

Contracts @BU



Sourcing & Procurement

What's in a Contract?



The contract defines the engagement, transaction, or relationship between two or more parties. If it is not in the contract, it may not be enforceable.*

Terms to Consider in a Contract ±

Contract Requirements:

- Price (e.g., promised discounts)
- Payment terms (e.g., paying only if product/service functions as promised)
- Data Protection (e.g., Data Security, HIPAA, FERPA)
- Risk mitigation if something goes wrong (e.g., Indemnification, Liability, Warranties, Insurance)
- Contract timeframe and termination (e.g., termination conditions)
- Assignment of responsibilities



* Trustees of Boston University and delegates are the only individuals authorized to sign contracts on the University's behalf.
± This example is intended to demonstrate considerations in the contracting process only, and does not fully reflect all contract considerations or Boston University's policies or processes.

Get Your Contract Signed*



Signature for low-dollar purchases depend on risk level and supplier signature requirements.

Purchasing Method	Actions
Shopping Cart → PO	<ul style="list-style-type: none">• Submit shopping cart:<ul style="list-style-type: none">• Attach Word version of unsigned contract, relevant documents, and supplier contact information• Buyer will negotiate terms as applicable and facilitate contract signature before a purchase order is created
Alternate Payment Method	<ul style="list-style-type: none">• Submit shopping cart:<ul style="list-style-type: none">• Do not assign supplier• Attach Word version of the unsigned contract, relevant documents, and supplier contact information• Buyer will negotiate terms as applicable, facilitate contract signature, and provide the signed contract to the shopper via email and cancel the shopping cart• Shopper will pay supplier as directed in the Ordering Matrix (http://www.bu.edu/policies/finance-administration/ordering-and-contracting/)

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Contracting Process

Identify Need, Budget, Deliverables, Supplier	Submit a Shopping Cart	Negotiate and Execute Contract	Implement and Store in Contract Database
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Typical Timing: 2-6 Weeks

Key Activities

Document Initial Scope

- Project summary
- Deliverables
- Time-frame
- Budget (**never share with suppliers**)
- Project owners

Identify Suppliers: *

- Existing suppliers
- Formal bid
- New suppliers
- Compare pricing

Select Supplier:

- Determine supplier
- Engage supplier for availability

Submit a Shopping Cart:

- Create shopping cart (*Free Description or Limit*)
- Attach unsigned contracts to shopping cart ±

Author Contract:

- Review shopping cart
- Determine best contracting method (i.e., Agreement Type)
- Clarify questions with department
- Author contract

Negotiate Terms & Conditions:

- Send contract to supplier
- Negotiate changes revisions
- Coordinate with contract specialist

Execute Agreement:

- Prepare contract for execution
- Contract signed by authorized BU signatory
- Send copy of executed contract to supplier and shopper

Implement and Store: ‡

- Generate purchase order or reject shopping cart
- Upload contract in Sourcing & Procurement contract database

* Sourcing & Procurement Supplier Discovery services available

‡ Shopping Carts rejected only if Alternate Ordering Method❖ applies

Deliverables

- | | | | | |
|-------------------------------|-------------------------------|------------------------|---------------------|--|
| • Description of Deliverables | • Selected 'Awarded' Supplier | • Shopping Cart Number | • Executed Contract | • Purchase Order or Rejected Shopping Cart |
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❖ Alternate Order Methods refer to ordering and payment methods outside the Shopping Cart and PO ordering method.





Sourcing & Procurement Additional Resources

Ordering Information
Sourcing & Procurement:

Website: www.bu.edu/sourcing
Email: sourcing@bu.edu

Invoice Payment Information
Accounts Payable:

Website: www.bu.edu/ap/resources
Email: invoices@bu.edu