General Contract Policy

The following policy is intended to establish a framework for all contractual commitments that are entered into by the college for the procurement of professional or technical services, and in certain instances, intellectual capital that are not covered under either the Vendor Contract Policy or the Consultant Policy. In addition, these guidelines apply to instructional contracts. That is, contracts for activity directly related to classes or training, such as employment contracts for instructors. Types of contracts covered under this policy are: letters of appointment for adjuncts, professional associates, full time faculty, coaches, tutors, mentors and proctors; speaker engagements, union agreements, benefit events, clinical site contracts, grants, collaborations with other schools (Westchester Conservatory of Music), US DOE, NYS DOE and the NYC BOE,

The guidelines do not apply to the purchase of goods or supplies which should be covered under normal Purchase Order procedures. Traditionally these purchases do not require a contract unless they involve purchases that occur over a period of time.

Pre-Contract Activities:

1. Confirm, in writing, with the Director of Budgets that there are funds available in the budget to accommodate the costs associated with the contract for the following: professional associates, speaker engagements, union agreements, benefit events, clinical site contracts and collaborations with other schools. Upon approval, notify the Controller, who will encumber the necessary funds. Requests for new faculty positions are formalized via the Human Resources Faculty Request Form (FRF).
2. The contract should include the following, at a minimum:
   - **Contract Overview**- A brief description of why the service is being requested.
   - **Goal**- State the objective the contract is intending to accomplish. This should be followed by a series of specific objective statements.
   - **Tasks**- List the major task(s) to be completed with expected outcomes.
   - **Costs**- Specify the need for estimated costs, both total and itemized, with an appropriate degree of detail to assist in your decision making. If the contract is for a flat fee, state it.
   - **Completion Date**- Specify a completion date for the contracted services and interim checkpoints, if applicable.

What should be in the Contract?

1. Scope of work.
2. Start and End Dates.
3. Termination provisions for both parties.
4. An articulation of the duties and obligations of each party including how they are to be performed and timing requirements for their performance. This includes a description of the work to be performed or the services to be provided.
5. Determine if it is required that the vendor employees be bonded (insured).
6. Price(s) for the service(s) performed.
7. Payment terms, including, if applicable, discount incentives, payment schedules, prepayment requirements and deferred payment options.
8. Limits on Mercy College’s liability in the event of a default by the vendor or early termination by Mercy College.
9. A dispute resolution clause which includes where potential lawsuits may be filed (exclusive local jurisdiction, unless otherwise authorized by Mercy counsel).

10. No subcontracting of any nature may be done by any contractor, without Mercy’s prior written consent. Clarify any third party relationships which may result from the vendor subcontracting performance of the services. Such third parties should be identified to ensure they are not part of a list of disallowed vendors for Mercy College.

11. The vendor is independent of Mercy College and not an employee of Mercy College and may not bind Mercy College in any manner.

12. A statement that invoices for services and any other requests for reimbursement be sent directly to the Accounts Payable Department of Mercy College.

**Contract Approval Requirements**

All non-instructional contracts must be signed and approved by the manager of the department requesting the service and the VP/direct report to the President of the college within the departmental chain of command. The VP/direct report to the President has signing authorization and contract approval up to $50,000. The contract is then reviewed by the VP for Finance and Administration and will include the documentation that supports the encumbrance of funds authorized by the Director of Budgets. (See above item 1 in the “Pre-Contract Activities”). The contract is then sent to the Chief Operating Officer for approval if valued at greater than $50,000 and the President for approval if valued at greater than $100,000. Instructional and instructional related contracts adhere to the following: the President signs and approves all contracts for full-time and for visiting faculty. The Provost signs and approves administrative stipends for full-time faculty, and also all agreements with part-time faculty. Part-time faculty is defined as a professional associate, associate lecturer or adjunct.

- Contracts above $50,000 may require legal review and approval by a Mercy College appointed attorney with expertise in contract law.
- Contracts above $1,000,000 for any single school year or in excess of three years with an aggregate total in excess of $1,000,000 must also be reviewed by the Business Affairs Committee and signed by the college President or his/her designee.

In addition to these minimum approval requirements, other circumstances may exist which require additional reviews and approvals. For instance: the language within a contract may have content that could benefit by a referral to legal counsel prior to committing funds. Also, contracts for services which may not be recurring during the ordinary course of business, such as commitments for capital expansion or services impacting the strategic direction and public image of the college, should be reviewed by the college President and possibly a subject matter expert. The decision on these additional review requirements rests with the VP for Finance and Administration as part of his/her approval responsibilities.

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