

Contracts and Leases for Goods and Service

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

CONTRACTS

The University negotiates contracts for purchases of goods and services which do not adapt themselves to traditional purchase order procedures. One example might be a contract with a private party or firm to develop a promotional video. Contracts require detailed terms and conditions addressing each party's responsibilities and the nature of the work involved.

Leases

Leases are one kind of contract and are appropriate when traditional purchase order procedures are not adequate. They are used frequently to purchase the use of equipment. For example, a lease is appropriate for certain photocopy equipment.

Occasionally, WSU enters into a lease-purchase contract for certain equipment items. Most lease-purchase agreements are financed through the state's lease-purchase program. Contact Purchasing Services for more information.

Duration

The lease and the contract usually have duration of one to five years. A traditional purchase order is typically completed in less than one year.

Responsible Offices

Contracts and leases for purchases of goods and services are processed through Purchasing Services. See *BPPM* 10.11 for other types of contracts and responsible offices.

Other Contracts

See *BPPM* 70.50 for instructions regarding personal services contracts. See *BPPM* 10.11 for processing other types of University contracts. See *BPPM* Chapter 40 regarding processing sponsored project contracts.

PROCESSING

Complete a Contract Request in Workday to initiate a contract for the purchase or lease of goods and services. See *BPPM* 70.10 and the Workday Contract and Request reference guide for instructions.

Memorandum of Agreement

Purchasing Services prepares an agreement containing the appropriate terms and conditions of the contractual arrangement.

Contractor's Forms

The contractor or lessor may furnish forms. These forms are used by the University upon review and approval of the Office of Finance and Administration and/or the Attorney General's Office.

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Contract Number Purchasing Services secures a unique contract number assigned by Workday. This number is used for filing and payment reference.

Distribution Purchasing Services distributes copies of the contract or lease as follows.

Contractor Two unsigned copies or two signed originals are sent to the contractor or lessor who signs and returns one original to Purchasing Services.

Controller's Office An electronic copy of the signed original is uploaded into Workday. The original copy of the contract is to be kept for audit purposes in the office of the delegated authority that signed the contract if not fully processed by electronic means.

Purchasing Services A copy of the completed contract is kept by Purchasing Services when signed by a Purchasing Services delegated contracting authority.

Department A copy of the completed contract is available in Workday for reference by the department.

PAYMENT PROCEDURES

Contractor's Invoice The contractor bills WSU with an invoice. If an invoice is not available, a State of Washington Invoice Voucher prepared by the WSU contracting department and signed by the contractor may be substituted (*BPPM 30.45*).

Contract Number The contractor puts the contract number on the invoice. If the State of Washington Invoice Voucher is used, the department puts the contract number in the order number box.

Approval A Cost Center Manager must approve each payment in Workday before the Controller's Office can pay the contractor.

AUTHORITY TO NEGOTIATE AND SIGN CONTRACTS Purchasing Services negotiates and signs most contracts and leases for goods and services between WSU departments and outside suppliers.

General Authority The following WSU officers also have broad authority to negotiate and sign contracts and leases with outside suppliers:

- Vice President for Finance and Administration
- Associate Vice President for Finance

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Specified Authority

Certain WSU officers have authority within specified areas of responsibility to negotiate and sign contracts and leases with outside suppliers. Address questions about specified authority to the Office of Finance and Administration; telephone 509-335-5524.

See *BPPM* 10.10 for a discussion of delegation of contractual authority.