENT SERVICES - 2021



# Procurement Principles

- We provide **equal opportunity for public business.**
- We represent the **taxpayer's best interest**
- Our records are **public information.**
- We must prove the **price we paid is reasonable**



# Procurement does **NOT** cover:

- Research/Subawards
- Construction/Facilities Management
- Gift processing
- Travel & Entertainment/Form 5 advice
- Reimbursements
- Honoraria
- Relocations (personnel moving)
- Real Estate

# Policy & Law

## **UC Policies:**

- BFB-BUS-43 – Materiel Management & Conflict of Interest

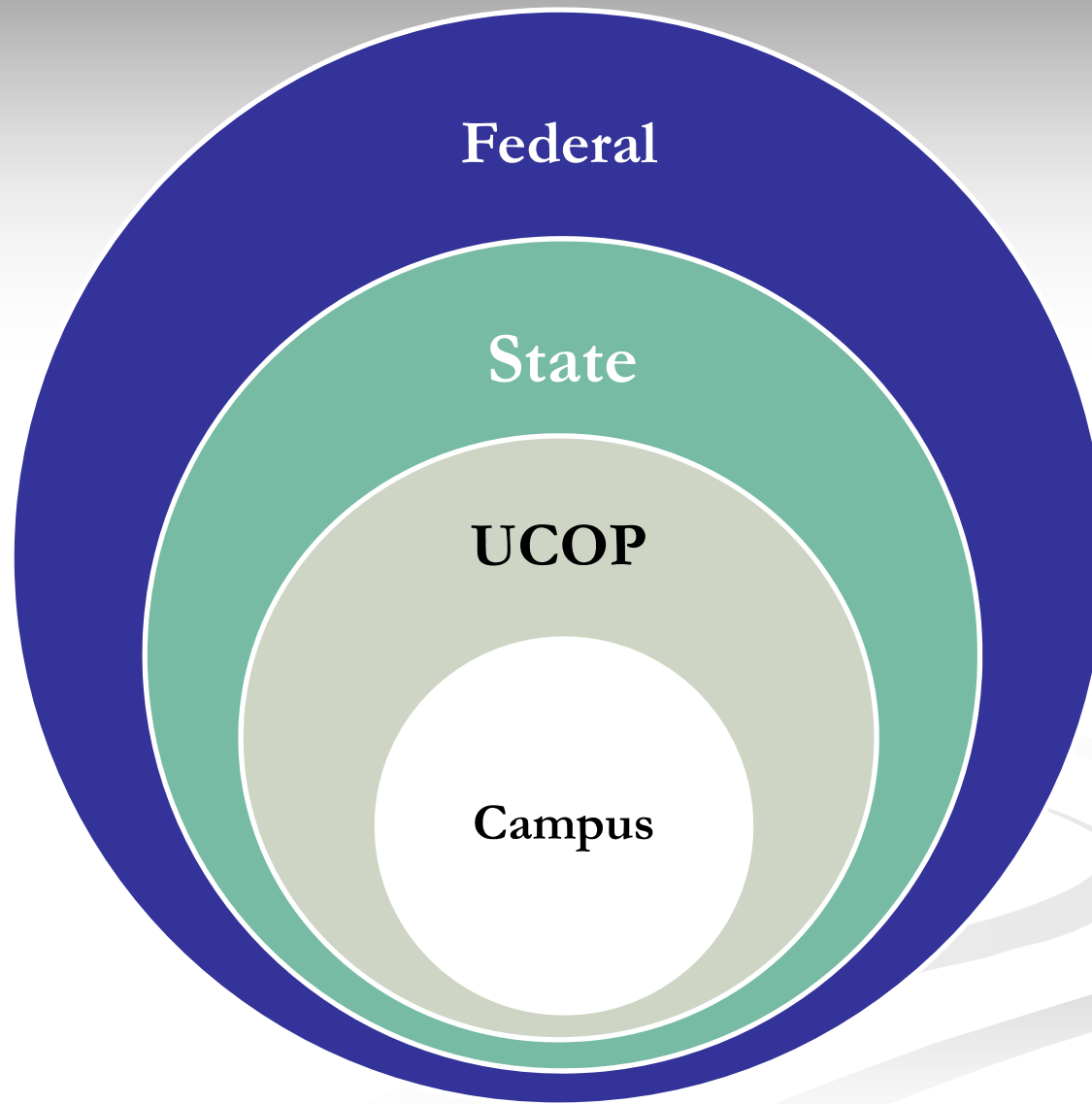
## **State Law:**

- Public Contract Code

## **Federal Government:**

- Federal Acquisitions Regulations (contracts)
- OMB Uniform Guidance (grants & cooperative agreements)

# Overview: Policy & Law



# Delegation of Authority

# Delegation:

## Who Can Sign/Approve a Contract or Quote/Proposal?

- A contract signed by anyone without delegation of authority is void, but the signatory might also be **personally liable for the contract obligations.**

Contracts include: hotel room blocks, catering, facility rentals, etc.

