

Processing University Contracts

NOTE: The website URL for **Workday reference guides** that are referenced in this section is:
<https://confluence.esg.wsu.edu/display/WKB/Workday>

OVERVIEW

This section explains the University contracting process and provides assistance to departments in the development, drafting, and processing of contracts.

A proposed contractual relationship or transaction that would commit University resources of any nature must be reduced to a written agreement. The agreement must be approved by appropriate University officials and signed by a University officer who has received written delegated authority from the Board of Regents or the President to sign such agreements (see *BPPM* 10.10).

Contract Defined

A contract is an agreement between two or more parties creating obligations that are enforceable or otherwise recognizable as law.

Central Contract Administration Offices

Several central administration offices process contracts for the University. See [Table 1](#).

Contractual Delegation

The University President has delegated in writing specific contract authority to certain named University officials, referred to herein as contract delegates. (See *BPPM* 10.10). Such delegation is made by delegation letter. Real Estate and Business Operations (REBO) maintains a webpage with a list of all current contract delegates and a copy of each delegate's delegation letter describing the scope of the delegated authority at:

rebo.wsu.edu/delegate-list/

General Questions

For answers to general questions about contract processing, contact the Office of Finance and Administration; telephone 509-335-5524.

Complex Agreements

Any central contract administration office or contract delegate may request assistance from REBO or Purchasing Services when an agreement is unusually difficult to draft or negotiate or requires executive-level involvement.

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Table 1 - Contract Administration Offices

Office	Contract Types	Other BPPM References
Real Estate and Business Operations (REBO) (telephone 509-335-2252)	Real Estate (sales/purchases/leases)	20.45
	WSU Facilities Use	20.40
	Interlocal and Interagency Agreements (between WSU and other governmental entities)	
	Revenue-generating Agreements	
	Speakers or Performers for Entertainment	
	Academic Programs (domestic and international)	
	Affiliation Agreements (internships/student teaching)	
	Miscellaneous Agreements	
Purchasing Services (telephone 509-335-3541)	Personal Services Contracts	70.50
	Purchased Services	60.01
	Equipment	Chapter 70
	Software	70.24
	Goods	Chapter 70
	Speakers or Performers for Entertainment	
Office of Support and Operations (ORSO) (telephone 509-335-9661)	Sponsored Projects	Chapter 40
Human Resource Services (HRS) (telephone 509-335-4521)	Personnel	Chapter 60
Provost's Office (telephone 509-335-5581)	Faculty Employment	60.11, 60.25
Facilities Services, Capital (telephone 509-335-5571)	Major Capital Construction (including consulting)	
Facilities Services, Operations (telephone 509-335-9000)	Minor Capital Construction (including consulting)	80.56

CONTRACT PROCESSING The procedures in this section apply to contracts processed by REBO, Purchasing Services, and contract delegates.

Workday Processes

All University contracts must be entered into Workday.

In Workday, revenue and no-money contracts with external customers are processed as customer contracts. Contracts for goods and services from external vendors are processed as supplier contracts.

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Workday Processes (cont.)

Direct access to create, edit, and amend customer or supplier contracts is available to employees assigned with customer contract specialist and/or supplier contract specialist Workday roles only. (See *BPPM* 85.33 regarding assignment of security roles.) The customer contract specialist and/or supplier contract specialist roles are reserved for contract delegates. Thus, only contract delegates may create, edit, and amend customer or supplier contracts directly in Workday.

All other departmental personnel must use the Create Contract Request business process in Workday to submit a contract to REBO or Purchasing Services for processing.

Workday Reference Guides

The indicated personnel are to refer to the following Workday reference guides for instructions:

- Customer contract specialist: Workday Create Customer Contract, Edit Customer Contract, and Amend Customer Contract
- Supplier contract specialist: Workday Create Supplier Contract, Edit Supplier Contract, and Amend Supplier Contract
- Other departmental personnel: Workday Create Contract Request

Contracting Steps

Contracting is made up of five distinct steps: negotiation, drafting, review, approval, and performance.

Delegates

Contract delegates are responsible for completing and/or administering all steps of the contracting process for the contracts signed by the delegate.

