Western Michigan University

Contract Review Guide and Procedures

Important:

1) University Contracts, which may include but not limited to agreements, contracts, memoranda of understanding, purchase orders, service agreements, website Click through’s (“I Accept”), other binding obligations for WMU such as the transfer of technology, non-disclosure agreements, international entities, field placement agreements, etc. are referred to within these procedures summarily as Contracts. This guide is designed to assist the university community in the procedures for Contracts. All contracts are governed by specific review procedures and expectations at WMU and are open for negotiation until the Contract receives final approval.

2) For Contracts involving the university purchase of goods or services the requestor must verify with the University Purchasing Department that the services being negotiated are not subject to University bidding requirements before proceeding. This process is referred to as the Request For Proposal (RFP) process and will need to take place prior to this review.

3) No member of the University faculty, staff, or student body is authorized to sign any Contract except for the President, the Treasurer, the Assistant Treasurer or other individuals who have been authorized in writing to do so by the Board of Trustees or the Treasurer. **Signing a Contract without authority to do so or signing a Contract that has not been submitted in accordance with these procedures may result in personal liability and/or disciplinary action against you.**

**Contract Review Process and Management Steps:**

Step 1 - Your Responsibilities - These are items that must be completed by you prior to Step 2. They may include non-binding negotiations, securing funding and unit approval, review of documents and completion of the Contract Checklist.

If a sponsored research contract is involved, check with the OVPR research contracts administrator to determine that all other additional required documentation, such as a proposal approval form (a.k.a. the “bucksheet”), has been completed. PI’s may outline and negotiate a non-binding, draft scope of work with an external sponsor before working with the Office of the VP for Research (OVPR).

Step 2 - Contract Review and Approval – This process will involve multiple areas that are experienced in reviewing Contracts for other potential concerns. It may also include additional follow up with you or the other contracting party.

Step 3 – Contract Management – Contract management is a critical component of the development of the relationship between WMU and external parties. The type of contract management required varies by type of contract. The contract management section provides suggestions on how to hold external parties accountable and manage Contracts effectively during their life cycle.

**Step 1 – Your Responsibilities:**

1) Contracts must be **read completely** by the requestor or PI to confirm that it includes what has been agreed to before submitting the Contract for review. This includes all exhibits, attachments and addendums.
2 For sponsored research Contracts WMU may be either the recipient or the distributor of funds. The PI is central in the disclosure of potential conflicts of interest and compliance information. The PI must secure approval of their research commitments by their College through the proposal approval form process (PAF or “bucksheet”). Research Contract review includes both a review of the Contract terms and conditions as well as of the disclosure/approvals made during the PAF process.

3 Fees or charges associated with the Contract are the responsibility of the requestor’s department/unit budget. Completing this process is not a guarantee of funding. Submitting a request for review signifies that the requestor has secured appropriate approval for honoring all costs associated with the entire term of the Contract.

4 Request all Contracts and attachments in Microsoft Word format and make changes to the documents using the Track Changes feature before submitting the Contract for review.

5 The requestor must complete the appropriate Contract Review Checklist that can be found at https://cms.wmich.edu/sites/default/files/attachments/u6/2017/wmu-research-handbook.pdf

6 Completed Contracts, exhibits, attachments, addendums and the appropriate Contract Review Checklist must be forwarded to the individuals indicated in the Routing Table below. These individuals will ensure that all necessary individuals/units that need to review and approve the Contract are included.

7 As other individuals/departments review the documents, they may have additional questions and/or checklists for you to complete. Your quick responses will expedite the review process.

8 Have you evaluated other changes that may be required if this Contract is implemented? Such as transitioning from one vendor to another or the impact on other systems and/or processes, have you fully disclosed and discussed with your chair and/or department all of the requirements for the successful completion of the research, are you comfortable with the terms and conditions of a sponsored research Contract that directly impacts you as a PI?

**Step 2 – Contract Review and Approval:**

You will need to determine the correct routing for review and approval process based upon the type, contents and/or funding of the Contract. After you have completed all of your responsibilities in Step – 1, use the Routing Table below and send the Contracts, exhibits, attachments, addendums and the Contract Review Checklist to the email addresses listed. In some cases you will need to send this information to multiple addresses.

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Once routed, each reviewer area will notify any other area that must be involved and provide those areas with the necessary documentation.

You will be notified of the status of the Contract, any additional changes or if the Contract is ready to be approved. If changes are required, those changes will have to be reviewed prior to approval. Once all parties agree then a clean copy of the Contract with all reviewing departments acceptance must be sent to designated party within the Routing Table under All Contracts. They will coordinate the approval signature process.

After a non-research Contract has been approved, 2 copies will be delivered back to you. You will need to send both signed copies to the vendor for their signature with instructions that one must be returned to you with their approver signature. You are required to keep the returned signed copy of the Contract within your department.

After a research Contract has been approved it will be provided to the post award office of Grants and Contracts who will forward the Contract to the PI, work with the PI to establish an account and management plan for the approved project, and act as the repository of the Contract.

**Step 3 – Contract Management:**

The following suggestions should help you in determining the performance of your vendor and should be used whenever possible for most types of Contracts:

1) Determine key performance indicators that will measure the performance you expect.
2) Establish goals where ever and whenever possible.
3) If necessary or appropriate, set penalties for unacceptable levels of performance. For example, reimbursement of fees, include these in your Contract.
4) Request regular operational reports from the vendor on work performed.
5) Hold quarterly review meetings where the vendor presents their performance and you have the opportunity to ask questions and challenge their presentation.
6) Discuss dispute resolution and budget concerns.
7) Develop action items to address for the next quarter and discuss them at your next quarterly meeting.
8) Conduct customer satisfaction surveys to validate performance from a customer perspective. Discuss the results at your quarterly review meetings.

Most follow up with Contracts involving research will be done by the office of Grants and Contracts working with the OVPR. For additional details about the role of OVPR and Grants and Contracts please see the Western Michigan University Research Handbook at: http://www.wmich.edu/sites/default/files/attachments/u6/2017/wmu-research-handbook.pdf or the website for OVPR wmich.edu/research or the website for Grants and Contracts wmich.edu/grantscontracts/.