Management of Contracts and Memoranda of Understanding (MOUs) - Procedures

1. Purpose of procedures
These procedures specify the requirement and processes associated with the Management of Contracts and Memoranda of Understanding (MOUs) – Governing Policy and should be read in conjunction with that policy.

2. Definitions
Please refer to the University’s Glossary of Terms for policies and procedures. Terms and definitions identified below are specific to these procedures and are critical to its effectiveness:

Agreement refers to both Contracts and MOUs.

Contract means an agreement between parties intended to have legal significance and involving the transfer of consideration (that is, value – financial or some other type of benefit - flowing from the beneficiary of the transaction). Contracts generally articulate business relationships for the acquisition or supply of goods or services, for the exploitation or transfer of intellectual property rights (e.g. licences) or for the provision of funding.

Deed means a form of legally binding agreement that requires a high degree of formality for its creation. Execution of an Agreement as a deed may occur under seal or by signing and delivery by a duly authorised signatory and ensures that the specified terms and conditions are legally enforceable, even in the absence of consideration. If the University Seal is required to be used for execution purposes it must be used and affixed to a deed in accordance with the University's Policy on the Use of the University Seal.

Memorandum of Understanding (MOU) means a document that is intended to formalise the terms of a relationship, arrangement or understanding between the University and another party, but unless otherwise specified is not intended to be legally binding on either party. An MOU may lead to the development of separate contracts with legal intent.

3. University agreements
It is vital that there is a clear understanding of the type of agreement that is being entered into, i.e. deed, contract or Memorandum of Understanding (MOU), to ensure the appropriate procedures are followed.

4. Managing risk in University agreements
4.1 The following table is provided to assist in managing the risks in executing an agreement on behalf of the University. See also, Appendix One – Agreement Check List. This check list is to be completed, signed and provided to the financial delegate with responsibility to execute the agreement. In addition to this check list, a simple workflow diagram is provided as Appendix Two – Finalising a University Agreement.

Table 1: Agreement risk assessment

<table>
<thead>
<tr>
<th>RISK ASSESSMENT ISSUE</th>
<th>ACTION REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Has an Agreement Manager been appointed for this Agreement?</td>
<td>Appoint an Agreement Manager</td>
</tr>
<tr>
<td>2. Is the agreement necessary in order for the University to receive the benefits?</td>
<td>Consider necessity of agreement if this lessens risk overall</td>
</tr>
<tr>
<td>3. Has the capacity of the other party to the agreement to meet its contractual requirements been considered?</td>
<td>Consider other party's capacity to meet agreement terms and conditions</td>
</tr>
<tr>
<td>4. Does the agreement serve a valid purpose such as reduce risks to the University, lock in scope, resources or timeframe of a particular project?</td>
<td>Consider purpose of agreement</td>
</tr>
<tr>
<td>5. Are there conditions in the agreement that the University may not be able to fulfil, or require support or approval from other Cost Centres?</td>
<td>Discuss University's ability to meet agreement terms and conditions, with all relevant Cost Centre Managers</td>
</tr>
</tbody>
</table>
6. Are there any milestones, standards or timelines relating to implementation and/or monitoring of the agreement?

7. What commitments will this agreement require of the University and over what time period?

8. What due diligence checks have been carried out on the other party or parties to the agreement?

9. Is there adequate insurance cover related to the agreement?

10. Are there any research implications or is this associated with any research grants?

11. Are there any legal issues that require clarification, in particular granting of indemnities or guarantees?

12. Are there any financial implications that may require further consideration? Are the University’s standard payment terms of 30 days by EFT included?

13. Does the agreement contain an Indemnity clause?

14. Have all GST implications been considered?

15. Are there any space management considerations or physical risk (e.g. workplace health and safety) considerations relating to the agreement?

16. Is the agreement related to the leasing of property?

17. Are there any human resource implications?

18. Are there any marketing implications (e.g. impact on University’s reputation, positive or negative)?

19. Has compliance with legislation or other relevant University policies and procedures been considered?

20. Has the Agreement been signed by the non-University party?

21. Is this a subcontracting of services that USC is required to deliver under a head contract?

22. Does the agreement contain provisions impacting on the Intellectual Property rights and obligations of USC or USC staff or students (e.g. copyright, publishing, confidentiality, inventions, innovations, patents, trademarks, designs, plant breeding rights, circuit layouts)?

23. Does the agreement involve any related parties or conflicts of interest?

24. Has proper consideration been given to human rights and will the contract/agreement facilitate the University to act in a way that is compatible with the Human Rights Act 2019 (Qld)? Giving proper consideration to a human right in making a decision includes, but is not limited to—(a) identifying the human rights that may be affected by the decision; and (b) considering whether the decision would be compatible with human rights. If any human rights have been identified as potentially affected by the recommended decision, attach a Statement of Compatibility with Human Rights.
Note: If the execution of an agreement is likely to be rated as a Moderate, Significant or High risk to the University, a Risk Identification Form should be completed, as provided in the University’s Risk Management Procedures and sent to the Chief Operating Officer for consideration before the agreement is finalised. To assess a risk rating, refer to the University’s Risk Management - Procedures.