Delegates should start by creating the proposed contract (or amendment) in Workday using a Create Customer Contract, Amend Customer Contract, Create Supplier Contract, or Amend Supplier Contract business process.

NOTE: The contract delegate must verify that the counterparty is in Workday prior to creating the proposed contract. If the supplier or contractor is not in Workday, the contract delegate completes:

- A Create Supplier Request process in Workday to request that a supplier be added to Workday, *or*

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Delegates (cont.)

- The customer creation process by contacting the Controller's Office to request that a customer be added to Workday.

Repeating Steps

During the negotiation, drafting, and review stages of contract preparation, the negotiator and other University representatives often provide the other party with information regarding contract terms and conditions. The response from the other party may require additional negotiation, redrafting, and further review.

Negotiation

The proposing department is responsible for negotiating the terms and conditions that are unique to the requested agreement, e.g., scope of work, quantity, quality, price, deliverables, timelines, work product, and other specific rights, responsibilities, and obligations of the contracting parties.

The individual with the most knowledge of the desired relationship or transaction should conduct the negotiations. The proposing department may request assistance with negotiations from REBO or Purchasing Services.

The negotiator is to make it clear to other parties that ultimate University approval of the contract can only be conferred by a University official holding delegated authority to sign contracts on behalf of the University.

Drafting

The proposing department is responsible for originating contract drafts, and/or providing complete details regarding the needed terms and conditions, and providing all requested supporting information. The contract draft must include standard University terms and conditions applicable to the type of contract being drafted.

For preparation of initial contract drafts, proposing departments should check the REBO or Purchasing Services webpages to determine if there is an applicable model contract template.

REBO contract templates may be viewed at:

rebo.wsu.edu/templates/

Purchasing Services' personal services template may be viewed at:

purchasing.wsu.edu/personal-services-contracts/

The use of a model template substantially expedites the University review and approval process.

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Review

Departmental Review

Contract delegates should exercise their reasonable judgment to determine what departmental review(s) are appropriate for the contracts they sign. Contract delegates are responsible for obtaining and documenting such review(s).

Prior to submission to REBO or Purchasing Services, a proposing department must complete, among other things, a Contract Request form. To obtain the form, contact REBO or see the REBO website at:

rebo.wsu.edu

The Contract Request form must be signed by an administrative approver. Acceptable administrative approvers are the appropriate dean, vice dean, director, chair, chancellor, vice chancellor, vice president, associate vice president, or equivalent area administrator or executive, or other administrative approver indicated on the Contract Request form. By signing the Contract Request form, that administrative approver warrants that they have reviewed the contract and approves the transaction, unless expressly indicated otherwise.

Proposing departments must also obtain any other necessary departmental review(s) prior to submitting a contract to REBO or Purchasing Services.

Proposing departments should verify that the department is able and willing to bear the financial responsibility of a contract by seeking fiscal review from departmental reviewers prior to submitting the contract to REBO or Purchasing Services for processing. Additionally, official fiscal review and approval is done in Workday after REBO or Purchasing Services creates the contract in Workday.

Submission to REBO or Purchasing Services For Review

To submit a contract to REBO or Purchasing Services, the proposing department completes a Create Contract Request business process in Workday. See the Workday Contract Request Reference Guide for instructions and required information. The process summarizes the proposed contract and indicates potential commitments of University resources.

The proposing department includes a fully and properly completed Contract Request form, a copy of the proposed contract (or, when

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Submission for Review (cont.)

the proposing department is requesting REBO or Purchasing Services draft the contract, complete details regarding the needed terms and conditions), and any additional required documents. A list of possible required documents is available at:

rebo.wsu.edu/required-documents/

NOTE: The proposing department must verify that the counterparty is in Workday prior to submitting a contract to REBO or Purchasing Services for processing. If the supplier or contractor is not in Workday, the proposing department completes:

- A Create Supplier Request process in Workday to request that a supplier be added to Workday, *or*
- The customer creation process by contacting the Controller's Office to request that a customer be added to Workday.

Workday then routes the Create Contract Request and related materials to REBO or Purchasing Services.

REBO or Purchasing Services Review

REBO or Purchasing Services reviews the submitted materials and, if all materials are properly submitted, proceeds to process the contract.

