

## COAST COMMUNITY COLLEGE DISTRICT PROCEDURES FOR CONTRACT REVIEW AND SUBMISSION

### I. REFERENCES

- CCCD BP/AP 2430 - Delegation of Authority to the CEO
- CCCD BP/AP 6100 - Delegation of Authority
- CCCD BP/AP 6340 - Bids and Contracts
- CCCD BP/AP 6350 - Contracts Relating to Construction
- CCCD BP/AP 6370 - Contracts for Independent Contractors or Professional Experts
- CCCD BP/AP 7110 - Delegation of Authority (H/R)

### II. DEFINITIONS

- A. Contract: A contract (also commonly referred to as "Agreement") is a legal relationship which is formed when there is a mutual exchange of promises upon reasonably understandable terms and conditions, with consideration (money or the exchange of other value), between two or more entities or persons. For the purposes of this procedure, the term contract is intended to mean a written form of agreement. Many types of documents can constitute a contract, including invoices, purchase orders, grants, agreements, memoranda and letters. All District contracts must be in writing, and must be approved or ratified by the District's Board of Trustees to be enforceable.
- B. Contract (State) Bid Limit: Each year the State Chancellor's Office amends the bid limit that governs competitive contracts in accordance with requirements of the Public Contract Code Section (P.C.C.) 20651(d). Effective January 1, 2014, - the bid limit was raised to \$84,100. This bid limit amount is modifiable by the State on January 1st of each year. This bid limit only applies to (1) the purchase of equipment, materials, and supplies; (2) services, except construction services; and (3) repairs, including maintenance as defined in P.C.C. 20656, that are not public projects as defined in P.C.C. 22002(c). The \$15,000 threshold for construction contracts under P.C.C. 20651(b) remains unchanged.
- C. Campus Official: The College President, Vice-President, or other person of the college that is authorized to allow contracts to be submitted to the District for legal review and Board of Trustee consideration.
- D. Risk Services/Legal Review: The review conducted by District Risk Services of proposed standard or non-standard contracts submitted by the Colleges or District Office, prior to placement of such contract on the District's Board agenda for approval or ratification. Such review may include Risk Services referral to outside counsel.

- E. Approval of Contract: The formal action of the Board of Trustees indicating its approval of a proposed contract *prior* to conduct under the contract with the other party. No contract between the District and another party is valid unless approved or ratified by the District's Board of Trustees, and signed by the Chancellor or Vice Chancellor, Finance and Administrative Services, or an authorized representative of the Board.
- F. Administrative Approval of Contract Pending Ratification: Administrative approval of Contract pending Board Ratification is a contract signature mechanism, authorized by Board policy, where the Chancellor is delegated the authority to execute contracts for the District. These contracts would still be required to be placed on the Board Agenda for Board of Trustee consideration and ratification of the Chancellor's signature. Under the Board policies and administrative procedures listed above, the Chancellor and Vice Chancellor, Finance and Administrative Services are authorized to execute contracts up to certain dollar limits in advance of Board ratification. For additional information about contract types and applicable dollar limits, see *Table For Contract Ratification Or Approval By The District's Board Of Trustees*, on pages 11-13 herein.
- G. Ratification of Contract: The formal action of the Board of Trustees indicating its agreement to be bound to a contract between District and another party, already executed by the Chancellor or Vice Chancellor, Finance and Administrative Services. Conduct under the contract **may occur before the Board indicates its approval (by ratification) of the proposed agreement**. The Board of Trustees will review this contract, and may "ratify" this contract previously agreed to by the Chancellor on behalf of the District. No contract between the District and another party is valid unless approved or ratified by the District's Board. For additional information about contract types and applicable dollar limits, see *Table For Contract Ratification Or Approval By The District's Board Of Trustees*, on pages 11-13 herein.
- H. Non-Standard Agreement/Contract: An agreement or contract, *other than* a Board approved standard agreement template (without any changes), which contains terms that require Risk Services/Legal Review, and which may possibly require changes in language prior to its submission to the Board for approval or ratification.
- I. Standard Agreement/Contract: An agreement or contract, drafted by the District, for use for its most recurring business activities. These standard contracts have been approved by the Board of Trustees as a template for use.
- J. Amendment: A document created to modify (or amend) an existing agreement or contract, of either standard or non-standard character. An amendment can be either standard (a previously Board approved District template), or a non-standard amendment, requiring Risk Services/Legal Review.

