



UNIVERSITY POLICY

SUBJECT:	LEGAL SERVICES	TITLE:	CONTRACT MANGEMENT		
CATEGORY: Check One	Board of Trustees <input type="checkbox"/>	Presidential <input checked="" type="checkbox"/>	Functional <input type="checkbox"/>	School/Unit <input type="checkbox"/>	
Responsible Executive:	Senior Vice President and General Counsel		Responsible Office:	Legal Management	
CODING:	00-01-90-40:00	ADOPTED:	05/01/91	AMENDED:	11/07/11
				LAST REVIEWED: 11/07/11	

I. PURPOSE

To set out the process for initiating, negotiating and finalizing in an efficient and uniform manner, the large number of contracts between the University and outside entities. The following contracts are included in this policy: real estate leases, equipment leases over \$100,000.00, consulting services where the University provides the services, joint ventures, operating and management contracts, professional health care services contracts and provider agreements.

The following contracts are not included within this policy:

1. Clinical Affiliation Agreements [00-01-90-10:00](#)
2. Contract Management [00-01-60-15:00](#)
3. Grants and Research Agreements (subcontracts)
4. Joint House Staff Agreements (Labor Relations) [00-01-30-20:00](#)

II. ACCOUNTABILITY

Under the direction of the President, the Senior Vice President and General Counsel shall ensure compliance with this policy. The Deans and Vice Presidents shall implement this policy.

III. DEFINITIONS

Professional Health Care Services and Provider Agreements - agreements with HMO's, Faculty Practice, or other health care providers for medical and dental treatment and diagnosis and other related and health care services.

IV. REFERENCE

- A. Corporate Integrity Agreement Between the Office of Inspector General of the Department of Health and Human Services and the University of Medicine and Dentistry of New Jersey, September 25, 2009.
- B. Focus Arrangements Database Policy and Approval Procedure [00-01-15-60:00](#)
- C. Waiver of Bids [00-01-60-10:00](#)

V. POLICY

- A. Any faculty or staff member who wishes to participate in a project with an entity outside the University must initiate the necessary procedures by obtaining approvals for the project from the responsible Dean or Vice President. Such approvals are based on a business plan, submitted by the faculty or staff member, which identifies the objectives of the project, the source of funding, and the support required from other impacted departments. In a case where the project involves the purchase or lease of real estate, approval by the Senior Vice President for Administration is also required. The business plan is then forwarded to the Vice President for Finance and Treasurer for review and approval.
- B. Upon the approval of the business plan by the Vice President for Finance and Treasurer, a faculty or staff member designated by the Dean or Vice President shall negotiate the basic terms of the agreement with the outside entity.
- C. The appropriate Dean or Vice President shall be responsible for monitoring the negotiations, and obtaining assistance from the Office of Legal Management to prepare/review an agreement, based on the standard contract terms utilized by the University.
- D. Upon successful completion of negotiations, the contract shall be executed in accordance with University policy, Legal Commitment Authority, 00-01-90-05:00.
- E. Upon full execution of the contract, the initiating faculty or staff member is responsible for informing supporting departments, establishing accounts and coordinating and administering all activities specified in the agreement, including any renewal terms and notifications.
- F. To the extent an agreement is a Focus Arrangement, as such is defined under the Corporate Integrity Agreement between UMDNJ and the Department of Health and Human Services Office of Inspector General, dated September 25, 2009 (CIA), the Focus Arrangements Database Policy and Focus Arrangements Approval Procedure apply and must also be followed.

VI. PROCEDURES

Performed by:

Action Taken:

Faculty or Staff

- 1. Initiates proposal by:
 - a. defining objectives;
 - b. identifying sources of funding;
 - c. informing the Dean or Vice President of the proposal;
 - d. under the direction of the Dean or Vice President, identifying and obtaining support from other departments (See EXHIBIT A - Coordination With Other Departments); and
 - e. coordinating with Senior Vice President for Administration if proposal includes real estate lease or purchase.
 - f. review Focus Arrangement Database Policy and Focus Arrangement Database Procedure for applicability.
- 2. Forwards proposal and the completed Business Plan (See EXHIBIT B - Business Plan) to Dean or Vice President for approval.

