

2016 BRINGING ADMINISTRATORS TOGETHER CONFERENCE

# ALL ABOUT CONTRACTS AT UIC

April 14, 2016

11:30am

**UIC** UNIVERSITY OF ILLINOIS  
AT CHICAGO

**UIC**

Lincoln Hall

707 South Morgan Street

# Workshop Presenter(s)

- **Debra D. Matlock, JD**  
Director of Purchasing  
[mdebra@uillinois.edu](mailto:mdebra@uillinois.edu)
- **Patricia G. Menguito**  
Associate Director of the Office of Business Development Services  
[pmenguit@uillinois.edu](mailto:pmenguit@uillinois.edu)
- **Patricia Pfister, JD, CRA**  
Associate Director, Sponsored Projects (Research Contracts) Office of  
Research Services  
[Pfister@uic.edu](mailto:Pfister@uic.edu)
- **Bruce Walden**  
Director of Real Estate Services  
[bwalden@uillinois.edu](mailto:bwalden@uillinois.edu)

# Please ...

- Turn off, silence or put cell phones on vibrate.
- Sign the attendance roster.
- Avoid side conversations – share your questions and comments with us.
- We have allowed time at the end of our presentation for questions.
- Complete the evaluation at the end of the workshop.

# Workshop Objectives

- What are the Contracting Offices in the Chicago Campus and what contracts do they handle
- Assist you in identifying what kind of contract you have and which office to approach
- What form(s) and approval(s) are needed in the contract process
- What can cause delays to the contract process

ALL ABOUT CONTRACTS AT UIC

**Patricia Pfister, JD, CRA**  
**Associate Director**  
**Sponsored Projects**  
**(Research Contracts)**  
**Office of Research Services**

# UIC Office of Research Services (ORS)

The Office of Research Services (ORS) handles all pre-award and non-financial post-award activities for the University of Illinois at Chicago including the Rockford and Peoria campuses. Pre-award activities include processing funding awards, unfunded agreements and subawards for sponsored project activity.

# Sponsored Project Activity

## What Is It?

– Externally funded research, instruction, public service

- Specific statement of work
- Specific deliverables – technical, financial, programmatic
- Specific budget – often times detailed
- Indirect Costs are often addressed and must be included
- Payments are often restricted and contingent upon reporting
- Unexpended funds are often returned
- Publication or use of project results are addressed
- Intellectual Property ownership addressed
- Unique intellectual expertise from UIC required

# Types of Funding Awards

- A sponsored project award is the mechanism used by the sponsor to provide funding of a proposal for research, instruction and public service
- A sponsored project award appears in many forms but is most commonly a:
  - Grant
  - Cooperative Agreement
  - Contract



# Differences in Funding Awards

- **Grant**
  - A flexible instrument designed to provide money to support a public purpose. Assistance with few restrictions and sponsor has little involvement in conducting the project.
- **Cooperative Agreement**
  - Similar to a grant and subject to grant regulations where the sponsor has substantial involvement in the project. The sponsor and grantee work together to achieve a specific objective.
- **Contract**
  - A binding agreement between a sponsor and a contractor where the sponsor has more involvement and uses the project to achieve a specific outcome or deliverable.

# Types of Unfunded Agreements

- **Non Disclosure Agreements**
  - an agreement between two or more parties which describes knowledge the parties would like to share with each other for a defined purpose and agree to not disclose information covered by the agreement. NDAs are also known as Confidentiality Agreements (CDAs).
- **Material Transfer Agreements**
  - an agreement between two parties which describes the transfer of materials (i.e. biological and research), how the materials will be used and responsibilities of each party. There are two types of MTAs: Incoming and Outgoing. Incoming MTAs are agreements for materials transferring from an outside entity to UIC. Outgoing MTAs are agreements for materials transferring out of UIC.

# Types of Unfunded Agreements

- **Data Use Agreements**

- contractual documents used for the transfer of nonpublic data that is subject to some restriction on its use. Data Use Agreements (DUAs) serve to outline the terms and conditions of the transfer.

- **Master Agreements**

- sometimes called "blanket" or "umbrella" agreements, used when a sponsor expects to fund multiple projects over a long period of time. Often when individual projects are funded the pre-negotiated terms of the Master Agreement are incorporated by reference, and only the statement of work/protocol, time period, and budget change.

