

## UC Davis Policy and Procedure Manual

### Chapter 330, Financial Management and Services

#### Section 05, Administrative Business Agreements

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Responsible Department: Materiel Management

Source Document: Business and Finance Bulletin 34, Securing the Services of an Independent Consultant; Business and Finance Bulletin 77, Independent Contractor Guidelines; California Public Contract Code Sections 10515-10524

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#### I. Purpose

This section outlines policies and procedures for processing business agreements between the University and other parties, including expense, revenue generating and non-monetary agreements or memoranda of understanding.

#### II. Policy

- A. The Business Contracts Office processes business agreements that support administrative functions, whether those agreements are generated by an academic or administrative department. These include both revenue and expense related agreements described below:
  1. General agreements that support public teaching aspects of University mission that do not generate money and that are not affiliated with research grants or faculty service agreements.
  2. Agreements generated by administrative departments within schools and colleges of UC Davis for support of general business operations. (See <http://purchasing.ucdavis.edu/geninfo/whatisaBC.cfm> for examples.)
- B. Other business agreements are processed as follows:
  1. Customary purchasing functions are processed by the campus and UCDHS Purchasing departments. (See Chapter 350 of this manual for the Davis campus and Chapter 2200 of the UCDHS Policies and Procedures Manual for UCDHS).
  2. Commercial software license agreements are processed by the Purchasing Department. (See Section 350-26.)
  3. Requests for licensure to use UCD trademarks on commercial products are submitted to the trademark licensing coordinator, Student Affairs Office. (See Section 310-65.)
  4. Purchase and lease/rental of equipment, rental of storage space, use of non-University facilities, whether it includes catering services or not, and rental of exhibitor booth space are processed by the Purchasing Department. (See Section 350-30.)
  5. Loans of equipment to the University are processed by individual departments by means of the standard Equipment Loan Agreement form. (See Section 350-65.) Departments have authority to sign the UC Equipment Loan Agreement in its unmodified state only. If a lender requests any changes to the UC form, or asks that another agreement be signed, obtain a copy of the requested changes or substitute agreement, fill out the Equipment Loan Agreement and fax all documents to Business Contracts using a Cover Sheet for Requisition Attachments. A DaFIS Requisition (PR) for a "no-cost" agreement (NC order type) is also required. Only Business Contracts has the authority to sign a modified or supplemented UC Equipment Loan Agreement.
  6. Unconditional gifts are processed by the Gifts Acceptance Office of the Office of the Vice Chancellor--University Relations. (See Section 260-15.)
  7. Sales of agricultural and animal by-products are processed as described in Section 340-

30. If a buyer submits his/her own purchase order or you require a business agreement to be processed, contact the Business Contracts Office.
  8. Agreements for sponsored research are processed by the Office of Research—Sponsored Research. (See Section 230-01.)
  9. Legitimate news agencies are not required to obtain a permit or contract to film (including interviews) on campus property for news reporting purposes. Questions regarding status as a legitimate news agency should be directed to UC Davis News Service. Any other on-campus filming requires a permit and must be approved by Public Communications prior to requesting the permit from the Business Contracts Office as per IV, below.
  10. Any leases or license agreements for the use of off-campus space; and any leases, licenses, or easements to a third party for any on-campus space are processed by the Office of Resource Management and Planning, Real Estate Services (530-757-3407).
  11. Agreements for activities at or for the UCDMC and the School of Medicine are processed by the UCDHS Contracts office. Specific information on the types of contracts processed through this office is available at <http://intranet.ucdmc.ucdavis.edu/contracts>.
- C. California Public Contract Code Sections 10515 through 10524 restrict the way UC does business with consultants, employees, former employees and independent contractors. It primarily impacts the following three business practices:
1. Successor Contracts
    - a. A person or business entity awarded a consulting services agreement by UC shall not bid on or be awarded a successor contract to provide goods or services required, suggested, or otherwise deemed appropriate in the end product of the original consulting services agreement. In simple terms, consultants who have performed work for the University cannot participate in subsequent projects relating to the consultant's findings.
    - b. If a multi-phase project is contemplated, such as a pilot or prototype 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 discretion to proceed or not with full implementation.
  2. Employee Vendors
    - a. The statute prohibits university employees from contracting as individuals (independent contractors) with any university department to provide goods or services as an independent contractor.
    - b. In addition, the statute prohibits employees from engaging in any employment, activity or enterprise from which the employee receives compensation, or in which he or she has a financial interest, and which is sponsored or funded, in whole or in part, through a contract with the University.
    - c. 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 (See Section 350-90).
  3. Contractors who are former UC employees
    - a. 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.

