Overview of the Procurement Contracting Process

Procurement Services

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MONTCLAIR STATE UNIVERSITY

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When is a Procurement Contract Required?

- In most cases, the requester submits a requisition, which is converted into a Purchase Order ("PO") that acts as the contractual document permitting a supplier to provide the goods and services in question.
- A contract is required in cases where the supplier requires a separate contract with signatures by both parties, or if the University determines it is in its best interest to have a formal contract.
- **In cases where the supplier is requesting a contract, the supplier should be strongly encouraged to accept the University's PO in lieu of a signed contract.**
  - This streamlines the process, avoids contract negotiations, and ensures that the University's Terms and Conditions are incorporated into the PO and prevail over any conflicting terms in a supplier's proposal or quote.

Procurement Contract Process Overview

The contract process ensures that any written contract or agreement the University enters into is reviewed, approved, and compliant with University policies before any commitments are made. The agreement moves through several checkpoints, including:

- Divisional approval
- Other approvals as required (IT for SaaS as an example)
- Procurement Services review
- University Counsel review (including potential revisions with the supplier)
- Signature by the supplier and the authorized signing authority at the University

Each step verifies that the terms are appropriate, protect the University, and align with University policy.

Procurement Contract Initiation Procedures

- If a contract is required, the requester must submit the procurement contract review request in Workday Strategic Sourcing (WSS). This applies to all request types, including new contract requests, increases/amendments, or renewals.
- **"The Procurement Contract Request (formally CAS Form)" Request Type from the WSS Business Purchases page should be selected to initiate the process.**
  - An exception is that the "Delegated Waiver / BOT Request (formally WOA Form including any related contract)" should be selected if a BOT resolution or increase will be required as a result of the contract review.
  - All contracts that do not involve purchases (such as academic programs and affiliation agreements, grants/research agreements, and fee-for-service agreements) should be routed through the Non-Purchase Contract Approval Sheet (NCAS) to the appropriate individuals and not through WSS, as Procurement Services is not involved in those workflows.

Submission Requirements for Procurement Contract Request

The Intake process within WSS directs the end user to a Project Details page that outlines the information required to submit a contract request. It is suggested that the following steps be taken prior to initiating the intake process within WSS:

- **Determine if the supplier is set up in Workday Core with current information**
  - If the supplier is not in Workday, complete the "Create Supplier Request" within Workday to initiate the onboarding process prior to submitting the request
  - *Refer to the Supplier Create Training for additional information*
- **Collect required materials to align with procurement bidding and compliance thresholds**
  - Bidding thresholds determine what process must be followed (such as 1 quote or 3 quotes)
  - Compliance thresholds determine what the supplier must provide (such as a BRC)
  - *The Procurement Resources page outlines these requirements*
- **Provide contract-related materials**
  - This includes the contract(s) or amendment along with the University's Standard Terms and Conditions (T&Cs) and any Master Service Agreement (MSA), if applicable

Contract-Related Materials: ST&Cs and MSA

- **All documents that require review must be attached as Word documents (not PDFs).**
- The requester must ask the supplier to review the University's Standard Terms and Conditions (ST&Cs) found in Procurement Resources. The supplier must sign the ST&Cs as-is or provide redlined edits for review. This step is not required if:
  - The contract is on a University-approved template (ST&Cs are included within)
  - Is a contract amendment (ST&Cs would have been incorporated within the original contract)
  - The contract is governed by a previously approved Master Service Agreement (MSA)
  - If the supplier has previously signed ST&Cs, they *may* apply to the agreement with supplier confirmation. Procurement Services and/or University Counsel must approve this, as updated ST&Cs may be required before moving forward.
- If the contract is governed by a previously approved Master Service Agreement (MSA), the requester must provide that document.
  - If an MSA exists, and the requester does not have a copy, reach out to the supplier to obtain.
  - An MSA is a contract with a supplier that lays out general terms for future work, avoiding repeated negotiations.