# Subawards or Subcontracts

- A subaward is written under the authority of and consistent with the terms and conditions of an award (a grant, contract or cooperative agreement) that transfers a portion of the research or substantive effort of the UIC prime award to another institution or organization.
- These agreements, commonly referred to as subcontracts, can be in the form of a subgrant, subcontract, or subagreement.
- UIC does not issue subawards or subcontracts to individuals.
- Subawards are paid from a restricted grant account.

# Subaward vs. Vendor/Consultant

- Consultant Agreements and Purchase of Service Agreements are not processed by ORS and should be routed to Purchasing.
- ORS provides guidance to help make a correct determination: <http://research.uic.edu/sites/default/files/form/files/Subrecipient.pdf>

Office of Research Services (ORS)	Purchasing
<ul style="list-style-type: none"> <li>• Subawards/Subrecipients</li> <li>• Subawards are routed to ORS along with an RFA</li> <li>• For more details: <a href="http://research.uic.edu/sponsored_programs/award/contract-processing-and-acceptance/issuance-subcontract-and/or-consultant">http://research.uic.edu/sponsored_programs/award/contract-processing-and-acceptance/issuance-subcontract-and/or-consultant</a></li> </ul>	<ul style="list-style-type: none"> <li>• Contracts for the purchase of goods and services</li> <li>• Consultants - Individuals and Companies that perform consulting services</li> </ul>

# Agreements Frequently Misrouted

- Consultant Agreements
- NDAs/CDAs unrelated to sponsored project activity
- Material Purchase Agreements
- Data Purchase Agreements
- Gifts

# ORS Award Processing Guidance and Templates

- ORS provides award and subaward processing guidance and templates on the ORS website:
  - [http://research.uic.edu/sponsored\\_programs](http://research.uic.edu/sponsored_programs)
- Please Contact ORS for Assistance!



## ALL ABOUT CONTRACTS AT UIC

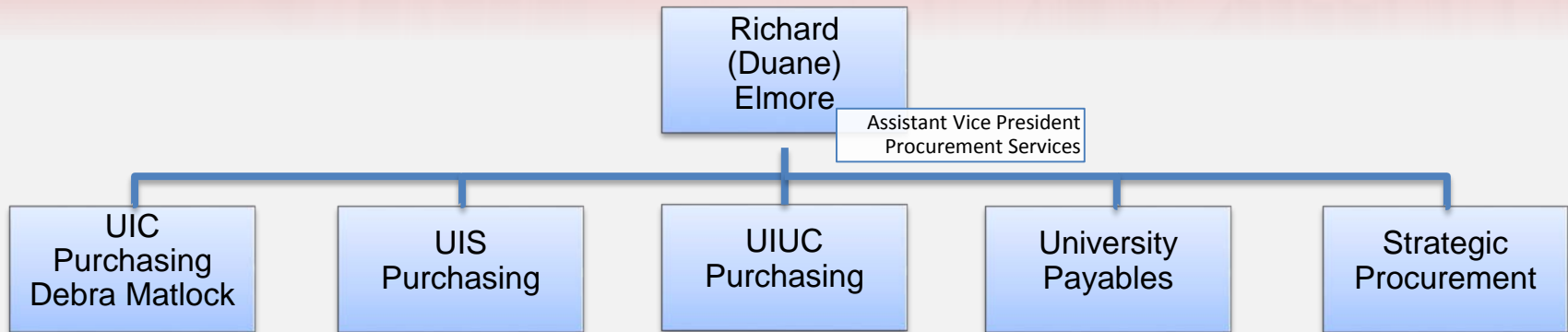
**Debra D. Matlock, JD**  
**Director of UIC PURCHASING**



# UIC Purchasing

- Contracts for the purchase of goods and services
  - Expense or spend with suppliers
  - Academic, Administrative and Hospital
- Subject to IL Procurement Code (30 ILCS 500), Administrative Rules (44 IL Adm. Code 4) and OBFS Policies and Procedures Manual
- State Oversight by Executive Ethics Commission (Chief Procurement Officer) and Procurement Policy Board

# UIC Purchasing and Mission



UIC Purchasing's mission is to lead customer-oriented and compliant procurement solutions with quality and integrity by promoting competition, delivering best value, supporting supplier diversity, and providing excellent customer service to our UIC campus customers.