- K. Maximum Length of Agreement/Contract: Under California law, an agreement for the provision of Services cannot exceed 5 years in length. Agreements for the acquisition of goods or materials cannot exceed 3 years in length.
- L. Hold Harmless: A statement in a contract whereby one party assumes the liability inherent in a situation, thereby relieving the other party of responsibility. Typical hold harmless language holds that one party is not liable for any injuries or damages sustained under an agreement (they are being held harmless). The District should always seek to be held harmless in contracts it enters into.
- M. Indemnification Against Liability/Loss: A term used in contracts whereby one party agrees to make the other party to a contract "whole" again should specified loss or damage occur. A party indemnifies another by agreeing to compensate them for loss or damage; to provide security for financial reimbursement in case of a specified loss incurred. An indemnity provision shifts risk of loss to another under the contract.
- N. Jurisdiction/Venue: The location of the Court (preferably *California/Orange County*) where the parties to a contract agree to have disputes heard, thus providing the applicable court with authority to resolve disputes. The District strongly prefers jurisdiction over contract disputes to be in California, with venue residing in the Superior Courts of the County of Orange.
- O. Choice of Law: A contractual provision where the parties identify which state's law applies in interpreting a contract between parties. The District strongly prefers that *California law* be identified as the law to be applied in resolving disputes and interpreting contracts between the District and other parties.
- P. Contract Signature Authority: The President, Board of Trustees (or other designated Trustee); *or*, for ratification items, the Chancellor or Vice Chancellor, Finance & Administrative Services, subject to the agreement being ratified by the Board.
- Q. District Official: The Chancellor, Vice Chancellors, or their designees, including Risk Services personnel. These personnel assist the colleges with the review of contracts, negotiation of terms and changes as needed, and with contract submission guidance.
- R. Board Office: The District's Board of Trustees administrative offices and personnel, including the Board Office Manager and support staff.
- S. Board Agenda: The agenda used by the District's Board of Trustees for the conduct of meetings, including open and closed sessions. The District's Board Agenda is typically comprised of three sections:

1. *Action* Section - general information, comments, Board log, and other items of interest for the public and the Board.
2. *Consent* Section - standard and non-standard agreements under the current state bid limit, including independent contractors, professional experts, employment matters, other standardized agreements, and purchasing transactions.
3. *Discussion* Section - for the Board's discussion and possible action for approval (or not) of non-standard agreements and standard agreements over the state bid limits (as amended), resolutions, and ratification of standard agreements and non-standard agreements exceeding state bid limits.

### **III. CONTRACT REVIEW PROCEDURE - COLLEGE/DISTRICT**

All **non-standard** contracts must be reviewed by the Risk Services Department as to form, legal sufficiency, and for potential risk assessment. This review is initiated at the campus department level by use of the District approved *OCC/GWC/CCC Contract Routing Sheet*. This routing sheet provides for written consent from the college President or responsible Vice President for the individual/department to pursue such a contract.

Exceptions to this contract review process include:

1. Review is not required where the parties to the contract agree to use a District standard contract (unaltered except for filling in the *blank* fields) as approved by the Board of Trustees. Line-outs of standard language convert a standard agreement to a non-standard agreement.
2. Review is not required for use of District standard purchase orders unless there are contractor issued terms and conditions amending the purchase order.
3. Review is not required for term contracts resulting from competitive procurements conducted by the Purchasing Department where the District's Terms and Conditions are accepted by the contractor, and there are no additional contractor revision requests for the terms and conditions.

#### **Responsibilities of District Risk Services**

District Risk Services shall make available necessary materials and training to ensure that District employees involved in the contracts process are informed and understand the scope and limits of their contracting responsibilities. Risk Services shall create, manage, publish, and periodically update District standard agreements and procedures to be by the colleges and district departments. District Risk Services shall periodically review the effectiveness of the District's contracting processes and procedures, and shall solicit recommendations from each college about how to improve these processes.

All personnel submitting contracts for Risk Services/Legal Review and Placement on the District's Board Agenda must *first* obtain authorization to do so from either the College President's Office, or the Vice President overseeing that specific department. The District's Risk Services Department will then conduct a legal review of the proposed contract (agreement).