Workday Strategic Sourcing (WSS) Attachments Required

When all prerequisites are complete, the requester should submit the Contract Request in WSS, including attaching the following:

1. The contract/quote requiring a signature based on the purchasing methodology
2. The signed or redlined Terms & Conditions document
3. Any additional contracts or quotes (based on the purchasing methodology selected)
4. A new or previously signed MSA (if applicable)
5. Any supplier compliance documents as required

Note: WSS includes a team chat feature that helps streamline communication, support collaboration, and facilitate the efficient execution and finalization of the contract.

Procurement Services Initial Contract Request Review (WSS)

Once the documents are submitted within WSS to Procurement Services, the reviewer will:

1. Review the Contract Request and verify the Procurement Methodology (1 quote, 3 quotes, sole source)
2. Review the contract(s) and the quote to identify any embedded Terms and Conditions or hyperlinks that connect to additional supplier agreements
3. Review the T&C document
4. Review the new or the previously executed MSA, if applicable
5. Ensure the supplier is compliant with all State requirements (BRC, C51, AAC)
6. Review all other materials, ensuring compliance with University policies

Contract Request Approval Routing

After Procurement Services completes the initial review, the Project Request will be routed within WSS for request-level approvals through an automated workflow, including:

- The requesting Department's Vice President, other approvals as required (IT for SaaS, etc.), Procurement Services, and any ad-hoc approvals as required.

Once the Project Request has been approved by all required individuals, Procurement Services will create or edit a related Contract within WSS and route it for approvals, including University Counsel (Legal) review.

University Counsel – Contract Review

University Counsel will review the contract documents and may take the following actions:

- Revise the contract(s) documents, including any documents referenced through hyperlinks, and address all changes to the Terms and Conditions.
  - The revisions will be communicated to the supplier through WSS.
- The supplier will then review and may make additional revisions to the contract documents or accept the changes made by University Counsel.
  - The supplier should submit its revisions or acceptance of changes through WSS to ensure it is automatically routed to University Counsel, the Department, and Procurement Services.
- Depending on the complexity of the contract, there may be many rounds of revisions.
- Once contract negotiations are complete and the University and the supplier agree to the contract documents, University Counsel will provide final approval.
  - In limited circumstances, Procurement Services may approve a contract on the University's Counsel's behalf (such as an agreement that is governed by an MSA with no additional T&Cs).

Contract Execution Process

Following all contract approvals, Procurement Services will oversee the contract execution process:

- The Department should provide the suppliers' signatory authority so that Procurement Services can route the contract for signatures through Adobe Sign.
- Procurement Services will route the contract to the supplier for signature and then to the appropriate University signatory authority for execution.

Only the President, the Chief Operating Officer (COO), and the Vice President for Finance (VPFT) are authorized to sign a contract involving the purchase of goods and services.

- **No procurement contract may be signed without the approval of Procurement Services and University Counsel.**

Contract Signing Authority

As it relates to contracts involving the procurement of goods and services that require signature by the University, the signing authority levels are as follows:

Amount	Approver Position / Title
$0 to <$200,000	Vice President for Finance and Treasurer (VPFT)
$200,000 to <$500,000	Chief Operating Officer and Senior Vice President (COO);
$500,000 to <$850,000	President
≥$850,000	President (after Board of Trustees approval)

- The VPFT, COO, and the President are the only signatory authorities for the University for goods and services contracts, except in cases where the approval has been delegated in writing.
  - **No other individuals have the authority to enter into a goods and services contract on behalf of the University.**
- The VPFT or COO may sign larger value amendments at their discretion if no additional funds above Board approval are contemplated.

Contract Repository

Once the contract is signed, all parties will receive a fully executed copy.

- The contract will be stored within WSS, where it will be accessible to the end user, including:
  - The fully executed contract documents
  - Contract metadata including the spend amount, status (active, expired, etc.), start and end dates, and other relevant information.
  - Automatic notifications when a contract is within 30, 60, or 90 days of expiration.
  - The contract within WSS may be integrated with Workday Core through the creation of a "Supplier Contract", streamlining the requisition process by ensuring the contract is tied to the payment and tracking spend against the contract.

Questions?