# Some Specific Purchasing Contracts

- Small Purchase
  - **\$19,999** for P&A, **\$55,800** for Supplies or Services
- Professional and Artistic
  - Law, Accounting, Medicine, Dentistry, Clinical Psychology, Custom-produced Art
- Sole Source
- Emergency
- Result of Competitive Solicitation
  - Invitation for Bid (IFB) or Request for Proposal (RFP)

# Contract Processing - CARF

- Contract Approval/Routing Form (CARF)
  - <https://www.obfs.uillinois.edu/forms/contracts/>
  - Include source of funding
  - Required Preliminary Approvals
    - Unit Head
    - Dean/Director (\$50,000 or More)
    - VP/Chancellor/Vice Chancellor (\$150,000 or More)
  - Include as Internal Attachment to iBuy requisition w/ copy of proposed contract
  - Units/Orgs live in Illinois Contract System (iCS) route contracts in iCS

# Contract Processing - Templates

- New Contract Templates
  - <https://www.obfs.uillinois.edu/forms/contracts/>
  - New templates are online fillable “smart” forms
- **Contract for Services Under \$10k (CFS) Template**  
(formerly P&A under \$5k)
  - List of prohibited services for which template cannot be used
  - 12-month term; Services cannot exceed \$10k
  - If no changes, executed by Unit Head and on behalf of Comptroller
  - Single payment in TEM, or Multiple Payments with iBuy req
  - Subject to post-audit

# Contract Processing - Templates

- **Contract for Procurement of Services (POS) Template** (formerly P&A \$5k or more)
  - “Smart” Form available from OBFS website and iCS
    - Complete the fields, click “Generate Contract”, then submit to UIC Purchasing
  - \$10,000 or more
  - Prohibited service (per list on CFS Under \$10k) of any \$\$ amount
  - Vendor Insurance requirements
  - Family Educational Rights and Privacy Act (FERPA), IL Personal Information Protection Act (PIPA) and Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule
    - HIPAA Business Associate Agreement included when needed

# Contract Processing

- Vendor Contracts
  - Purchasing works with University Counsel to review/negotiate terms protective of University
  - Longer timeframes to process
- UIC processes both mutually-executed contracts and purchase orders (do not require vendor execution)

	FY15	FY16 to date
Contracts	562	431
Contracts Total Value	\$186,416,569	\$117,750,776
Purchase Orders	68105	54523
POs Total Value	\$594,786,856	\$505,910,551

# Contract Approvals

- All contracts require Comptroller signature
- \$250,000 or more per fiscal year per State Finance Act
  - Chief Legal Counsel
  - President
- \$1,000,000 or more per fiscal year
  - Board of Trustees



# Procurement Certifications and Disclosures

- State Certifications required for all purchases
- Financial Disclosures and Conflicts of Interest
  - Required if proposal of \$50k or more, contract of \$50k or more, or combination of proposal/contracts of \$50k
  - Must be secured, resolved prior to contract award
  - Certification of No Change annually for multi-year contracts
- Purchasing secures these from vendors and works issues with SPO for approval to proceed to contract
- Questions should be directed to Purchasing

# Contract Renewal Processing

- Expiring Contracts Report was emailed out with contracts expiring on 6/30/16 or in FY17
  - If Renewals are available; or
  - Do you need to establish a new contract
  - **If you didn't receive a report and know of expiring contracts, email:**  
**[UICPurchasing@uillinois.edu](mailto:UICPurchasing@uillinois.edu)**

# Contract Renewal Processing

- What do Departments need to **renew** an existing contract?
  - Existing options to renew
  - Renew **before** expiration date of contract
  - Submit iBuy Req with CARF as internal attachment requesting an amendment to exercise Renewal option
    - **Now** or **at least six weeks** prior to expiration of contract
    - In iCS submit Amendment Request instead of CARF
  - Include original contract number (CC# or CN#); solicitation number from Procurement Bulletin (RER331)

# Contract Renewal or New Contract

- What do Departments need to establish a **new** contract?
  - Contract expired, no renewals available
  - iBuy Requisition with CARF (or iCS) and new contract as internal attachments (prefer POS template)
- **Reminder**
  - P&A contracts under \$20,000: nonrenewable; one year duration
  - General Services: up to \$55,800 for known life of contract
  - Amounts over those thresholds require competitive solicitation

