

Mississippi Valley State  
University  
Contracting Guidelines  
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## 1. Purpose

This document has been developed to assist all parties in better understanding the processes and procedures associated with contracts at MVSU.

## 2. Rules

All contracts, agreements, memorandum of understanding or any other obligations or commitments to which the University will be held shall be entered into only after full compliance with these guidelines.

Authority to sign contracts, agreements, memorandum of understanding or any other obligations or commitments to which the University will be held must be signed by the University President. No one else is authorized to sign a contract unless they have been delegated by the President.

A contract is "an agreement between two or more parties creating obligations that are enforceable or otherwise recognizable at law". Black's Law Dictionary, Seventh Edition. With that background, all documents to be executed on behalf of MVSU and any of its subunits, whether the subunits are referred to as a Center, a Department, a College, or otherwise, and which will result in a "contract" between MVSU and a third party, must be handled consistently and must contain terms and conditions that are consistent with all applicable State laws, MVSU policies, and Board of Trustees policies.

A letter from the President authorizing an individual to enter into a contract does not act as an exemption to the process set forth below.

Contracts **must** be signed by all parties prior to the initiation of any services being provided.

## 3. Contracts

Contracting process - The following guidelines should be followed in obtaining contract approval:

If you're contracting with an individual and not a company, the first step is to have the [classification checklist/\(Vendor Application Page 2\)](#) completed and signed by the Department. This verifies that the consultant/contractor is an independent contractor. The classification check list should be review from time to time by the requesting department as a vendor status may change over a period of time.

Once you have the Classification Checklist back from the Department (please black out Social Security Number), complete the relevant parts of the [professional service contract](#). Name and address in the first paragraph, dates in the second section (you can edit this section if you need to change the wording); scope of work in section and payment and reimbursement terms in section. If the contractor will accept this contract, it will greatly reduce the time and effort involved in gaining approval.

Check Banner to see if the contractor is listed as a vendor and confirm that their information is correct. If they are either not listed or something in Banner needs to be changed, then you will need to send the contractor a [blank W-9](#). They will send their completed W-9 back to you (the department). If the W-9 contains a Social Security number then it must be sent back to you either via mail or hand delivered. You will then need to use mail or hand delivery W-9 to Purchasing Office. **Forms with Social Security numbers cannot be emailed.**

All Mississippi Valley State University (MVSU) standard form contract must have prior approved from the AG Office before they can be executed by the University. It is imperative that urge the use of MVSU Contracts.

Departments wishing to establish their own form of contracts should contact the Purchasing Department prior to doing so. No standard form contract can be entered into prior to the AG Office review.

If the contractor requires us to use their standard terms and conditions, we must conduct a great deal of additional legal review. If the contractor's proposed contract is in substantial agreement with our service contract, it is easiest to use our standard contract and have the contractor complete or sign our standard contract where it can identify the specific clauses which cause it problems and provide alternative language. This method is easier to review than an entire new contract document.

If the contractor insists on using their own contract form, the same process should be used but you must keep in mind the review process will take longer and there is a higher likelihood that changes will be required prior to approval.

It should be noted that there are some contracts, like many maintenance agreements, where the contractor has a standard agreement which they are required to use. In these cases the department is advised to submit the contractor's standard agreement with the understanding PURCHASING will most likely attach the [Standard Addendum](#) and approve the revised agreement in the hope that the contractor will accept the Addendum. Complete the [Contract Review Form](#) for verification and documentation of appropriate level of approval.

Instructions for completion of the Contract Cover Sheet and Routing Form are shown in Section 11.

- A minimum of two written quotes from two different competing vendors are required on all contractual service agreement between \$5,000.00 - \$75,000.00.
- These quotes must be forwarded to the MVSU Purchasing Department for verification.
- For contracts of less than \$25,000 the form does not need to be sent to the Purchasing Department. However, Department are urged to maintain some various forms of contract documentation should the need arises.
- For contracts over \$25,000 but less than \$75,000, the contract review form must be signed by the 1. Contract Administrator, the Department Head, 2. Area Vice President, 3. Director of Information Technology (if Required) 4. Vice President for Business & Finance, 5. Reviewer Administrator and 6. the President of the University and forward to the Purchasing Department.
- Service between \$75,000 and \$250,000 should be advertised barring and excluding any unforeseen emergencies
  
- For contracts over \$250,000 requires IHL Approval

Send the contract review sheet and Classification Checklist form (if required) to Purchasing Department, remembering to black out all Social Security Numbers. You should also cc the Purchasing Manager or Director.

The department may prefer to submit the contract to the President's Office for review prior to the contractor signing the agreement. When this happens, the President's Office or his designee will review the contract with the AG's Office, make any required changes, and, if appropriate, sign the contract. The President's Office will then send a notice of the approved contract to the department who should forward the contract to the contractor and request the contractor to sign and return the contract to President's Office or his designee with a copy to the Purchasing Department.

