Chapter 330, Financial Management and Services
Section 05, Business & Revenue Contracts
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Responsible Department: Contracting Services
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I. Purpose

This section provides the policies and procedures for processing business agreements between the University and other parties, including expense, revenue generating, and non-monetary agreements.

II. Policy

A. The Business & Revenue Contracts Office reviews, writes, and negotiates the types of business agreements listed in the "UC Davis Business Contracts and Services Reference Manual" located online at http://afs.ucdavis.edu/our_services/contracting-services/business-contracts/index.html, for the UC Davis campus, including a limited number of contracts for the School of Medicine and the School of Nursing, to ensure compliance with systemwide policies.

B. A written agreement, including terms and conditions governing the transaction, is required anytime services are provided, money is exchanged, or a business relationship exists that poses potential liability to the University.

C. Authority to sign agreements is limited to the specific individuals and types of agreements delegated through DA 1058.

Persons making unauthorized commitments on behalf of the university may be held personally responsible.

D. All business agreements, including purchase orders provided by the contractor, must be reviewed and signed by Business & Revenue Contracts to ensure compliance with University policies. All agreements must be fully negotiated and signed by both the University and the contractor prior to commencement of services.

E. Agreements must use "The Regents of the University of California" as the official name of the University.

F. California Public Contract Code Sections 10515 through 10524 restricts the way UC does business with consultants, employees, and former employees as follows:

1. Consultants who have performed work for the University cannot participate in subsequent projects relating to the consultant's findings.

2. If a multi-phase project is contemplated, such as a pilot to be followed by full implementation, any agreement should cover all potential phases of the project with appropriate language reserving final cost figures and the University's sole discretion to proceed or not with full implementation.

3. If an employee-vendor relationship exists, the requirements of Section 350-90 must be followed. Former employees may also have an employee-vendor relationship as defined by BUS 43, Section III, Part 5

4. An employee may not make or participate in making a decision when a financial conflict of

interest exists (see Section 380-16).

5. University employees may not contract as individuals (independent contractors) with any university department to provide goods or services as an independent contractor. UC employees with teaching or research responsibilities are exempted from this provision of the statute but are still subject to University guidelines for employee-vendors.

6. Employees may not engage in any employment, activity or enterprise from which the employee receives compensation, or in which he or she has a financial interest, and that is sponsored or funded, in whole or in part, through a contract with the University.

7. A former University employee cannot enter into a contract, for two years from the date of separation, to perform work related to contracts that were planned, negotiated, or executed by that employee.

8. A former University employee cannot enter into a contract, for one year from the date of separation, to perform work on a contract if he or she was employed by that department in a policymaking position in the same general subject area as that contract.

III. Roles and Responsibilities

A. Requesting Department

1. Communicates with the contractor to formalize a complete scope of work and the total cost of the work. If the university will be providing services pursuant to the agreement, all costs of performing the services must be recaptured in the rate(s) charged (see Section 340-09).

2. Submits all PO documents to Contracting Services for review and approval.

3. Obtains approval of the business agreement from the department head, director, or designee prior to submittal of a Purchase Requisition (Req) or Purchase Agreement (PA) document.

4. Initiates the Req or PA document with all required supporting documentation attached (see http://afs.ucdavis.edu/our_services/contracting-services/business-contracts/index.html for information about required supporting documentation).

5. If changes are necessary after a contract is executed, obtains departmental approval for changes including but not limited to extension of the termination date, expansion of the scope of services, or modification of payment amounts. Following such approval the department must initiate an amendment request in KFS, documenting the reason(s) for the change(s).

6. Ensures that services do not continue beyond the contract expiration date.

B. Business & Revenue Contracts Office:

1. Reviews the Req or PA document and all supporting documentation.

2. Issues, when required, a Request for Information or Request for Proposal document to obtain competitive proposals from qualified and responsible contractors.

3. Determines if an employer-employee relationship exists with the proposed vendor.

4. Drafts an agreement with necessary terms and conditions, or reviews terms and conditions of other party's agreement or PO.

5. Negotiates legal and policy matters with other party as necessary, including reservation of rights to future research results (see Principles Regarding Future Research Results).

6. Secures required approvals from Campus and Office of the President officials, including Office of the General Counsel, when required.

7. Secures the signature of the other party and obtains a signature on behalf of UC Davis.

8. Attaches a copy of the completed agreement to Req or PA

9. Prepares an amendment to the agreement upon receipt of the complete amendment request.

10. Maintains a complete record for each agreement.

C. Business & Revenue Contracts Manager or Director of Contracting Services

1. Approves sole source justification documents, if appropriate.

2. Signs all agreements and amendments.

3. Approves exceptions to payment procedures, if necessary.

4. Assures that adequate records are retained to document transactions per BFB BUS-34.

5. Submits reports as requested by campus administration or UCOP as is necessary or upon request.

E. Accounting and Financial Services

1. Ensures that vendors are not paid prior to the signing of an agreement unless approved in writing by the Director of Contracting Services.

2. Makes payment in accordance with the schedule set forth in the agreement.

3. Reviews the vendor’s final invoice and issues payment.

4. Ensures no payments are made for services rendered after the expiration of the agreement.

IV. Further Information

Additional information is available from Business & Revenue Contracts, Contracting Services (Davis campus); (530) 752-0370, http://afs.ucdavis.edu/our_services/contracting-services/business-contracts/index.html.

V. References and Related Policies

A. California Constitution, Article IX, Education, Section 9,

B. California Public Contract Code Sections 10515-10524.

C. Political Reform Act of 1974, California Government Code Sections 81000 through 91014.

D. UC Office of the President:

1. BFB BUS-34, Securing the Services of Independent Consultants.

2. BFB BUS-43, Section III, Part 5, Employee Vendor Relationships.

3. BFB BUS-77, Independent Contractor Guidelines.

4. DA 1058, Delegation of Authority—Execution of Agreements.

5. Principles Regarding Rights to Future Research Results in University Agreements with External Parties.

E. UCD Policy & Procedure Manual:

1. Section 210-05, Affiliation Agreements.

2. Section 310-65, Use of the University's Name, Seal, and Other Trademarks.

3. Section 340-09, Sales of University Goods and Services to Non-University Users.

4. Section 340-30, Disposal of Agricultural By-Products.

5. Section 350-65, Loans, Gifts, and Transfers of Equipment.

6. Section 350-90, Employee-Vendor Transactions.

7. Section 380-16, Conflict of Interest.

8. Section 380-70, Consultant Agreements.

9. Section 380-71, Independent Contractor Agreements.