# Strategic Contracts may be an option

- University-wide contracts available!
  - <https://www.obfs.uillinois.edu/purchases/strategic-procurements/>
  - Information on how to order from these contracts
- Still need a purchase order or contract
- UIC Purchasing will assist

ALL ABOUT CONTRACTS AT UIC

**Patricia G. Menguito**  
**Associate Director**  
**Office of**  
**Business Development Services**

# Who/What is OBDS

## Office of Business Development Services

- Reporting directly to the Interim Assistant Vice President and Chief Business Officer Vanessa Peoples
- Established in 2008 in response to the campus' need for a contracting office dedicated to the increasing entrepreneurial activities with the tightening state budget
- Specifically handle revenue-generating and revenue neutral (or no-fund) agreements

# Office of Business Development Services

- Guide departments through contract development from start to finish, reviewing external party's agreement, negotiating contract language
- Troubleshoot problem areas such as “deal breaker clauses” (i.e. indemnifications, governance, liability, etc.)
- Liaison between department and Legal Counsel, Risk Management, OTM and other applicable parties
- Obtain University's authorized signature(s) to execute contracts
- Develop templates for recurring revenue or no-fund activities

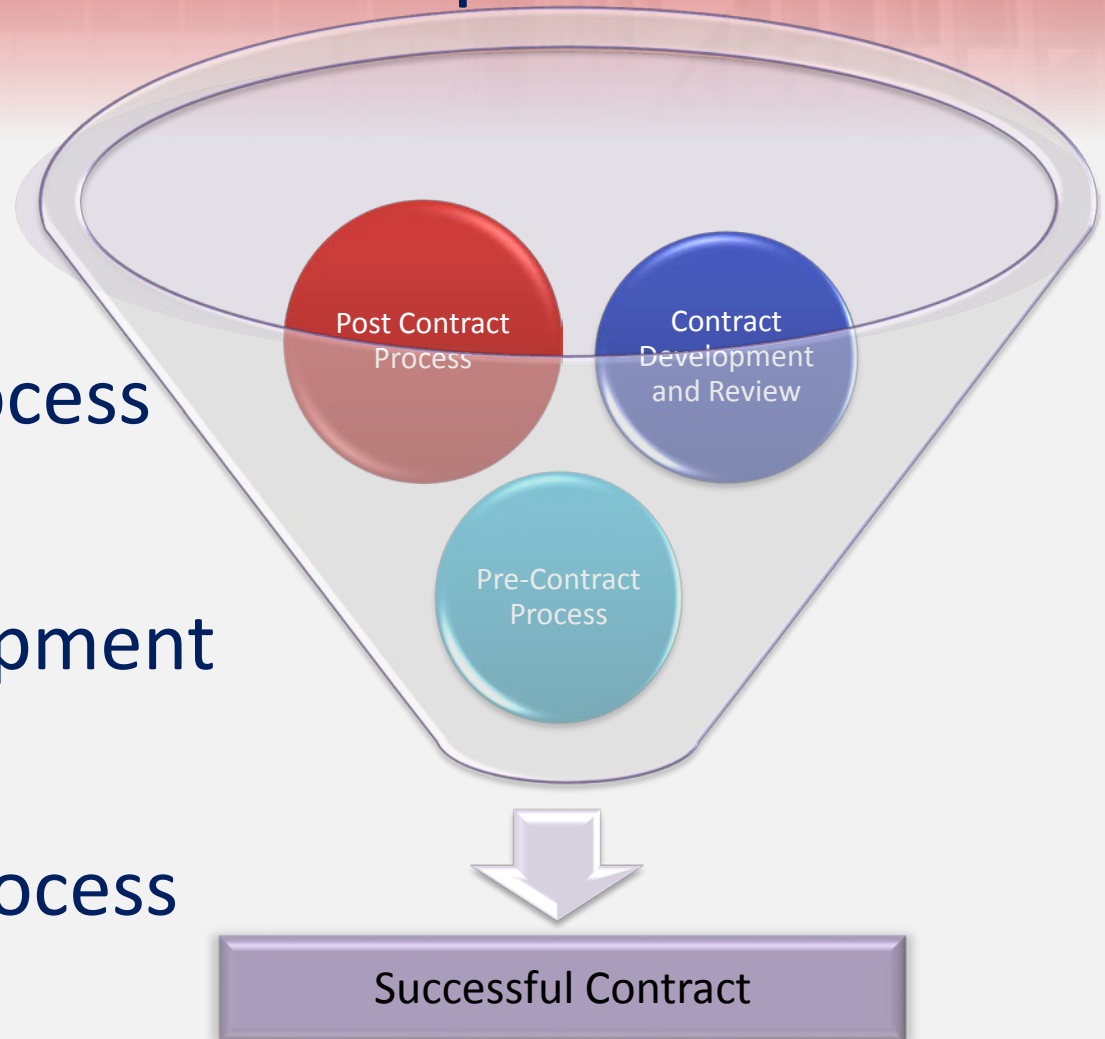


# TYPES OF CONTRACTS

REVENUE CONTRACTS	NO FUND CONTRACTS
Professional Services – patient care,	Educational Affiliations
Outsourced Services – dining management	Non-Disclosure Agreements (NDA)
Facilities Use Agreements – concerts, rallies	HIPAA Business Associate (BAA) Agreements
Sponsorships -	Educational Outreach
Laboratory Testing Services	Student Placements
Film Licensing Agreements	

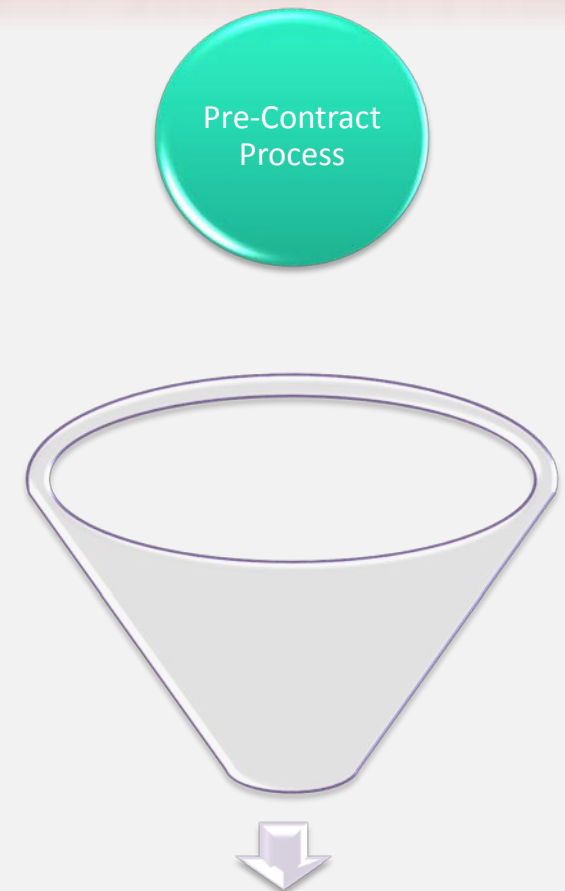
# 3 Stages Contract of Development Process