**Strict Adherence to Timelines for Risk Services "Contract Review"**

The following contract submission timelines must be adhered to by individuals submitting proposed contracts for Risk Services/Legal Review:

**Non-Standard Agreements Submitted for Board Approval**

Non-standard contracts shall be submitted for *Board approval* require legal review **no less than 14 days prior to the Board agenda deadline** for the Board meeting where the contract is to be considered for approval by the Board of Trustees. Risk Services shall make every effort to complete legal review by no less than 7 days prior to the Board agenda submission deadline. The colleges are encouraged to submit non-standard contracts for legal review at least 30 days prior to the anticipated Board agenda deadline for the Board meeting at which the proposed agreement is to be considered, so as to allow sufficient time for review, negotiation, editing, and finalization of the proposed contract.

**Non-Standard Agreements Submitted for Administrative Approval Pending Ratification**

Non-standard agreements requiring immediate legal and risk review may, upon approval of the College President, responsible Vice President, or Vice Chancellor or District Site Manager, be submitted to Risk Services for legal review and for the Chancellor and Vice Chancellor, Finance and Administrative Services' signature in advance of a scheduled Board meeting, subject to **ratification** by the District's Board of Trustees. Specific dollar limits apply for items submitted for signature pending Board ratification, see *Table For Contract Ratification Or Approval By The District's Board Of Trustees*, on pages 11-13 herein.

**Placement of Non-Standard Agreements on Board Agenda**

In all circumstances, An electronic copy of a non-standard agreement shall be submitted to the Board Office with the Board agenda item. Non-standard agreements *exceeding* the state bid limits shall be placed in the Discussion (Action) section of the Board Agenda for approval or ratification. Non-standard contracts (agreements) *below* the state bid limits shall be placed on the Consent section of the Board Agenda for approval or ratification.

**District Standard Agreements**

1. The District has a large library of standard agreements that have been approved by the Board of Trustees as templates for use by the District's colleges. These standard agreements can be found at the Risk Services webpage on the District website, at the following web address:

<http://www.cccd.edu/employees/riskservices/Pages/default.aspx>

2. The District's standard agreement language shall **not** be edited or altered in any manner. *Any* alteration of a standard agreement changes its character from a standard agreement to a non-standard agreement. Please contact Risk Services for assistance if changes to District standard agreements are requested.

#### **District Standard Agreements Submitted for Board Approval or Ratification**

1. Standard agreements agenda items shall be timely placed on the District's Board Agenda for approval or ratification. Standard agreements *below* the state bid limit may be placed in the Consent section the District's Board Agenda for Board consideration. Standard agreement agenda items *exceeding* the state bid limit, or those standard agreements which, in the opinion of District Risk Services, creates an unusual amount of risk, shall be placed on the Discussion section of the Board Agenda. Standard agreements are not required to be attached to the District board agenda. However, standard agreement agenda items shall be described in sufficient detail to fully inform the Board of Trustees as to the terms of the agreement.
2. Subject to College President, responsible Vice President, Vice Chancellor, or District Site Manager's authorization, standard agreements may be submitted for *Administrative Approval of Contract Pending Board Ratification*, subject to the specific dollar limits set forth in the *Table For Contract Ratification Or Approval By The District's Board Of Trustees*, on pages 10-12 herein. Only the Chancellor and Vice Chancellor, Finance and Administrative Services are authorized to execute agreements pending Board ratification.

#### **Professional Services Agreements**

Professional Services Agreements are those agreements with entities or individuals offering professional services, such as accounting, engineering, architectural, legal, auditing, and other services. These services are excepted from public contracts bidding requirements and limitations. The District has a Standard Professional Services Agreement available for use. The Chancellor has established a dollar limit for administrative approval of these types of agreements, subject to Board ratification, not to exceed \$150,000. Any Professional Service Agreement in excess of \$150,000 must be approved by the Board of Trustees prior to services being performed.

#### **Independent Contractor Agreements**

When submitting Independent Contractor Agreements, submitters are required to complete the *Independent Contractor Checklist* to assess whether the party contracted with may be properly classified as an independent contractor. The Chancellor and Vice Chancellor, Finance and Administrative Services may execute such agreements, subject to Board ratification, not to exceed \$150,000. Any Independent Contractor Agreement in excess of \$150,000 must be approved by the Board of Trustees prior to services being performed.

