

STANDARD OPERATING PROCEDURE: 4.0 CONTRACT MANAGEMENT

This procedure is in accordance with Purchasing Policy [20.1.11](#).

Introduction

Procurement contract management at Rutgers can be summarized as the process of systematically and efficiently managing contract creation, analysis, negotiation, and execution for the purpose of maximizing operational performance and minimizing risk. This may entail negotiating the terms and conditions in contracts, ensuring compliance with the terms and conditions, as well as documenting and agreeing to any changes or amendments that may arise post contract execution.

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Definitions

Amendment: A formal change to an existing contract or other legal document, such as modifying terms and conditions. This may be done through a Rutgers or supplier amendment or a Supplemental Statement of Work (SOW).

Contract: An agreement between two or more parties with specific terms and conditions, wherein an offer to provide something is made by one party and accepted by another party in return for consideration of some kind.

Contracts Plus: RU Marketplace solution that allows the University to see the contract processing stages of certain contracts including those resulting from competitive requests for proposals issued by UPS and university-wide contracts. It also serves as a repository for contract documents and information and allows for advance notice of contract expiration and/or renewals to be made to the appropriate unit.

Expired Contract: A contract has fulfilled its contract term and is no longer active for purchasing. If the unit requires the goods and services to continue, a new procurement must take place (ex. bid, waiver, quotes, etc.).



Group Purchasing Organization (GPO): A GPO is an organization that is created to leverage the purchasing power of a group of businesses or organizations to obtain discounts

Non-Disclosure Agreement (NDA): A legal contract between at least two parties that outlines confidential material, knowledge, or information that the parties wish to share with one another for certain purposes but wish to restrict access to outside parties. It is preferred to use the university template if possible. However, a non-university template may be authorized upon contract management review, negotiation, and approval.

RU Marketplace: RU Marketplace is the university online system that covers all stages of the procurement-to-payment process. This system provides a comprehensive approach to the provider and end user. The tool also allows for data analytics by measuring the effectiveness of contracts, transaction approval cycle times, and use of automated invoice processing.

Standard Operational Procedure (SOP): A set of instructions that functionally describes the key procedures.

Statement of Work (SOW): A complete and detailed description of all goods and/or services to be delivered to Rutgers including specifics such as cost, milestones, deliverables, and timelines. This must include everything the unit expects to receive as a result of the purchase.

Supplemental Statement of Work: A complete and detailed description of the requested changes to an original SOW already issued under a Rutgers Purchase Order. These service engagement changes may include a service date extension, changes or additions to the services being rendered including deliverables or milestones (if any), and/or an increase to the fees and expenses.

Supplier: Any individual, company, corporation, partnership or sole proprietor that provides goods or services to the University.

Terminated Contract: A contract that has been terminated, at the direction of the unit or supplier. The contract will no longer be active for purchasing.

Unit: Department within the University (e.g. UPS, Facilities Department, etc.).

Procedures

Throughout the contracting process, there are several steps that occur including contract analysis, negotiations, edits, and signature, among other things. UPS is responsible for steering all phases of this process for agreements or contracts which result in the issuance of a university purchase order. Unsigned contracts for unit-specific goods and services should be attached to the corresponding requisition. The unit is responsible for the content of the SOW for unit specific contracts.

4.1 What is a Procurement Contract?

A procurement contract is a legal document between Rutgers and a supplier for the provision of goods and/or services, which includes factors such as pricing, length of contract, deliverables, timelines for deliverables, quality requirements, and payment information. The contract also establishes the terms and conditions that govern the relationship between the parties. All procurement contracts will be reviewed by UPS and only UPS has the signature authority to execute contracts for the procurement of goods and services, unless there has been specific delegation pursuant to University Procurement & Payment Policy 20.1.11, Section B.

4.2 When is a Procurement Contract Needed?

A procurement contract is needed when goods and/or services are procured by Rutgers, unless otherwise specified. When possible, the unit should procure goods and services from suppliers that already have contracts in place with Rutgers. Units are advised to check [RU Marketplace](#) and the UPS website under “Find Products and Services” and to submit a requestion in RU Marketplace linking the appropriate contract. If a contract is not already in place for the desired good or service, the preferred method of contracting with a supplier is to issue a purchase order in RU Marketplace, attaching a quote or statement of work.

If a supplier will not accept a standalone purchase order or if further details of the transaction are required, then units should refer to the various contract types (see below) that Rutgers uses to engage a supplier.

4.3 Contract Types

Rutgers utilizes various contract types to bind two or more parties with specific terms such as:

- Purchase Orders (PO)
- Master Service Agreement (MSA)
- Service Agreement (SA)
- IP&O Agreement

4.3.1 Rutgers Contracts Include:

- **Purchase Orders (PO):**

Purchase orders (POs) represent the overwhelming majority of procurement contracts and are the standard form used to procure goods and/or services for Rutgers. Goods orders require a quote from the supplier and service orders require a Statement of Work that provides the detailed description of the services, deliverables, price, and the length of term, among other items. Rutgers form Statement of Work is available on the UPS website under Contracting Forms. The PO also incorporates the University Procurement Terms and Conditions that protect the University’s interests. Upon acceptance by a supplier, a PO becomes a contract binding both parties.