5. Use of standard University agreements and consultation with advising Cost Centres

5.1 Risk is also reduced significantly when an agreement contains standard terms and conditions to ensure all relevant matters are addressed, to aid interpretation and the relevant advising cost centres are consulted. The following resources outlined in Table Two: Standard University Agreements should be used wherever possible:

Table 2: Standard University agreements

<table>
<thead>
<tr>
<th>TYPE OF AGREEMENT</th>
<th>AGREEMENT NAME/LOCATION</th>
<th>RESPONSIBLE COST CENTRE</th>
<th>ADVISING COST CENTRE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement agreements for goods and</td>
<td>MyUSC&gt; Working at USC – Finance and Purchasing &gt; Purchasing &gt; USC</td>
<td>Commissioning Cost Centre</td>
<td>Financial Services</td>
</tr>
<tr>
<td>services and consultancies</td>
<td>Procurement Agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>External Research Grants and Research</td>
<td>External Research Grants - Academic Policy</td>
<td>Commissioning Cost Centre</td>
<td>Office of Research</td>
</tr>
<tr>
<td>Agreements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University contracted consultancies</td>
<td>University Consultancy Work – Managerial Policy</td>
<td>Commissioning Cost Centre</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Minor capital Works and maintenance</td>
<td>MyUSC&gt; Working at USC – Finance and Purchasing &gt; Purchasing &gt; USC</td>
<td>Asset Management Services</td>
<td>Asset Management Services</td>
</tr>
<tr>
<td>contracts</td>
<td>Procurement Agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major construction contracts</td>
<td>Capital and Commercial</td>
<td>Capital and Commercial</td>
<td>Capital and Commercial</td>
</tr>
<tr>
<td>IT contracts</td>
<td>Information Technology Services – Project Management Office</td>
<td>Information Technology Services</td>
<td>Information Technology Services</td>
</tr>
<tr>
<td>Agency agreements with international</td>
<td>USC International</td>
<td>USC International</td>
<td>USC International</td>
</tr>
<tr>
<td>organisations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External Learning and Teaching grants</td>
<td>MYUSC&gt;Teaching &gt; Grants and Awards</td>
<td>Commissioning Cost Centre</td>
<td>Centre for Support and</td>
</tr>
<tr>
<td>and fellowships</td>
<td></td>
<td></td>
<td>Advancement of Learning</td>
</tr>
<tr>
<td>Contracts for the external delivery of</td>
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<tr>
<td>non-award professional development or</td>
<td></td>
<td></td>
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<tr>
<td>training services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External Research Grants</td>
<td>MYUSC&gt; Research</td>
<td>Commissioning Cost Centre</td>
<td>Office of Research</td>
</tr>
<tr>
<td>External Education Grants (e.g. CASR)</td>
<td>Office of Engagement</td>
<td>Commissioning Cost Centre</td>
<td>Office of Engagement</td>
</tr>
<tr>
<td>Articulation Agreements</td>
<td>Various locations</td>
<td>Student Services and Engagement</td>
<td></td>
</tr>
<tr>
<td>WIL Placement Agreements</td>
<td>MYUSC&gt;Supporting Students &gt; Work Integrated Learning System (Sonia)</td>
<td>Commissioning Cost Centre</td>
<td>Technical Operations - Office</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>of the Deputy Vice-Chancellor</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>(Academic)</td>
</tr>
</tbody>
</table>

5.2 Any agreement including provisions for dealing with Intellectual Property must comply with the Intellectual Property – Governing Policy. Contact Director, Office of Research for further advice.

6. Legal advice on agreements

6.1 Legal advice must be sought where so recommended by the advising cost centre having regards to concerns such as:

· significant legal issues are involved (for instance where a guarantee or indemnity is given or if there is an exclusion or limitation of liability by the other party in respect of breaches of the agreement or for negligence)
6.2 The University utilises a panel of preferred suppliers for legal advice on agreements. Details of the University's preferred suppliers can be obtained from Legal Services.

7. Role and responsibilities of the Agreement Manager

7.1 The delegate authorising the agreement will appoint an Agreement Manager who will normally be a University officer having expertise and/or responsibility for administration of the terms of the contract or MOU, including financial administration.