**IV. SIGNATURES AND ROUTING OF ALL CONTRACTS/AGREEMENTS**

Each Campus Business *or* President's Office, or District Department shall route no less than **4** originals of Standard and Non-Standard agreements through the Risk Services Office. **A copy of the agenda item must be included with the originals.** To the greatest extent practicable, the other party must have also signed the agreements before routing to Risk Services.

**Required Signature Blocks For Contracts**

**District Signature Block:** COAST COMMUNITY COLLEGE DISTRICT

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Chancellor (or) President, Board of Trustees

Date: \_\_\_\_\_

**Other Party Signature Block:** OTHER PARTY LEGAL NAME

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title of Person Authorized to Sign

Date: \_\_\_\_\_

**Routing for Board Approval and Signature**

All contracts requiring signature that are *pending* Board approval shall be received by Risk Services *prior to* the Board Meeting date. These agreements will be forwarded to the Board Office for signature on the day prior to the Board meeting. The Board Office will route these agreements back to Risk Services for distribution after Board approval.

**Routing for Chancellor Signature and Board Ratification**

Proposed contracts to be signed by the Chancellor (*in advance of Board ratification*) - shall be submitted to Risk Services, along with the "*Contracts - Administrative Approval Request*" form, for preliminary legal review. After review and finalization, the proposed final contract shall be routed through Risk Services, including the "*Contracts - Administrative Approval Request*" form, and the Board agenda item, for signature by the Chancellor or Vice Chancellor, Finance and Administrative Services.

All proposed contracts submitted for ratification must be posted on the Board Agenda for Board of Trustee consideration within 30 days of execution of the contract by the Chancellor or Vice Chancellor, Finance and Administrative Services. Risk Services shall maintain a list of contracts

(both standard and non-standard) that are to be placed on the Board Agenda for ratification. Each Campus and District department shall ensure that any contract to be considered for ratification is timely reported to District Risk Services.

**Required Use of "Contracts - Administrative Approval Request" Form**

Risk Services has created a "Contracts - Administrative Approval Request" form, attached as the last page of this procedure, to be used by all district/college sites when submitting a proposed contract for Chancellor or Vice Chancellor, Finance and Administrative Services signature. This form requires the submitter to confirm that the College/District executive staff are aware that the proposed contract has been reviewed and authorized for submission to the Chancellor and Vice Chancellor, Finance and Administrative Services for signature. This form identifies the dollar amount of the proposed contract; identifies whether the proposed contract is either a standard or non-standard agreement; and confirms that the proposed contract, if non-standard, has undergone Risk Services review.

**Placement of Contracts in "BoardDocs"**

Important: ALL agenda items placed in *BoardDocs* must be submitted as **14 point Arial font** as selected within *BoardDocs*.

1. Standard contract agenda items (for contracts *under* the state bid limit) shall be placed in the "**Ratification of Approved Standard Agreements Up To \$84,100 (State Bid Limit)**" of the consent section of the District's board agenda.
2. Standard contract agenda items in excess of the state bid limit shall be placed in the "**Ratification / Approval of Standard Agreements in Excess of \$84,100 (State Bid Limit)**" on the discussion/action section of the District's board agenda.
3. Non-Standard contract agenda items (for contracts under the state bid limit) shall be placed in the "**Ratification of Approved Non-Standard Agreements Up To \$84,100 (State Bid Limit)**" on the consent section of the District's board agenda. The submitter must include a PDF of the Non-Standard agreement.
4. Non-Standard contract agenda items (for contracts in excess of the state bid limit) shall be placed in the "**Ratification / Approval of Non-Standard Agreements in Excess of \$84,100 (State Bid Limit)**" on the discussion/action section of the District's board agenda. The submitter must include a PDF of the Non-Standard agreement.