The first step in processing, after creating the contract in Workday, is obtaining fiscal approval by sending the contract in Workday to the appropriate cost center manager, gift manager, grant manager, project manager, program manager, or IT manager.

After such approval, REBO or Purchasing Services, working with the proposing department as necessary, refines and revises the contract until REBO or Purchasing Services and the proposing department are satisfied that the contract is in final form.

The proposing department should allocate adequate time for this part of contract preparation. Early review of the draft by REBO or Purchasing Services usually expedites the contract preparation.

Other Review

When a draft contract processed by REBO or Purchasing Services involves the issues listed below, REBO or Purchasing Services ensures that appropriate offices review the document.

Contract delegates are responsible for obtaining and documenting these review(s) for the contracts they sign.

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Other Review (cont.)

- Ethics issues: Office of Internal Audit (telephone 509-335-2001)
- Legal issues, e.g., indemnification, arbitration, legal authority to enter the contract: Attorney General's Office (telephone 509-335-2636)
- Billing or tax issues: Controller's Office (telephone 509-335-2022)
- Patent rights, copyrights, trademarks, data rights: Office of Commercialization (telephone 509-335-5526) and Trademarks Office (telephone 509-335-2202)
- Insurance: Risk Management Services (telephone 509-335-6893)
- Computer equipment, services, or software: Information Technology Services (telephone 509-335-4357).

Approval

The proposing department obtains administrative approval. REBO or Purchasing Services obtains approval as to form, if needed, and final approval.

Administrative Approval

The proposing department is responsible for obtaining appropriate administrative approval to proceed with the agreement. Such approval is generally evidenced by a signature from the approving administrator on the Contract Request form when the contract is submitted for processing, as discussed above.

It may also be appropriate to have the approving administrator sign the final contract in a recommending capacity. This is determined on a case-by-case basis, generally at the discretion of the REBO or Purchasing Services.

A department or college may impose internal approval processes in addition to the University requirements described here.

Approval "As to Form"

REBO or Purchasing Services obtains approval *as to form* from the Office of the Attorney General when appropriate for contracts processed by REBO or Purchasing Services.

Contract delegates are responsible for obtaining and documenting this approval if needed for the contracts they sign.

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Approval "As to Form" (cont.) This approval merely indicates that all elements necessary to create a formal contract are present and that there is nothing that is contrary to state law in the agreement. Approval as to form does not confer approval of the proposed transaction on a policy level or indicate whether or not the proposed agreement and terms are beneficial or detrimental to the University.

This step may take several days.

Final Approval

Signature by an officer with delegated contract authority constitutes the official University final approval of the contract. This signature may be obtained either before or after signatures by other parties to the agreement. If any party seeks to make changes to a previously-signed contract, all signers of the contract must initial such changes.

Only those with delegated contract authority originating with the Board of Regents may sign agreements for and on behalf of the University (see *BPPM* 10.10). The Board of Regents by resolution has delegated certain contract authority to the President. The President has delegated in writing specific parts of that authority to the Vice President for Finance and Administration and other specifically named University officials. NOTE: Certain contracts require the approval of the Board of Regents.

Performance

The proposing department is responsible for the contract performance. Likewise, any obligations indicated in the contract remain with the unit, department, or college requesting the relationship or transaction. As such, during the administrative review the approving administrator should carefully review the agreement for commitments the department is required to provide or elicit from other parties.

If during the performance of the contract, it becomes apparent that contract changes are required; the proposing department initiates a revised contract proposal and processes the proposed contract using the procedure in this section. Such changes might include extending the time of performance, changing the scope, or changing costs.

Problem Resolution

The proposing department should seek assistance from REBO or Purchasing Services when resolving contract problems. If the resolution results in a change in terms and/or conditions, the new or amended contract must be processed using the procedure in this

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Problem Resolution (cont.) section. If the problem involves litigation or potential litigation, REBO or Purchasing Services seeks the assistance of the Attorney General's Office.

RECORDS

The University official who signs a contract as a contract delegate is responsible for making sure that correct and complete information is entered into Workday for each business process within that official's security role, and that the fully executed contract is uploaded to Workday at the end of the contracting process.