# Delegation

- The Board of Regents delegates to each Chancellor the authority to execute business contracts, who then provides delegation to:

Jim Corkill

Calli Price

Karen Jeffers

TJ Bloominger

Jacob Godfrey

Becky Steiger

Leila Thomas

Patrick Anglin



## **Pre-Award: Small Business Subcontracting Plan**

**Federal Contract Funding:  
Proposal over \$700k**

**Contact Heather Perry**

**[Heather.Perry@ucsb.edu](mailto:Heather.Perry@ucsb.edu)**

x3528



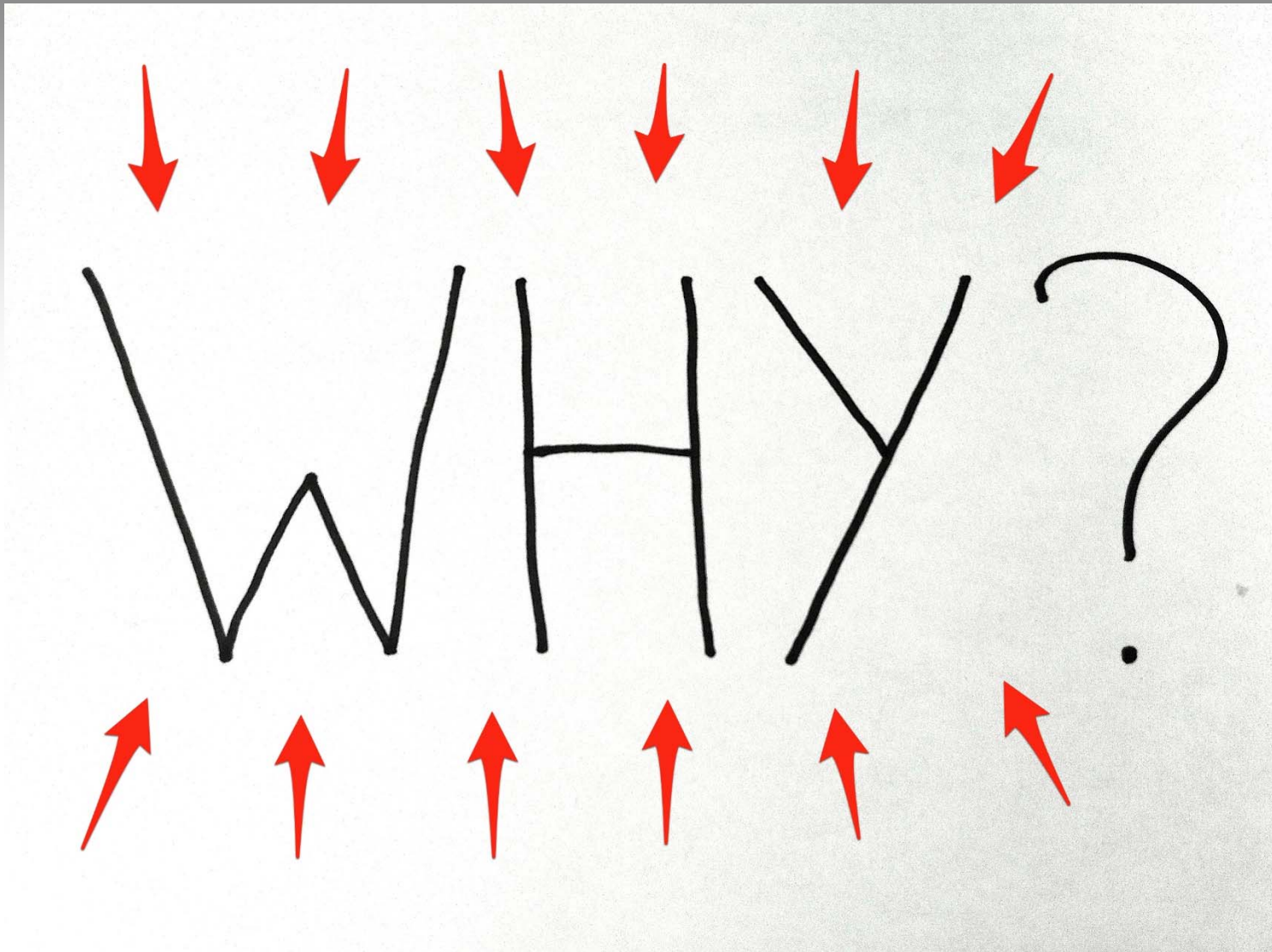


## **Pre-Award: Services vs. Subaward**

## Services (Vendor) vs. Research (Subaward)

If dept./PI determines a budget line service  
is **NOT** a subaward:

Please send the SOW to [contracts@bfs.ucsb.edu](mailto:contracts@bfs.ucsb.edu)  
at the time of (or before) Proposal submission to  
**SPO**



## Services (Vendor) vs. Research (Subaward)

**This helps to ensure you will NOT experience a delay when submitting a service request in Gateway**

# Services (Vendor) vs. Research (Subaward)

## *Subrecipient vs. Contractor Determination Sheet & Subaward Determination Tip Sheet*

[www.bfs.ucsb.edu/procurement/forms](http://www.bfs.ucsb.edu/procurement/forms)

[www.research.ucsb.edu/spo/subawards](http://www.research.ucsb.edu/spo/subawards)



# **Post –Award:**

## **Purchase Orders & Contracts**

**Not covered in STAR**

**Conflict of Interest  
and Federal Purchasing  
Webinars**

**Topics**

**Conflict of Commitment**

**Price Reasonableness**

**Sole Sourcing**

**FAR & OMB (Uniform Guidance)**

**email [calli.price@ucsb.edu](mailto:calli.price@ucsb.edu)**

# Purchase Orders

## OFFER & ACCEPTANCE

- Our Purchase Order is a contract:
  - A vendor's quote is an offer
  - Our purchase order is an acceptance
  - Together, these create a Contract
- Department personnel do not have Delegation of Authority to sign contracts, quotes, proposals, etc.
- If your vendor is asking for a signature, please ask them to accept a Purchase Order instead. **It will be faster!**



# Purchase Order

## vs.

# Contract

### Purchase Order

- Goods