The contractor may sign the contract prior to the contract being submitted to The President's Office. When this happens, the President's Office will review the contract, and, if appropriate, sign the contract. If revisions are required the President's Office or designee will make the revisions or attempt to negotiate with the contractor. Upon approval the President's Office will then send a notice of the approved contract to the department who should forward the contract to the contractor. Prior to any services being rendered each department MUST make sure a formal request (Requisition) has been completed and a Purchase Order Issued.

After the services have been rendered, the department should submit a Invoice for the contract and expenses. A copy of the contract agreement should be attached as

should appropriate expense documentation such as airfare receipt, hotel receipt, meal amounts mileage calculation etc.

A contract can be amended providing the contract is current and has not expired. Depending on the complexity of the contract and the requested addendum, certain changes may take more time to process and may need additional approvals. Any request to do an addendum to a contract must be accompanied by a new contract cover sheet. Contact PURCHASING for a sample addendum.

#### 4. Simple Form Contract

In an attempt to reduce the amounts of paper required when contracting for low dollar services, the Purchasing Department **will help** develop a [Simple Form Contract for Services](#) (when the contract is less than \$25,000 plus expenses). These contracts do not make their way to the Purchasing Department rather for Departmental Use Only. The Simple Form contract may be used following procedures set forth in Section 3.

#### 5. Contractor refuses the use of our contracts

In the event the contractor refuses to accept MVSU's standard contract, send the contractor a copy of the [Standard Addendum](#) and ask the contractor to incorporate it into the contract.

Have the contractor submit its proposed contract to the department, who may then submit it to PURCHASING, along with the coversheet, for review. We will conduct the required review and will determine if the contract is acceptable. If appropriate the contract will be forwarded to the AG's Office to obtain a review for legal sufficiency. Upon completion of the review PURCHASING will make the required changes, sign the agreement and return the contract to the department. The department should have the contractor initial the changes, sign the contract, and return it to PURCHASING.

#### 6. Required Procedure - For all Service Contracts with expenses over \$5,000 or anticipated revenue less than \$75,000 and will require two written quotes but greater than \$250,000, Requires formal bidding.

The department should name a Contract Administrator (CA) or contact person should there arises a problem with the equipment and or services being performed. Prior to the beginning of the contract the Contract Administrator should include their tasks and responsibilities of the CA on the Contract. Typical Contract Administration and or contact person roles and responsibilities are below:

- The Area Supervisor is the individual within the requesting department with the ultimate responsibility to ensure MVSU receives the services and/or revenue set forth in the contract and that MVSU pays the amount set forth in the contract for any services. To properly fulfill this function, it is imperative that the CA fully

understand the scope of the contract as well as the requirements set forth in the agreement. Some of the aspects the CA may want to review are:

- Verification that all services are being performed as set forth in the contract;
- Verification that all revenues are being received as set forth in the contract;
- Verification that all applicable bonds and insurance documents have been received and are determined to be adequate.
- On occasions, the Contract Administrator may be asked to provide the Office of Business and Finance with a summary of all revenues received as well as accurate accounting records which document the process used to verify revenues are in compliance with the contract.
- Have the services been received
- Were services received within the specified time frame
- Were services received equal or better than the quality required in the agreement
- Are charges consistent with the agreement
- Are revenues received consistent with the agreement

If the Contract Administrator and or contact person leaves his/her position during the term of the contract, or the department changes the Contract Administrator, it is the responsibility of the department to immediately notify PURCHASING.

## 7. IHL Board approval

**Contracts over \$250,000 and sale or purchase of land.** IHL Board approval is required for all contracts of more than \$250,000 and contracts for the sale or purchase of an interest in land, including easements. When submitting a contract requiring IHL Board approval the department should submit the proposed contract and the forms to the President's office for inclusion on the IHL Board agenda. Note that the lead time on obtaining IHL approval is usually about three months or more so departments are urged to start early with their bidding process.

**Bookstore, Food service or athletic concessions.** IHL Board approval is required for all bookstore, food service, or athletic concession contracts projected to generate aggregate total revenues of more than \$250,000 or if the term of such contract exceeds five years. When submitting a contract requiring IHL Board approval, the department should submit the proposed contract and forms IHL Agenda Item, IHL Contract Attachment Form, and IHL Certificate of Ownership (listed below). PURCHASING will review the documents and submit to the President's office for inclusion on the IHL Board agenda. Note that the lead time on obtaining IHL approval is usually about three months or more so departments are urged to start early.

**Lease of land, office space.** All leases of land and office space require approval of the IHL Commissioner (up to \$100,000) or the IHL Board (over \$100,000). Any department that anticipates entering into a new lease or renewing an existing lease should endeavor to complete the request at least three months in advance of the start date. The following documents should be submitted to Procurement and Contracts for routing and approvals. The department should contact Procurement and Contracts to receive copies of the documents.