Performed by:

Action Taken:

Dean or Vice President

3. Reviews and comments on the program.
4. Either approves or denies going forward with the next step:
 - a. if only the departmental or school funds are used, only the Dean/Vice President needs to approve; and
 - b. if approved, forwards proposal to Vice President for Finance and Treasurer for review and approval.

Vice President for Finance and Treasurer

5. Reviews and approves or denies the Business Plan within ten (10) working days:
 - a. if funding/financing is required from other schools, Central Administration or an entity outside of the University, approval of the President is required; and
 - b. if capital funding exceeds \$500,000.00, approval of the President and Board of Trustees is required. Approval of the Board of Higher Education may be required.

Dean/Vice President or designee

6. Upon approval by Dean or Vice President, and the Vice President for Finance and Treasurer, negotiates basic terms of the agreement with outside organization giving consideration to the needs of other departments.
7. For equipment lease and management agreements where the University is the purchaser of services, obtains waiver from Purchasing Department pursuant to University policy, Waiver of Bids, 00-01-60-10:00.

Dean or Vice President

8. Within three days of approval by Dean or Vice President and the Vice President for Finance and Treasurer, forwards the proposal and Business Plan to the Senior Vice President and General Counsel for contract document formulation.
9. Monitors negotiations.

Senior Vice President and General Counsel through the Office of Legal Management

10. Drafts or reviews proposed contract based on terms negotiated by Faculty or Staff and on standard terms (See EXHIBIT C).
11. Negotiates final agreement with assistance of all impacted departments.
12. Submits contract and waiver documents (if applicable) for signature to Dean or Vice President.

Performed by:

Action Taken:

Dean or Vice President

13. Submits contract for signature as stipulated in University policy, Legal Commitment Authority, 00-01-90-05:00 through the Vice President for Finance and Treasurer.

President, Vice President for Finance and Treasurer or designee

14. Executes agreement pursuant to University policy, Legal Commitment Authority, 00-01-90-05:00 and returns to Senior Vice President and General Counsel, through the Office of Legal Management.

Senior Vice President and General Counsel

15. Distributes originals and copies of agreement through the Office of Legal Management. (See EXHIBIT D - Distribution of Agreements.)

Faculty or Staff Member

16. Coordinates and administers all activities for internal support under terms of the agreement. (See EXHIBIT A for examples.)

17. Submits contract to the Focus Arrangements Databases.

18. Monitors terms under the agreement.

VII. EXHIBITS

- A. Coordination with Other Departments
- B. Business Plan
- C. Checklist of Terms
- D. Distribution of Agreements

By Direction of the President:

SIGNATURE ON FILE

Senior Vice President and General Counsel

EXHIBIT A

Coordination With Other Departments

1. Consulting Agreements
 - a. University Finance Office
2. Real Estate Leases
 - a. Administration
 - b. Facilities Planning, Management and Construction
 - c. Physical Plant (Maintenance)
 - d. Housekeeping
 - e. Accounts Payable
 - f. Mail Services
 - g. Telecommunications
 - h. Risk and Claims Management
 - i. Insurance
3. Professional Services and Provider Agreements
 - a. Accounts Payable
 - b. University Finance Office
 - c. Billing
 - d. Risk and Claims Management
 - e. Insurance
 - f. Nursing
 - g. Faculty Practice
4. Joint Venture Agreements
 - a. University Finance Office
 - b. Accounts Payable
 - c. Risk and Claims Management
 - d. Insurance
5. Equipment Leases
 - a. Purchasing
 - b. University Finance Office
 - c. Physical Plant (Installations)
 - d. Accounts Payable
 - e. Risk and Claims Management
 - f. Insurance
6. Management Contracts
 - a. University Finance Office
 - b. Risk and Claims Management
 - c. Insurance
 - d. Faculty Practice
 - e. Purchasing

NOTE: Not all categories may be applicable.
May not be all inclusive.