- Routine Services
- Preventative Maintenance
- Off the Shelf Software

### Contract

- Facilities Use Permit
- Hotel, Restaurant Group Reservation
- Confidentiality Agreement
- Property/Lease Agreements
- Any vendor agreement **REQUIRING** a signature

# Contracts

Two types of contracts:

## Expenditure

**UC buys goods/services from  
Supplier**

## Revenue

**External entity buys from UC**

# Contracts: Expenditure

- I have a supplier-provided contract.
  - Attach it to the Contract Request Form using the “Internal Attachments” field
- Before sending us a contract on supplier or client paper:  
**be sure your end user(s) have reviewed, understand,  
and can agree to the contract.**

# Contracts: Expenditure

- **I do not** have supplier-provided contract.
  - Complete the UCSB Form I: Request For Contract
  - ❖ Describe the services to be provided. **SCOPE OF WORK**
  - ❖ **Who? What? When? Where? Why? How? Any deliverables?**

# Contracts

- Contract **work cannot begin** until Procurement has signed on behalf of the Regents. By starting without a signed contract you are taking the risk of:
  - Non-payment to your Provider
  - Misunderstanding in scope of work
  - Financial Losses
  - Liability to the University

# Contracts: Why do they take so long?

## Frequent issues with Contracts:

- Indemnification written so that University assumes all, or 3<sup>rd</sup> party liability
- Limitation of Liability
- Automatic renewal/Evergreen
- Confidentiality
- Exclusivity
- Name Use
- Governing Law/Venue
- Equal Opportunity, FAR or OMB clauses
- Fair Work/Fair Wage, Prevailing Wage
- Not enough insurance coverage in GL (General Liability) or Errors/Omissions insurance



# Redlines / Edits

## 8. Indemnity.

(a) ~~Indemnified Parties & Claims.~~ The “Indemnified Parties” shall include the officers, directors, shareholders, parents, successors, and assigns. An “Indemnified Party” shall be a party who is the subject of a proceeding against the Indemnified Parties alleging infringement of any patent, copy right, or trademark owned by the Software.