If the PO alone is insufficient, UPS may utilize one of the Rutgers standard contract templates for provision of goods and/or services which should be used whenever possible:

- **Master Service Agreement (MSA):**
 - **Option 1:** A university-wide engagement with a defined SOW including fees and expenses (e.g. copiers, office supplies, lab supplies, etc.) with one supplier. The University enters into this contract when there is a repetitive need to purchase the same type of good or service from a supplier at established prices.
 - **Options 2:** The Master Service Agreement is also used for an agreement with one supplier that allows units university-wide to purchase goods and/or services from the supplier. In this instance, there is no defined SOW or fees and expenses, however the terms and conditions of the agreement have been established. The unit must establish a defined SOW(s) including fees and expenses for all purchases (e.g. consulting firms), which will be governed by the MSA. It is optimal to utilize this type of contract when units repetitively purchase goods or services from the same supplier(s).
- **Service Agreement (SA):** A unit-specific purchase of services, with a defined Statement of Work (SOW), including Fees and Expenses (e.g. parking services, photography services, etc.). The Rutgers Service Agreement form is located under Contracting Forms on the UPS website.
- **IP&O Agreement:** IP&O is responsible for negotiating and executing all construction project contracts. These contracts are not managed by UPS.

4.3.2 Supplier Contracts

When a Rutgers standard contract is not acceptable, a supplier contract may be utilized on case-by-case basis. UPS must negotiate terms and conditions for these types of contracts. An unsigned copy of the supplier contract should be attached to the requisition when submitted.

There are two types of supplier contract situations:

- a) A non-university contract is provided by the supplier that contains their terms and conditions. While this is not a preferred document to engage a supplier, Rutgers may authorize the use of this document upon UPS review, negotiation, and execution.
- b) A supplier submits a quotation with their terms and conditions. These are carefully reviewed by UPS. If the quotation is accepted with the supplier terms and conditions, then Rutgers will sign the quote and Rutgers terms and conditions will not apply.

4.3.3 Group Purchasing Organization (GPO), Cooperative, University and State Contracts

Pursuant to Rutgers' Procurement and Payment Policy 20.11.1, Rutgers may purchase goods and services through contracts competitively bid and/or negotiated by other entities that often leverage the purchasing power of a group of businesses or organizations to obtain better pricing and discounts from suppliers based on the collective buying power of that group. As a state institution,

and as an institution of higher education, Rutgers may utilize GPO, cooperative and New Jersey state contracts, as well as contracts competitively bid by other colleges and universities for its purchasing needs. A unit desiring to purchase through any of these types of procurement contracts must submit a requisition, attaching a quote that references the contract name and number. The name of the cooperative and contract number should also be included in the internal notes field of the requisition.

4.4 Contract Creation

Units will initiate the contracting process by submitting a requisition and attaching the following documents depending upon the type of contract:

- a) PO under Rutgers contract: punchout order through RU Marketplace; quote or Scope of Work form (non-punchout supplier)
- b) PO as contract: quote or Scope of Work form;
- c) PO with Rutgers Services Agreement: completed, unsigned Rutgers Service Agreement;
- d) PO with supplier agreement: unsigned supplier contract

*Please note that depending upon the type of commodity or service purchased and the procurement authority for the purchase, additional forms may also be required, see Section 5.0 Ordering Goods and Services for additional information (for example, ICED form, Waiver of Bid Form, etc.).

To initiate the creation of strategically sourced contracts, including University wide contracts, that will be stored in Contracts Plus, UPS staff will complete a Contract Request Form (CRF).

4.5 Contract Review, Negotiation and Execution

If the contract requires additional review and negotiation, UPS reviews and negotiates the terms and conditions, including but not limited to:

- 1) Seeking guidance as needed from internal resources (e.g. Risk Management, Office of General Counsel), as well as the unit.
- 2) Negotiating the contract with the supplier. There can be an exchange of red-lined versions of the contract during the negotiation period. This may require UPS to re-engage internal sources for additional input.
- 3) Forwarding the contract for execution to the appropriate signatories as per the [Office of General Counsel, Signatory Authority Policy 50.13.3.](#) and Signature Matrix.
- 4) Attaching the fully executed contract to the PO when issued or publishing the fully executed contract in RU Marketplace Contracts Plus.



4.6 Contract Management/Tracking of Deliverables

Units are responsible for ensuring that the goods, services, deliverables, and supplier payments are consistent with the requirements set forth in the related procurement contract. Units are encouraged to use the [Contract Management- Tracking Deliverables spreadsheet](#) and the [Tracking Deliverables Process Instructions](#) (located on the UPS website under Contracting Forms) for federally funded contracts as per Uniform Guidance.

In the event of a service level discrepancy with a supplier, units are encouraged to contact the [UPS Help Desk](#) for assistance. The Help Desk will forward the request to the appropriate individual who can assist in resolving the dispute.

4.7 Contract Amendments

Situations may arise for units and/or suppliers that require contract modification. With all parties in agreement, a contract may be amended to adjust the original requirements and/or terms and conditions via a Rutgers or supplier amendment or Supplemental SOW. See Rutgers form Supplement Scope of Work found on the UPS website under Contracting.

4.8 End of Contract Options

Contracts Plus notifies UPS in advance that a Contracts Plus eligible contract is set to expire or renew within a specified amount of time. UPS then notifies the unit of the upcoming expiration or renewal. UPS can, at the direction of the unit, exercise any contract extension/renewal term(s) available with the supplier. At the expiration or termination of the contract, units can no longer utilize the contract for procurement.

Expiration of contracts that unit specific and attached to purchase orders must be monitored by the unit.

References

Campus Instructions (available via Canvas)

[Contract Management Process Instructions](#)

[Tracking Deliverables Process Instructions](#)

Process Flowchart (available via Canvas)

[Contract Management](#)

Revisions

Effective Date	Approver	Change Reference	Issue #
06/2023	M. Gower		3