- b. 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. Business Agreement Processing**

**A. Approvals**

1. Prior to submittal of a DaFIS Requisition (PR) document, along with any proposed agreement to Business Contracts, the general substance of the business agreement must be approved by the department head, director, (or designee). Proposals for cost recovery under a business contract must include full costs. (See also Section 340-09.)
2. No commitment may be made on behalf of the University, either orally or in writing, except by persons having formal delegations of authority for agreement execution. Persons making unauthorized commitments may be held personally responsible.
3. If work is done in response to an outside entity's purchase order, the University is obligated to comply with all the terms and conditions stated on the order, even if no signature is required. Outside purchase orders for University provided services or products must receive Business Contracts approval before any work begins.

**B. Processing time**

The time it takes to process an agreement is based on the type of agreement, comprehensiveness of information provided with the request, and Business Contracts' workload. Most agreements require 3 days to 3 weeks to complete after a DaFIS Requisition (PR) document is fully approved and has been assigned to a Business Contracts Analyst. Additional processing time will be required for complex agreements requiring review by several offices, those requiring the use of the Request for Proposal process, those that must be "tailored" for specific situations, and those requiring approval of The Regents and/or execution through the Office of the President.

**C. Agreement Implementation**

The initiating department is responsible for ensuring that all terms and conditions of a business agreement (e.g., payment of services, submission of invoices, preparation of reports, and compliance with schedules) are processed and documented.

**IV. Procedures**

Responsibility	Action
Department	<ol style="list-style-type: none"> <li>1. Inquires informally with other party to determine: <ul style="list-style-type: none"> <li>• Nature of work.</li> <li>• Where and when work is to be performed.</li> <li>• What University resources may be required, if any.</li> <li>• Whether other party provides a written agreement or purchase order.</li> </ul> </li> <li>2. Sends the following materials to Business Contracts as far in advance of event as possible and before any work begins: A DaFIS Requisition (PR) document to initiate the formal request for a Business Agreement.</li> </ol>

	<p>All attachments to the agreement request must be faxed to Business Contracts using a Cover Sheet for Requisition Attachments (e.g., detailed scope of work, budget, copies of grants or proposals, RFP specifications, Independent Contractor Pre-hire Worksheet, Sole Source Justification and Disclosure form if greater than \$15,000, and/or the Report of Possible Conflict of Interest form).</p> <p>The official name of the University corporation, "The Regents of the University of California," shall be used on all agreements.</p>
Business Contracts	<ol style="list-style-type: none"> <li>3. Assigns a Contracts Analyst to the project, and maintains a complete record for each agreement.</li> <li>4. Issues, when required, Request for Information or Request for Proposal document to obtain competitive proposals from qualified and responsible contractors.</li> <li>5. Negotiates legal and policy matters with other party as necessary, including reservation of rights to future research results (see UC Principles Regarding Rights to Future Research Results in University Agreements with External Parties, 8/26/99).</li> <li>6. Drafts an agreement with necessary terms and conditions, or reviews terms and conditions of other party's agreement or purchase order.</li> <li>7. Secures required approvals from UC Davis and Office of the President officials, including Office of the General Counsel, when necessary.</li> <li>8. Secures signature of the other party.</li> <li>9. Sends copies of completed agreement to initiating department and any other departments involved in performing terms of the agreement or processing invoices.</li> </ol>

**V. Further Information**

For information on specific agreements or processes, call the Business Contracts Office, (530) 747-3875. Information on Business Contracts, is available at <http://businesscontracts.ucdavis.edu/>. Business Agreement Requests for UCDHS are available at <http://intranet.ucdmc.ucdavis.edu/contracts>.

**VI. References and Related Policies**

- A. California Public Contract Code Sections 10515-10524 (<http://www.leginfo.ca.gov/cgi-bin/calawquery?codesection=pcc&codebody=&hits=20>).
- B. UC Office of the President (<http://www.ucop.edu/ucophome/coordrev/ucpolicies/>):
  1. Principles Regarding Rights to Future Research Results in University Agreements with External Parties, 8/26/99.
  2. Business & Finance Bulletin BUS-34, Securing the Services of an Independent Consultant.
  3. Business & Finance Bulletin BUS-63, Insurance Requirements/Certificates of Insurance.

4. Business & Finance Bulletin BUS-77, Independent Contractor Guidelines.
  5. Business & Finance Bulletin BUS-78, A Guide to the Political Reform Act of 1974.
  6. Business & Finance Bulletin G-39, Conflict of Interest Policy and Compendium of Specialized University Policies Guidelines, and Regulations related to Conflict of Interest.
- C. UCD Policy & Procedure Manual (<http://manuals.ucdavis.edu/PPM/about.htm>):
1. Section 230-01, Private Support of Research.
  2. Section 260-15, Solicitation and Acceptance of Gifts.
  3. Section 340-09, Sales and Reimbursement of University Supplies and Services.
  4. Section 340-30, Disposal of Agricultural By-Products.
  5. Section 350-26, Acquisition of Computers, Computing and Networking Equipment, and Commercial Software.
  6. Section 350-65, Loans, Gifts, and Transfers of Equipment.
  7. Section 350-90, Employee-Vendor Transactions.