- Pre-Contract Process
- Contract Development
- Post Contract Process



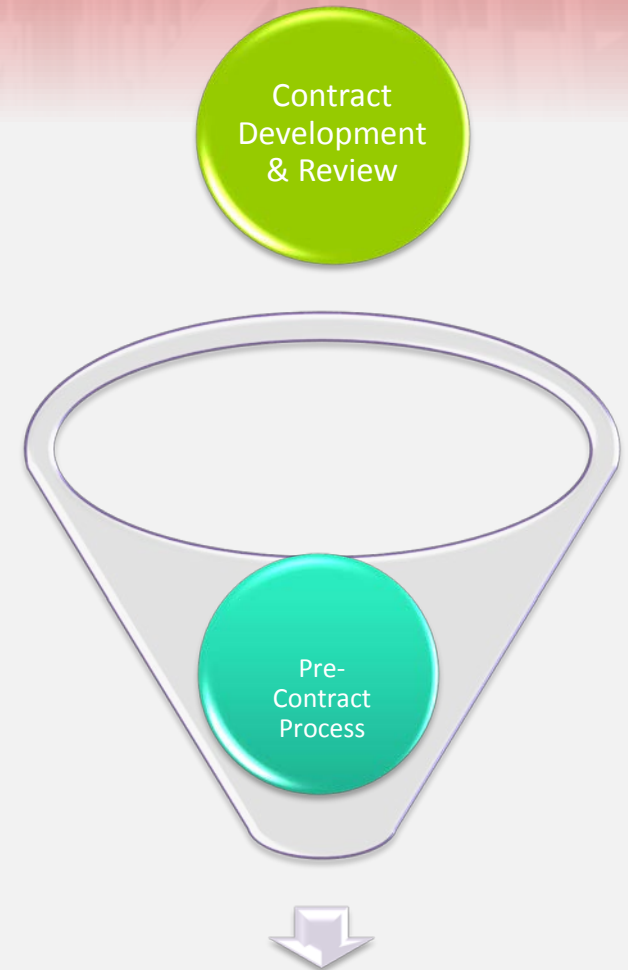
# Pre-Contract Process

- Identify the services to be provided
- Ensure that the other party is financially sound
- Prepare Budget / Full Cost Recovery
- Billing and Collections Set-up
- Obtain Staffing Commitments
- Complete the RGIW
- Non-iCS users prepare and submit CARF with applicable contract documents and applicable authorized signatures
- iCS users assign the tasks to 2\_obds\_reviewer while non-iCS users can now email their documents to [OBFSRevenueContract@uillinois.edu](mailto:OBFSRevenueContract@uillinois.edu)



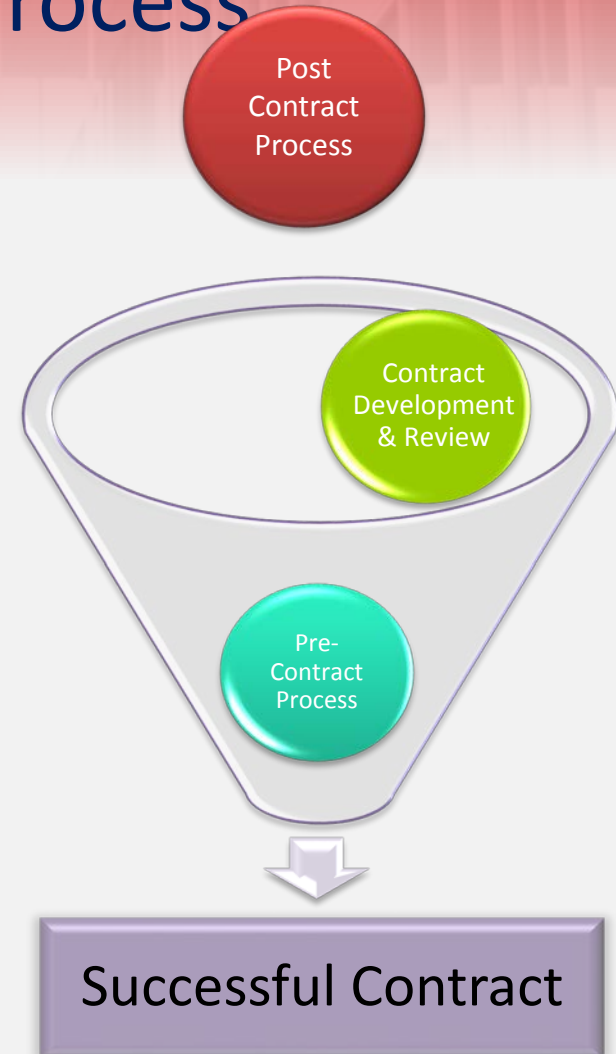
# Contract Development

- Upon receipt of contract documents and the CARF a contract number and coordinator is assigned
- Coordinator initiates review and consults with requesting department
- Review and consult with Legal Counsel / Risk Management when applicable
- Agreement is forwarded to Client for review, approval and signatures
- Agreement is routed for Comptroller signature
- Contract is fully executed when both parties' signatures are on the document
- Timelines



# Post Contract Process

- With iCS, the fully executed contract is automatically filed in the unit's Cabinet. Non-iCS users' fully executed contracts are entered and filed in iCS by OBDS.
- The Other Party is sent either a scan of the fully executed contract or mailed an original upon request.
- Scanned copy of the executed agreement is emailed to the non-iCS department



# Office of Business Development Services

- FY15 Fully Executed Contracts\* 1,108
  - 411 were No Fund Agreements
  - 697 were Revenue Generating
    - Estimated value \$119M
  
- First half FY16 Fully Executed Contracts\* 554
  - 234 are No Fund Agreements
  - 320 are Revenue Generating
    - Estimated value \$98M

\*These do not include the contracts that are incoming and in-process.