EXHIBIT B

BUSINESS PLAN

Part A - Narrative

1. The Narrative Section of the Business Plan should provide a brief summary of the important aspects of the contract/agreement. This should identify the following:
 - a. description of service/activity;
 - b. contract term - start and end date as well as renewals and termination;
 - c. resources - identification of the type of expenses needed in conjunction with the contract activity. Financial estimates associated with these items will be detailed in Part B;
 - d. market factors - market trend and regional demand for the contract activity is necessary in determining the financial viability of the activity; and
 - e. other issues - disclosure of any other items involved in the contract that are necessary in understanding the University's involvement and commitment. For example: Patent rights, copyrights, insurance, billing, record keeping.

Part B - Financial Information

1. The Financial Information Section of the Business Plan should present the anticipated revenues and expenses of the activity.
2. Anticipated revenues should be based on estimated activity less an anticipated bad debt factor. Any other revenues should be appropriately defined and identified as to source.
3. Anticipated expenses should include all the costs associated with performance of the contract. Salary expenses must include the associated fringe benefit component. Equipment and service contracts should be estimated, as well as any renovation and/or lease of space.
4. Net income (loss) represents the difference between anticipated revenues and expenses. Any profit sharing arrangement should identify the distribution criteria. Any revenue shortfall should identify contingency funding plan.

NOTE: The completed Business Plan must be approved by the Vice President for Finance and Treasurer.

EXHIBIT C

Checklist of Terms

A. CONSULTING AGREEMENTS	B. REAL ESTATE LEASES
1. Date of Agreement	1. Date
2. Names, addresses and character of parties	2. Name and addresses of Landlord and Tenant
3. Duties of both parties	3. Description of Premises
4. Place of services	4. Term:
5. Time to be devoted to service	a. initial; and
6. Compensation for service:	b. option to renew.
a. salary;	5. Rent:
b. hourly;	a. flat;
c. by test/patient;	b. escalators; and
d. lump sum;	c. payment: monthly,
e. royalties;	annually.
f. expenses; and	6. Taxes
g. payment terms: monthly,	7. Use of Premises
quarterly,	8. Utilities
annually, profit share,	9. Encumbrances at Leasehold Estate
percentage of work completed.	10. Construction on Premises
7. Term of Agreement:	11. Alterations on Premises
a. definite period of time;	12. Repair and Maintenance
b. option to extend time; and	13. Signage
c. automatic renewal.	14. Insurance
8. Termination and Leave:	15. Assignment and Subleasing
a. for violation of agreement; and	16. Default and Remedies
b. on notice.	17. Condemnation
9. Restrictive Covenants	18. Rebuilding upon Destruction or
10. Manner of giving notices	Damage
11. Use of either party's name	19. Manner of giving notice
12. Rights of either party in property of the	20. Termination
other:	21. Governing Law
a. publications;	22. Waiver of Breach
b. inventions and patents;	23. Quiet Possession
c. confidential information;	24. Severability of Provisions
d. copyrights; and	25. Entire Agreement
e. medical records	26. Memorandum of Leases
13. Assignability of Agreement	27. Option to Buy
14. Protection of University:	28. Attestation Clause
a. insurance to be provided; and	29. Signatories names
b. indemnification of University.	
15. Default:	
a. acts constituting default,	
breach;	
b. damages for breach; and	
c. injunctive relief.	
16. Termination	
17. Governing Law	
18. Entire Agreement	
19. Attestation clause	
20. Signatories names	

