



Contract Approval for Campus Organizations

Policy No.: 200-02

Effective: 11/01/04

POLICY:

All proposed contractual agreements which would bind California State University, Northridge (CSUN), must be reviewed by Purchasing and Contract Administration (Purchasing) prior to execution by individuals with contract signature delegation. This review is required regardless of monetary consideration.

PURPOSE:

The purpose of this policy is to ensure that all agreements that bind CSUN are reviewed for legal requirements, conformance to CSU and CSUN policies, and are reflective of good business practices including risk and budgetary assessments.

PROCEDURES:

The following procedures apply to agreements that would bind CSUN.

A. Contractual agreements issued by the CSUN:

- All proposed agreements and subsequent changes thereto must be forwarded to Purchasing for review and approval prior to execution. Departments should consult with the Purchasing Office early in the development of the agreement so as to necessitate only a cursory review by Purchasing of the proposed final agreement. Departments shall allow Purchasing at least five (5) working days for review and approval of the proposed final agreement. In those instances where a justifiable emergency exists, Purchasing must be notified of the immediate need to review the agreement.
- Purchasing will coordinate the review with the appropriate departments (e.g., Risk Management, Budget Planning and Management, University Controller, Facilities Planning, etc.). Purchasing will also coordinate with the Office of General Counsel on issues that may require legal review or opinion.
- Purchasing will coordinate any clarifications or revisions necessary to an agreement with both of the contracting parties.
- Once the agreement is ready for signature, Purchasing will forward the agreement to the individual with the appropriate signature delegation.
- Purchasing will maintain the central file for all agreements.

B. Guidelines for construction of contracts:

- Contracts may only be approved by individuals with specific contract signature delegation. Those individuals are the: President, Provost and Vice President for Academic Affairs, Vice President for Administration & Finance and CFO, and Associate Vice President for Financial Services and Manager of Purchasing & Contract Administration.
- A record of such delegations must be kept on file in the office of the Vice President for Administration and Finance and CFO who will be responsible for appropriate campus distribution of the contract signature delegations.

- Contract payments, whenever possible, should be based on a fixed fee basis as opposed to time and material payment(s).
- The project schedule will be clearly identified with milestones and deliverables that are quantifiable and measurable.
- A project manager will be identified for each contract. The project manager will be the University point of contact for the contract and is responsible for overseeing the project and approving invoices. A project manager cannot be a relative of the contractor or be any relative of any employee of the contractor's firm. Contractors cannot provide services for a campus department in which one of the contractor's relative works.
- Services should not commence until a Notice to Proceed is issued to the contractor by Purchasing.

C. Reporting:

Purchasing will provide the Vice President for Administration and Finance and CFO a yearly exception report of contracts that did not receive prior review and the actions taken by Purchasing to prevent future occurrences. This report will cover a fiscal year period and will be provided to the Vice President no later than 60 days upon the close of the fiscal year.

D. Support Services:

- Purchasing will conduct information and discussion sessions with all University Divisions.
- Purchasing will provide templates to assist all units in the negotiation and formation of contractual agreements.
- Purchasing and the Office of Insurance and Risk Management will afford advice and counsel to University Departments at any point during the contract/agreement process as requested.

Contacts:

Manager, Purchasing and Contract Administration
 Manager, Insurance and Risk Management

REFERENCES:

The following Executive Orders are referenced:

- [Executive Order 669](#) dated April 21, 1997, delegates to the President authority to execute lease agreement with limited exceptions.
- [Executive Order 775](#), dated June 6, 2001, delegates to the President authority to acquire personal property and services in accordance with the [CSU Policy Manual for Contracting and Procurement](#).
- [Executive Order 849](#) dated February 5, 2003, delegates to the President responsibility to ensure that the campus carries out management measures adequate to reduce campus and CSU Boards of Trustees risk exposures.

RESPONSIBILITIES:

Office of Purchasing and Contract Administration

APPROVED BY THE PRESIDENT