Service Agreements Training Session

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Defining Your Needs
A critical first step is to develop a well-articulated description of the services that you are seeking. Basically, what is the deliverable and what is the expectation of the supplier.

- Clear articulation of deliverables
- Key milestone dates and/or completion date
- Resources to complete the Scope
- Payment terms

- The above mentioned information should be captured in a Statement/Scope of Work (SOW) document (sample SOW is available on the Purchasing website in the Forms section).

- The standard is: can an independent reviewer determine what we purchased, how we purchased it, and why we did it that way?
Consultant (Service Provider) vs. Temporary or Casual Employee

Before the performance of services commence, the Center must assess the relationship with the individual providing services to ensure that individuals contracted to perform services are properly classified as an independent contractor versus as an employee.

*It is the Center’s responsibility to work with local resources (including local counsel) to designate an individual’s status as an employee or an independent contractor. An employee does not fall under the same procurement mechanism guidelines as a consultant/independent contractor.*
**Employee**
In general, an individual who performs services subject to the employer's right to direct and control the work is classified as an employee.

**Independent Contractor**
In general, an individual who performs services wherein the employer has the right to control or direct only the result of the work, but not the means and methods of accomplishing the result, is classified as an Independent Contractor.
# Why are Agreements Important to Columbia University?

<table>
<thead>
<tr>
<th>Terms/Conditions</th>
<th>Indemnification</th>
<th>Limitation of Liability</th>
<th>Use of Columbia Confidential Information</th>
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<tbody>
<tr>
<td>Protects the University</td>
<td>To secure against loss or damage and provides compensation</td>
<td>Reduces Responsibility to determine accountability of the Services performed</td>
<td>Protects all information for University and Supplier</td>
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<td>Protects CU and Supplier</td>
<td>Protects CU and Supplier</td>
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<tr>
<td>Acceptance of Deliverables/Work</td>
<td>Ensures we get what we are paying for and sets expectations</td>
<td>Defines exclusive right to results and the by products of an engagement</td>
<td>Protects the Reputation of Columbia University</td>
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<tr>
<td>Product</td>
<td>CU and Supplier to Agree</td>
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<tr>
<td>Ownership of Work Product</td>
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<tr>
<td>Use of Columbia University Name</td>
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Competitive Sourcing: Uniform Guidance

New rules imposed for sponsored projects. Columbia purchasing rules are updated

Competitive sourcing of goods and services start at $10,000

- Service Providers are subject to competitive sourcing requirements above $10,000
- 2 or more quotes/proposals up to $250K as opposed to 3-quote requirement
- Fewer allowances for non-competitive transactions
- Purchases above $250K must use a more elaborate public standardized RFQ/RFP process administered by Central Purchasing

http://finance.columbia.edu/procurement-sponsored-projects
Uniform Guidance: Sole Source Justifications

- The item is only available from a single source
- Public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation
- The awarding agency or pass-through entity expressly authorizes non-competitive proposals in response to a written requires from the non-Federal entity
- After solicitation of a number of sources, competition is determined inadequate
- Due to the nature of the scientific research, the required good(s) and/or service(s) are only available from a specific supplier
Sensitive Information in Contracts

Alphabet Soup: HIPAA, HITECH, FERPA, PCI, PHI, PII

Patient Information = necessity for prior approval by Privacy Office to execute a BAA

Software & Cloud = CUIT systems and security review

Payments (Card Transactions and any Funds) = Treasury Approval

Student Information = FERPA language in contract

Personal Information = identity theft and red flags language in contract
New definitions under uniform guidance

Noncompetitive proposals: Also known as sole-source procurement, this may be appropriate only when specific criteria are met. Examples include when an item is available only from one source, when a public emergency does not allow for the time of the competitive proposal process, when the federal awarding agency authorizes, or after a number of attempts at a competitive process, the competition is deemed inadequate.

Much more limited

Focus on price reasonableness
Insurance Requirements

Recently revised to simplify
  Training, Photo/Video, Consultants/IT
See policy on risk management web page
Commercial General Liability
Professional Liability

Certificate

Sample on purchasing forms website
Must name Trustees of Columbia . . . as additional insured/holder
Should cover the period of performance
How best to get help for POs that seem to be stuck

Where to reach out first

- Check EDM/ARC
  - Pending departmental approvals
  - Waiting for documents
- Call purchasing

Common Issues

- Budget errors
- Address errors
- Missing email addresses
- Lack of explanation
- Upload failures
Change Orders

Use if something has changed

- It is going to take longer
- It is going to take more
- It was part of the original contract

Not just adding scope

- More widgets
- More sessions
- Related, but different services
- Use a new PO
Most commonly used provider vendors

Master agreements - is there a list?

- Business services list
- Others in progress

New FDS search capabilities

- Suppliers by commodity type
- Usage volume
Non-standard contracts

Should contracts be vetted prior to the requisition process or during?

Either way is acceptable

Prior can allow resolution of contract issues while requisition is approved

During often provides more complete documentation

The key consideration is lead time – we process 1,000 contracts per year

Common Issues: term, renewals, limitations of liability, indemnity, publicity
Multi-year contracts

What is the process involved with obtaining and best practices for what works in other schools/departments?

Usually limit to 3-year term

Can include 1-year extension option(s)

No automatic renewals

Multi-year requisition requires separate lines for each FY

Consider funding contingencies
In Conclusion

• Purchasing is here to support your initiatives
• You should have a well articulated and developed Scope of Work
• Be sure the type of individual you need to fulfil your requirements
• Check the contract terms
• When working with Purchasing or any central University office, provide details to expedite process