EXHIBIT C - Continued

Checklist of Terms

C. PROVIDER AGREEMENTS	D. JOINT VENTURE AGREEMENTS
1. Date	1. Date
2. Name and addresses of parties	2. Name and addresses of parties
3. Duties of both parties	3. Scope and Description of Joint Venture
4. Place of providing service	4. Conducting the Joint Venture:
5. Time to be devoted or hours of operation	a. designation of management;
6. Compensation for service:	b. authorization for certain acts;
a. salary;	c. reports; and
b. by test/patient;	d. borrowing monies.
c. lump sum;	5. Contribution to Venture by parties
d. separate billing;	6. Compensation to the parties:
e. expenses; and	a. payment terms: monthly, quarterly, annually;
f. payment terms: monthly, quarterly, annually, profit share, percent of work completed.	b. financial statements; and
7. Provision or compensation of operating expenses:	c. right to audit.
a. billing;	7. Division of profits and losses
b. staffing;	8. Representations and warranties
c. utilities/heating;	9. Covenant
d. disposables;	10. Copyright and patent rights/registration
e. equipment; and	11. Licenses/royalties
f. medical records.	12. Termination of joint venture
8. Term of Agreement:	13. Indemnification
a. definite period;	14. Insurance/liability
b. option to extend time; and	15. Default/remedies
c. automatic renewal.	16. Assignability
9. Termination:	17. Prohibited transactions
a. for violation of Agreement; and	18. Agreement not to discriminate
b. on notice	19. Governing law
10. Manner of giving notices	20. Entire Agreement
11. Non-Assignability of Agreement	21. Notices
12. Protection of University:	22. Option to buy/sell
a. insurance; and	23. Attestation clause
b. indemnification.	24. Signatories names
13. Default/Remedies	
14. Agreement not to discriminate	
15. Governing Law	
16. Entire Agreement	
17. Representations and Warranties of parties	
18. Attestation Clause.	
19. Signatories names	

EXHIBIT C - Continued

Checklist of Terms

E. EQUIPMENT LEASES	F. MANAGEMENT CONTRACTS
1. Date	1. Date
2. Name and address of Lessee and Lessor	2. Name of Parties
3. Description of Equipment to be leased	3. Appointment of Manager
4. Term: a. initial; and b. renewal.	4. Term: a. initial; and b. renewal.
5. Rent: a. initial; b. shipping charges; c. maintenance charges; d. installation charges; and e. payment schedule.	5. Manager's Power and Authority: a. business; b. contracts; and c. personnel.
6. Site Preparation: a. location, square footage; b. installation; and c. utility needs.	6. Manager's Duties: a. operations; b. personnel; c. revenues; d. expenses; e. reports; and f. standard of performance.
7. Use, Repairs and Alterations	7. Compensation for Service: a. salary; b. percentage revenue/profit; c. lump sum; and d. expenses.
8. Maintenance	8. Termination
9. UCC Filings/Security	9. Non-Assignability of Agreement
10. Insurance	10. Successors
11. Indemnification	11. Protection of University: a. insurance; and b. indemnification.
12. Default	12. Default/Remedies
13. Non-Assignability of Agreement	13. Representations and Warranties of Parties
14. Option to Buy	14. Independent Contractors
15. Right to Terminate due to Non-Appropriation of Funds	15. Confidentiality of Records
16. Manner of giving notice	16. Agreement not to discriminate
17. Termination	17. Manner of giving notice
18. Governing Law	18. Governing Law
19. Entire Agreement	19. Entire Agreement
20. Attestation Clause	20. Attestation Clause
21. Signatories names	21. Signatories names

EXHIBIT D

Distribution Of Agreements

1. Consulting Agreements
 - a. Dean's Office - original
 - b. Chairman's Office - original
 - c. University Finance Office - copy
 - d. Purchasing - copy
2. Real Estate Leases
 - a. Legal Management - original
 - b. University Finance Office - original
 - c. Administration - copy
 - d. Risk & Claims Management - copy
 - e. Facilities Planning, Management and Construction - copy
3. Provider Agreements
 - a. Dean's Office - original
 - b. Chairman's Office - original
 - c. Legal Management - copy
 - d. University Finance Office - copy
 - e. Faculty Practice – copy
4. Joint Venture Agreements
 - a. Dean's Office - original
 - b. University Finance Office - copy
 - c. Legal Management - copy
5. Equipment Leases
 - a. Purchasing - original
 - b. Dean's Office - original
 - c. Risk & Claims Management - copy
 - d. University Finance Office - copy
6. Management Contracts
 - a. Dean's Office - original
 - b. Faculty Practice - copy
 - c. Legal Management - copy
 - d. University Finance Office - copy
 - e. Purchasing – original