- Note, if the vendor *will not* accept a required UC redline, and your dept still requires the goods/services:

*we may ask your dept/end user to understand and accept the risk* associated with agreeing to the provision(s).

**Unrelated to SPO/Office of  
Research**

**Revenue (Service) Contracts**



# Contracts: Revenue

- If your department wishes to contract for **UC-provided services (revenue to your department)**, you will need a Rate and Recharge package or approval through Budget and Planning *prior* to contract execution.
- Contact Alan Williams in **Budget & Planning** for information. The approval is required annually, and adheres to policies Academic Personnel Manual APM-020 and BFB Policy A-56

# What's the difference between a Service Agreement (Procurement) & a Research Contract or Grant?

## Research

Potential for patentable, publishable, or copyrightable technology to be developed/created through the project
The UC's involvement represents an intellectually significant portion of the overall programmatic effort
The UC has responsibility for programmatic decision making
Need for animal and/or human subjects
Collaboration exists with the possibility of the UC creating/developing IP
The UC has responsibility for adherence to applicable Federal program compliance requirements
The UC completes work promised and analyzes results found (Services Agreement is no analysis or discretionary judgment)
Publication of results expected, as author or co-author
Provides any cost sharing or matching funds

## Procurement

No potential for patentable or copyrightable technology to be created through project
The UC's SOW does not reflect a specific, clearly defined, intellectually significant part of the research and SOW of the client's work or award.
The UC does not have "programmatic decision-making" responsibilities
No animal and/or human subjects
No collaboration
The UC will not be an "inventor" because we are working at the direction of the client
The UC provides similar goods or services to many purchasers/clients (i.e. performing tests and providing results for client to analyze)
The contract is with an Individual or sole proprietor
The goods/services are routine and/or "off-the-shelf"

## Wrap-up and Tips

# Contract Consideration Checklist

- [www.bfs.ucsb.edu/files/docs/procurement/Contract%20Considerations%20%26%20Checklist%205-2018.docx](http://www.bfs.ucsb.edu/files/docs/procurement/Contract%20Considerations%20%26%20Checklist%205-2018.docx)

## UNIVERSITY OF CALIFORNIA, SANTA BARBARA

BUSINESS & FINANCIAL SERVICES  
PROCUREMENT SERVICES  
SANTA BARBARA, CALIFORNIA 93106-1150

### Contract Considerations/Checklist

This document is intended to provide departmental guidance in making preparations required for any contract request. The materials provided below contain a non-exhaustive general checklist of procedures to follow in order to effectively request a contract.

Questions about contracts? E-mail [contracts@bfs.ucsb.edu](mailto:contracts@bfs.ucsb.edu)

1. **Supplier Quote or Proposal.** Obtain a quote or proposal from the supplier;

# What takes so long?

We have a checklist that includes **over 130 items to consider**, and **over 50 PO clauses** we hand select for each requisition. Examples include:

Can the vendor accept a PO instead of requiring a signature?	Is it a professional service or consultant? Is it a follow-on agreement?
Will the supplier come onsite?	Do we need to go out for formal bid?
Do we need to collect insurance?	Is it subject to Prevailing wage or Fair Wage?
Are the items restricted?	Will the services include protected/confidential info?
Is the order shipping internationally?	Is the sole source and/or price reasonableness justification valid and legal?
Can we use a UCOP supplier?	Is there an approved Rate & Recharge package?
Is this subject to export control?	Does the quote have terms and conditions?
Are we the correct department?	Will the UC name or logo be used?

# Contracts: Tips for Expediting

- Ask the vendor if they will accept a purchase order in lieu of signing a contract
- Please attach a Form A if using federal funds over \$9,999.99, or non-federal funds over \$99,999.99
- If your department is asking Procurement Services to write a contract, please attach a fully completed Request for Contract form with all the "who, what, where, when, why" information
- Know what the Statement of Work is; if you doesn't know what the SOW is then it's likely we won't know either!



- Procurement Helpdesk:

Email: [help@gateway.procurement.ucsb.edu](mailto:help@gateway.procurement.ucsb.edu)  
[bfs.ucsb.edu/procurement](http://bfs.ucsb.edu/procurement)

- Contracts Helpdesk

Email: [contracts@bfs.ucsb.edu](mailto:contracts@bfs.ucsb.edu)  
[bfs.ucsb.edu/procurement/contracts-property](http://bfs.ucsb.edu/procurement/contracts-property)

THANK YOU