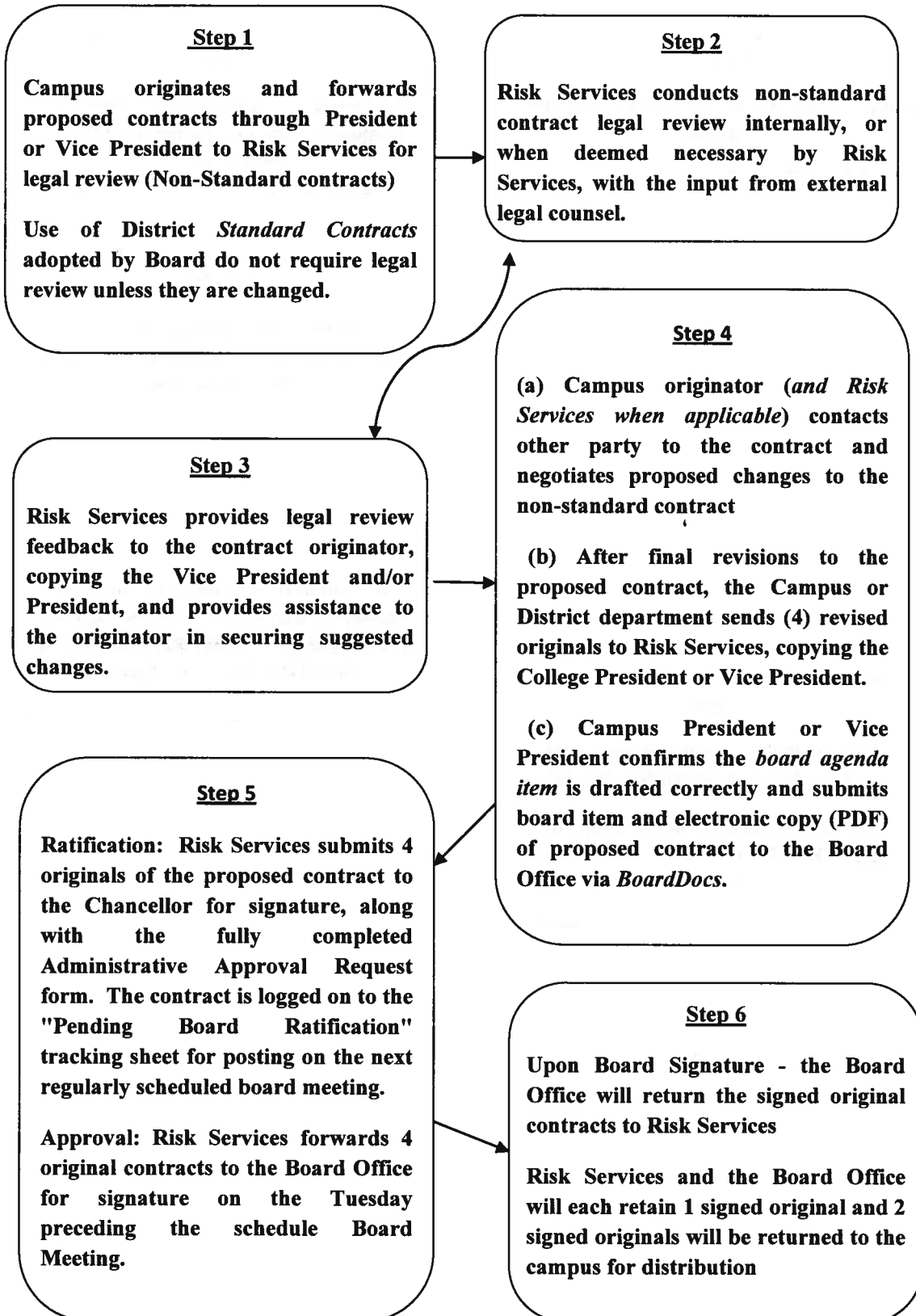
**Board Office Submission Deadline ("BoardDocs")**

All contracts and other board agenda items must be posted into the *BoardDocs* board agenda template by **No Later Than: Tuesday, 12:00 p.m. (Noon)** - eight days prior to the board meeting at which the board item will be considered.