ALL ABOUT CONTRACTS AT UIC

**Bruce Walden**

**Director**

**University Office of Capital Programs  
and Real Estate Services**

# Real Estate Services

- A part of University Office of Capital Programs and Real Estate Service within OBFS
- Authority: Responsibility delegated by Comptroller for all real estate transactions
- Two Offices: Urbana /Chicago
- Staffing: Director Bruce Walden

UIC Staff: Dan Martin/Gina Galante



# Real Estate Services

- Customers: UIC Campus, UIS Campus, UIUC Campus, UA, Foundation, Surveys
- Our Mission: To provide our customers expertise and added value in University real estate decision making, subsequent transaction documentation and ultimately, to ensure all real estate transactions are in compliance with University policies, audit and procurement standards.

# Real Estate Services

What we do: plan, negotiate, evaluate current market conditions, obtain legal approval, insurance and risk management review, prepare documents, process contracts, maintain database for all transactions for the following:

- 3<sup>rd</sup> party expense leases RFI/non-RFI excluding faculty use agreements and very short term leases
  - RFI (Request for Information) - \$100,000 annually or 10,000 sq. ft

# Real Estate Services

- 3<sup>rd</sup> party revenue leases: CAS, South Campus, Student Unions
- Easements: IDOT and local roads
- Licenses: Com Ed, fiber, short term use
- Land leases: long term for Public Private Partnerships, housing, mixed use/research parks

# Real Estate Services

- Property Transactions: Acquisitions/trades
- Property Management: University apartment buildings held for land assembly
- Act as Liaison to Board of Trustees, State Purchasing Officer, Policy and Procurement Board for real estate transactions
- Research Park land Planning /infrastructure construction

# Real Estate Services

UIC specific:

- Tax exemption program
- MOUs for south campus
- Liaison with City of Chicago for TIF District Compliance and Financial management
- Medical time share agreements

# Real Estate Services

## TIPS:

- RFI lease may take up to a year to complete
- Non RFI lease may take 30 -90 days
- We strongly prefer to use legally approved template contracts
- Auditors require new certifications and disclosures for any amendment

# Real Estate Services

- All real estate contracts require Comptroller signature and filing with Contracts office with CN number in ICS and Wizard /transmittal to State in order to be considered a completed contract
- Revenue leases/ licenses require transparency too ( OBFS revenue policy)
- Leasing units may desire additional insurance to cover their furniture, fixtures & equipment.

# Real Estate Services

- Leasing units may desire additional insurance to cover their furniture, fixtures & equipment due to large deductible.
  - ✓ Costs \$1 per \$100 computers
  - ✓ Costs \$.03 per \$100 buy down of deductible
  
- Real estate customer survey out: please participate



# Provisions That May Stall a Contract's Approval Process

- ⦿ Governing Law other than Illinois
- ⦿ Other party's legal fees
- ⦿ Indemnification or Liability clauses
- ⦿ Liquidated damages
- ⦿ Insufficient insurance coverage
- ⦿ Binding arbitration
- ⦿ Rights to ownership, copyrights and patent rights
- ⦿ Confidentiality/Non-disclosure
- ⦿ Unfavorable Termination provision
- ⦿ Fair Market Value for Services
- ⦿ Potential Stark Law or Anti-Kickback Law violations

# For All Contracting Offices

- Only the Comptroller (or his delegates) has the authority to sign agreements and contracts on behalf of the University.
- Do **NOT** start providing services or have services provided before you have a fully executed contract.
- Ask questions early and ask often.
- We (ORS, OBDS, Purchasing, Real Estate) do talk to each other, so please do contact us if you need help and we will get you to the right Contracting Office.

# Workshop Summary

- ✓ The forms that need to accompany the contracts when submitting for processing are – CARF used by Purchasing and OBDS, the PAF by ORS and RE-CARF by Real Estate
- ✓ Points that would help you understand what could delay your contract process
- ✓ What each contracting office does, and how we can be of help to you.

# Questions / Concerns?