

HOWARD UNIVERSITY POLICY

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| Policy Number: | 300-007 Business and Finance |
| Policy Title: | CONTRACTING POLICY |
| Responsible Officer: | Chief Financial Officer Delegated to: Chief Procurement Officer |
| Responsible Office: | Office of the Chief Financial Officer Delegated to: Office of Procurement and Contracting Office of the Controller |
| Effective Date: | June 28, 2021 |
| Next Review Date: | June 28, 2023 |

I. POLICY STATEMENT

The Office of Procurement and Contracts (OPC) is responsible for providing strategic sourcing guidance and ensuring due diligence in the acquisition of all goods and services for the Howard University (“the University”) and Howard University Hospital (“the Hospital”) with a goal of obtaining the highest quality products and services at the best value.

Most acquisitions of goods and services are processed via a Purchase Order as described in *Policy 200-003 General Procurement and Uniform Guidance*. However, for specialized and complex acquisitions, a Contract is required to clearly document the terms, conditions, and rights of each party. This Policy sets forth the review and approval process for all Contracts involving the expenditure of funds by the University and Hospital with the exception of Contract types listed in Section (VI).

II. RATIONALE

In a dynamic and litigious society, the contracting process must address a host of issues, including business concerns and legal, risk and tax, student and patient protected information considerations. These issues require expert review and are best resolved by formalizing agreements in writing. OPC has the expertise, central position, and accountability to review agreements for conflicts, business considerations and, as appropriate, to solicit additional input from the Office of the General Counsel (OGC) and other University Departments to help ensure that the University’s and Hospital’s interests are protected.

A representative can request scope of work and possible terms to obtain a quote or estimate to draft contracts terms for the requisition. However, the representative must be careful not to obligate the University and Hospital by agreeing, verbally or in writing, to any terms in advance of submitting a Requisition in the University’s Enterprise Resource Planning (ERP) system

and receiving from an OPC representative a cover sheet confirming completion of the review process.

III. ENTITIES AFFECTED BY THIS POLICY

This Policy pertains to all employees and members of the University community who conduct business on behalf of Howard University, including Howard University Hospital. All references to the University include Howard University Hospital.

IV. DEFINITIONS

- A. **Contract** – An enforceable written agreement between two or more persons or entities in which each party makes promises to the other in return for a valuable benefit as consideration, such as money.
- B. **Eligible Contract** – A Contract which is not listed as an Exception in this Policy in Section VI.
- C. **Contract Signer or Authorized Signatory** – A Cabinet member whose position is designated for such authority under *Policy 300-005 Contract Signing Authority Levels and Administrative Requirements*, the Chief Procurement Officer, or an employee who has been granted a written delegation of signature authority pursuant to a letter signed by the President of the University. Contracts binding the University can be signed only by authorized signatories holding such a delegation.
- D. **Contract Management System (CMS)** – Typically, a software which integrates with an ERP system used to automate and streamline the contracting process. The CMS provides secure comprehensive visibility into contract and renewal information with configurable alerts, including views of all contracts and their interrelationships with each collaborator (e.g., OGC, Controller’s Office, Risk Management, Accountable Units, Vendors, Signers, etc.), utilizes agreed-upon approval workflows, and manages contract value and obligations within a central repository.
- E. **Purchase Order** – A document issued by the Office of Procurement and Contracting indicating types, quantities and agreed-upon prices for products or services a vendor will provide to the University. Sending a Purchase Order to a vendor may constitute a legal offer extended by the University to buy products or services and can only be sent by appropriate personnel from the Office of Procurement and Contracting. All Purchase Orders must be signed by the Chief Procurement Officer to be considered valid. Purchase Orders with a value of \$250,000 or greater must include the signature of the Chief Financial officer. Purchase Orders with a value of \$1,000,000 or greater must include the signature of the Chief Financial Officer, and the President. Purchase Orders with a value greater than \$5,000,000 must include the signature of the Chief Financial Officer, the President, and the Board of Trustees must be noticed of the transaction.
- F. **Requester** - A University employee who has been trained and granted access to submit Requisitions for the purchase of goods and services in the University’s ERP system.

G. **Requisition** – An electronic request for the purchase of goods and services submitted via the University’s ERP system to OPC for consideration.

V. POLICY PROCEDURES

OPC will process only Requisitions which have been fully approved. An approved Requisition, including an executed Contract if required, ensures that all transactions will be sufficiently documented, accurately, and completely recorded, charged to the proper accounting period (fiscal year), properly classified as to expense categories, budget checked, and complies with the University's Procurement and Contracting policies, procedures and Office of Management and Budget (OMB) Uniform Guidance.

Please refer to the Contracting Process Standard Operating Procedures located at [Contracting Process Standard Operating Procedure \(SOP\) | Howard University Office of the Secretary](#) for the business process.

VI. EXCEPTIONS

The following Contract types are **exceptions** to this Policy:

- A. Research Administrative Services (all externally funded programs)
- B. Material Transfer Agreements
- C. Purchase, Sale, Lease of Property
- D. Employment Agreements
- E. Game Scheduling Agreements
- F. Gift Agreements
- G. Licensing Agreements
- H. Academic Affiliation Agreements
- I. International Affairs Agreements
- J. Graduate Medical Education (GME) Contracts
- K. Physician Contracts
- L. Sale, Use, and Licensing of Intellectual Property
- M. Payor Contracts

VII. ENFORCEMENT

The enforcement of this Policy shall comply with the policies and procedures set forth in the Employee Handbook, Student Handbook, and by the Office of Human Resources and the Office of Student Affairs. The range of disciplinary actions in response to violations of this Policy shall include:

- A. Termination of employment or student enrollment status.
- B. Revocation of ERP access.

Department budgets shall bear the expense of unfavorable Contracts, to include but not limited

to late and legal fees.

VIII. OTHER RESOURCES

Please refer to the following resources for more information:

- Contracting Process Standard Operating Procedures
- 200-003 Procurement General
- 300-005 Contract Signing Authority Levels and Administrative Requirements
- Office of Management and Budget (OMB) Uniform Guidance
- Office of the General Counsel Website
- Howard University Policy Website