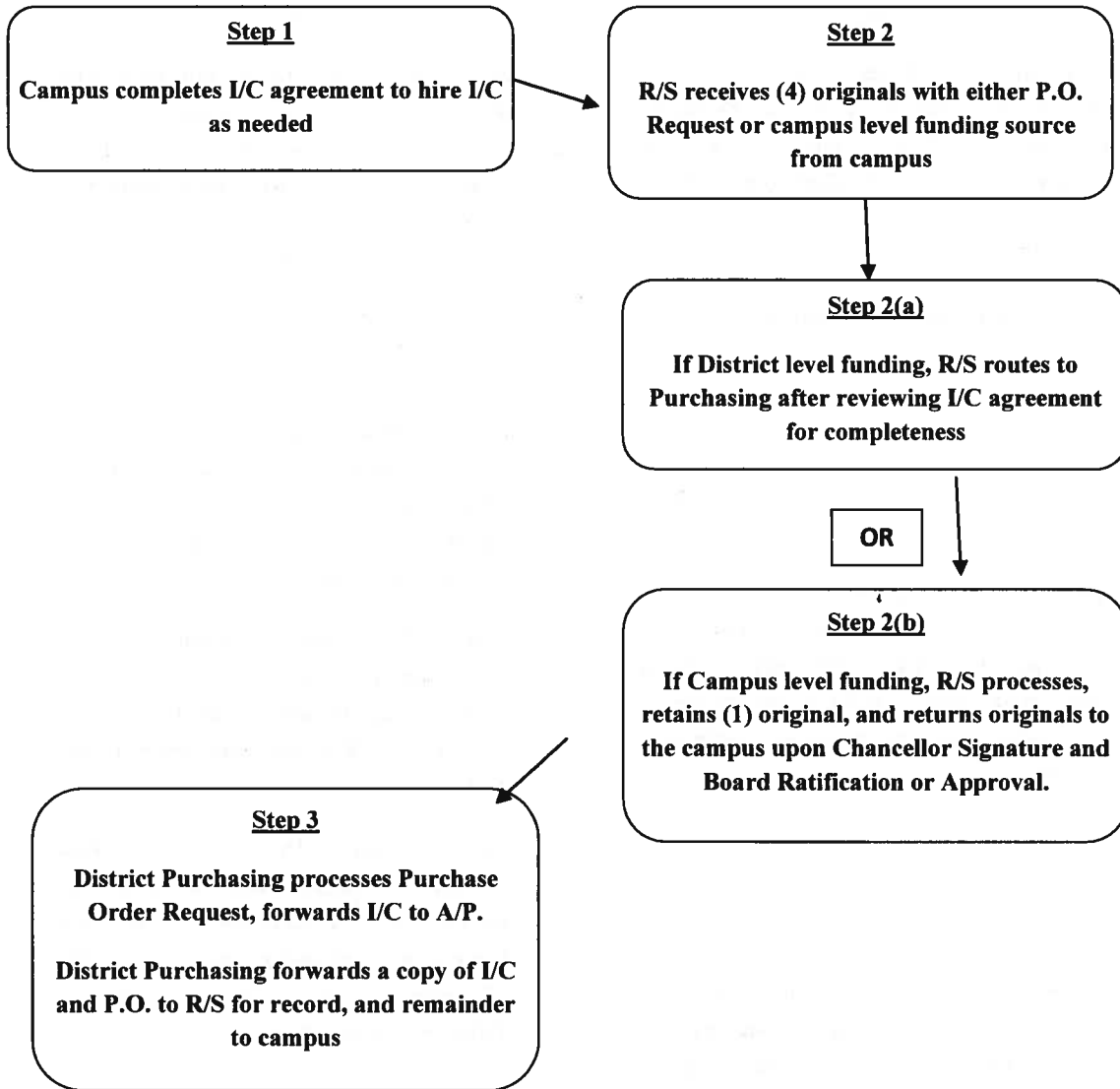
There are **no exceptions to this deadline**. Incomplete board agenda items, or items without required attachments **will be rejected** by the board office.