**IHL Agenda Item** – The instructions in the Agenda item Template should be followed so the individual evaluating the request has complete understanding of; the purpose for the lease; the method used to determine the price, size, location, etc. are competitive in the market; and all other pertinent information related to the lease

**IHL Contract Attachment Form** – This is a checklist to verify the proper clauses are in the contractual agreement

**IHL Certification of ownership** – This is a form completed by the vendor indicating the ownership of the company

**MVSU Lease agreement** – this should be completed showing the description of the lease as well as all costs

**MVSU Contract Cover sheet** – Complete the applicable sections and get all signatures up to and including the appropriate VP

## 8. Contracts and purchases related to Information Technology equipment, software and services

All contracts and purchases of Information Technology equipment, software and services will be reviewed by the Chief Information Officer or his designee prior to processing by PURCHASING. PURCHASING will be responsible for forwarding appropriate documents to the CIO upon receipt from the various departments.

Departments should be aware of the [information related to IT Procurement](#)

## 9. Completing the MVSU Lifecycle Analysis Form

The MVSU Lifecycle Analysis Form should be used when submitting contracts to Procurement unless an alternate process has been established.

Mandatory means it must be completed. Optional means the department may complete if they so desire. It should be noted that some Divisions/Departments will require these fields to be completed when seeking upper level approvals

The Form should be completed as follows:

- Department – the Department requesting the equipment and or services



(mandatory)

- Primary Requestor – The individual at the Department with knowledge of the needs and the goals of the agreement (mandatory)
- Phone number – The phone number of the Primary Requestor (optional)
- Description of Project/Software/Equipment/Services: (mandatory)
- Anticipated Term of the project (years): (mandatory)
- Total Estimated Initial Cost: (mandatory)
- Total Annual Cost: (mandatory)
- Total Annual Maintenance Cost: (mandatory)
- Total Estimated Lifecycle cost (LCC): (mandatory)

#### 10. Services Contracts

- Reminder Notice – For contracts that may need to be renewed, the department can indicate if they wish to receive a notice reminding them of the need to pursue a new or renewal contract. This section allows the department to send a date on which the reminder will be issued. (optional)
- Term of Contract – The date the contract is to start and end. It should be noted that there is no legal authority to sign an agreement after the services have been received. The start date is the anticipated date when both parties have agreed to the contract. The end date is the anticipated date when the work will be completed. Unless you have exact dates (ie. A performance on a specific date) it is best to estimate a longer period to ensure work is not completed outside of the contract term. (mandatory except in rare situations)
- Total Anticipated Cost – The total cost over the life of the agreement (mandatory)
- MVSU Fund/Account Number(s) – The fund and account numbers which will be used to pay for the agreement (optional)
- Revenue Contract – anticipated revenue – The total anticipated revenue over the life of the agreement
- Contract Administrator Duties – The duties of the contract administrator to ensure compliance with the agreement.

- Conflict of Interest declaration – all parties approving the contract should be aware of and agree to the conflict of interest declaration.
- Approvals – Printed names, signatures and dates of the individuals responsible.
  - Primary Requestor – mandatory on all
  - Department Head – mandatory on all
  - Area Vice President – mandatory on all over \$1,000
  - Vice President of Business and Finance – mandatory on all over \$5,000
  - University’s President – mandatory on all over \$10,000
- Contract Contact – the individual at the contractor who should be contacted if there are questions. (optional)
- Department Contact – the individual at the department to whom the contract should be sent to when approved. Typically, the individual who submits it to PURCHASING(mandatory)
- The remainder is to be completed by PURCHASING
- Conflict of interest form is required if the following circumstances exist

**Mississippi Ethic Law: Sections 25-4-3; 25-4-103 Definitions**

Any director, supervisor, chief, head, agent or employee of the government or any agency thereof, or of any public entity created by or under the laws of the state of Mississippi or created by an agency or governmental entity thereof, any of which is funded by public funds or which expends, authorizes or recommends the use of public funds; or

(iii) Any individual who receives a salary, per diem or expenses paid in whole or in part out of funds authorized to be expended by the government.

(q) "Relative" means:

- (i) The spouse of the public servant;
- (ii) The child of the public servant;
- (iii) The parent of the public servant;
- (iv) The sibling of the public servant; and
- (v) The spouse of any of the relatives of the public servant specified in subparagraphs (ii) through (iv).

(r) "Securities" means stocks, bonds, notes, convertible debentures, warrants, evidences of debts or property or other such documents.

Any individual within the contracting department contracting for a outside company to perform work within that department must disclose it by completing a conflict of interest form located on the MVSU Purchasing website, and given to the purchasing department for evaluations.

Please refer to section (q) to see what constitute a conflict interest with outside companies.