7.2 The Agreement Manager is responsible for:

- managing the negotiation process for the agreement;
- ensuring that, in the case of an agreement for the supply of goods or services, the contracted goods and/or services are delivered in accordance with the terms of the agreement;
- ensuring compliance by the University and the other party with the terms and conditions of the agreement;
- assessing the risks related to the project before the contracting for services to determine the extent of monitoring appropriate to the agreement and to determine whether legal advice is required (for example in non-standard agreements);
- ensuring the agreement or has a clear understanding of how the agreement will be managed and monitored;
- recording and filing the agreement in the University's records management system in accordance with the University's Information Management Framework – Governing Policy and associated procedures;
- performance monitoring and review of the agreement, in accordance with the terms of the agreement, and in cooperation with the Advising Cost Centre;
- resolving issues or problems that arise during the term of the agreement;
- performance reporting to the Cost Centre Manager.

7.3 In relation to University Consultancies, External Research Grants and External Learning and Teaching Grants, the Centre for Support and Advancement of Learning and Teaching, Office of Research or Financial Services (as applicable), will assist the Agreement Manager with grant administration.

8. Authority to sign agreements on behalf the University

8.1 The University Council has delegated authority to enter into agreements on behalf of the University to the Vice-Chancellor and President. In line with the University Governance Framework – Governing Policy, the Vice-Chancellor and President will ensure that Council is advised of any significant risks or issues relating to a contract or MOU.

8.2 All contracts, MOUs, deeds and agreements must be signed in accordance with the Delegations Framework – Governing Policy and the associated USC Delegations Manual. Specifically, Schedule C - Operational and Administrative Authorisations sets out positions with authority to sign agreements on behalf of the University. and the USC Financial Management Schedule sets out financial limitations for officers to commit to expenditure of funds.

9. Records management

9.1 The Agreement Manager is responsible for recording and filing contracts and/or MOUs in the University's records management system in accordance with the University's Information Management Framework – Governing Policy and associated Information and Records Management – Procedures.

9.2 An official file should be created at the commencement of negotiations for any agreement through the Cost Centre Records Liaison Officer and the file reference should be quoted on all documents relating to the agreement. All documentation must be attached to the official University file and managed within the University's record management system in accordance with the Information and Records Management – Procedures.

9.3 When an agreement is executed, the original is to be forwarded to Information Management Services by the Cost Centre's Records Liaison Officer for recording and managing in accordance with the University's Information and Records Management Procedures. University files containing original agreement documents are to be securely stored for the required legal period in accordance with the Information Management Framework – Governing Policy.

10. Agreement management

10.1 The following University databases should be updated after execution of the agreement where appropriate:

- Contractors and Consultants database for capital works and maintenance related services;
- Research database for research, associated consultancies and commercial services worldwide; and
Standing Offer (SOA) and Preferred Supplier (PSA) Arrangements registered by Financial Services database of Preferred Supplier arrangements

10.2 Where the above database are not required, such as for general consultancies, a Cost Centre should maintain a database of its agreements to meet business needs, legal requirements and other compliance obligations.

10.3 The Agreement Manager should ensure that the agreement is monitored for performance, that all University obligations under the agreement are being met and that the agreement is reviewed prior to expiry.

10.4 The following details of the agreement must be recorded by the Agreement Manager:

- Official University file reference number;
- Names of the parties involved;
- Agreement Manager name and position;
- A record of any decisions by a USC employee, on behalf of USC, in relation to an Agreement by USC, whether made orally or in writing;
- Description of the goods and/or services provided (where applicable) or, in the case of MOUs, a description of the objectives of the agreement and the actions to be undertaken by the University;
- Known or estimated dollar value (where applicable);
- Period of the agreement, including review and extension options (as appropriate);
- Date of commencement (if applicable);
- Specified outcomes/benefits to be achieved for the University (optional);
- Negotiated variations to terms and conditions after signing of original agreement
- Letters of termination or extension.

Appendix 1: Agreement Checklist
Appendix 2: Finalising a University Agreement

RELATED DOCUMENTS
Delegations Framework - Governing Policy
Enterprise Risk Management - Governing Policy
Externally Funded Research - Academic Policy
Financial Management Practices - Operational Policy
Incoming Sponsorship - Operational Policy
Intellectual Property - Governing Policy
Intellectual Property: Commercialisation - Procedures
Intellectual Property: Commercialisation Revenue - Procedures
Intellectual Property: Student IP - Procedures
Intellectual Property: Transfer of Rights to Creators - Procedures
Learning and Teaching Grants, Awards and Fellowships - Academic Policy
Management of Contracts and Memoranda of Understanding (MOUs) - Governing Policy
Outside Work and Private Practice - Operational Policy
Outside Work and Private Practice - Procedures
Risk Management - Procedures
University Consultancy Work - Operational Policy
University Consultancy Work - Procedures

LINKED DOCUMENTS
Management of Contracts and Memoranda of Understanding (MOUs) - Governing Policy

RELATED LEGISLATION / STANDARDS
University of the Sunshine Coast Act 1998
Financial Accountability Act 2009 (Qld)
Queensland Procurement Policy
Human Rights Act 2019 (Qld)