V. CCCD RISK SERVICES - CONTRACTS REVIEW PROCEDURES



**VI. INDEPENDENT CONTRACTOR (I/C) AGREEMENT PROCESSING PROCEDURES**



**VII. TABLE FOR CONTRACT RATIFICATION OR APPROVAL  
 BY THE DISTRICT'S BOARD OF TRUSTEES**

Type of Contract	Authority	Standard (or) Non-Standard	Approval (A) (or) Ratification (R)	Term Limit	Agenda Placement Consent or Discussion
Independent Contractor	BP/AP 6370	Standard	(R) up to \$150,000  (A) in excess of \$150,000	NTE Fiscal Year	Consent: Standard or Non-Standard (with contract attachment) up to \$84,100  Discussion: Standard or Non-Standard (with contract attachment) in excess of \$84,100
Professional Expert	BP/AP 6370 BP/AP 7110	Standard	(R) for all	NTE 3 Years	Consent
Software/License Agreements	BP/AP 6340	Non-Standard	(R) for up to \$84,100  (A) in excess of this amount	NTE 3 Years if license only NTE 5 Years if Substantial Services included	Consent: Non-Standard (with contract attachment) up to \$84,100  Discussion: Non-Standard (with contract attachment) in excess of \$84,100
Clinical Affiliation Agreements	BP/AP 6340	Standard Non-Standard	(R) for Standard  (A) or (R) for Non-Standard	NTE 5 Years	Consent: Standard or Non-Standard (with contract attachment)
Construction Project related Contracts (Contractors)	BP/AP 6340 BP/AP 6350	Standard	(R) for up to \$84,100  (A) in excess of this amount	NTE 5 Years	Discussion: Standard or Non-Standard (with contract attachment) in excess of \$84,100
Purchasing of Goods or Supplies	BP/AP 6340	Standard Purchase Orders Non-Standard Agreements	(R) for up to \$84,100  (A) in excess of this amount	NTE 3 Years	Consent: Standard and Non-Standard (with contract attachment) up to \$84,100  Discussion: Standard or Non-Standard (with contract attachment) in excess of \$84,100
Consultant or Professional Services Agreements	BP/AP 6340	Standard Non-Standard	(R) for Standard or Non-Standard up to \$150,000  (A) for Standard or Non-Standard in excess of \$150,000	NTE 5 Years	Consent: Standard or Non-Standard (with contract attachment) unless in excess of \$84,100  Discussion: Standard or Non-Standard (with contract attachment) in excess of \$84,100

**TABLE FOR CONTRACT RATIFICATION OR APPROVAL (CONT'D)**

Type of Contract	Authority	Standard (or Non-Standard)	Approval (A) (or Ratification (R))	Term Limit	Agenda Placement Consent or Discussion
<u>Emergency Repairs</u>	BP/AP 6340 BP/AP 6350	Standard Agreement	(R)	NTE 1 Year	Consent: Standard or Non-Standard (with contract attachment) up to \$84,100 Discussion: Standard or Non-Standard (with contract attachment) in excess of \$84,100
Architectural Services	BP/AP 6340 BP/AP 6350	Standard Non-Standard	(R) for up to \$150,000 (A) in excess of \$150,000	NTE 5 Years	Consent: Standard or Non-Standard (with contract attachment) up to \$84,100 Discussion: Standard or Non-Standard (with contract attachment) in excess of \$84,100
RFP Awarded Contracts (Services)	BP/AP 6340	Non-Standard	(R) for Standard up to \$84,100 (A) when in excess of this amount	NTE 5 Years	Discussion
Real Property Sales and Leases		Non-Standard	(A) for all Real Property Transactions	TBD	Discussion
Equipments Leases	BP/AP 6340	Non-Standard	(R) for up to \$84,100 (A) in excess of this amount	NTE 3 Years	Consent (with contract attachment) up to \$84,100 Discussion (with contract attachment) in excess of \$84,100
Other Non-Standard Agreements	BP/AP 6340	Non-Standard	(R) for up to \$84,100 (A) in excess of this amount	NTE 5 Years for Services NTE 3 Years for Goods	Consent (with contract attachment) up to \$84,100 Discussion (with contract attachment) in excess of \$84,100
Telecourse or Instructional Agreements	BP/AP 6340	Standard	(R)	TBD	Consent: Standard, or Non-Standard (with contract attachment up to \$84,100 Discussion: Standard or Non-Standard (with contract attachment) in excess of \$84,100

**TABLE FOR CONTRACT RATIFICATION OR APPROVAL (CONT'D)**

Type of Contract	Authority	Standard (or) Non-Standard	Approval (A) (or) Ratification (R)	Term Limit	Agenda Placement Consent or Discussion
Annual Agreement for Contractor Services	BP/AP 6340	Standard	(R) for up to \$84,100  (A) in excess of this amount	NTE 1 Year	Consent: up to \$84,100  Discussion: in excess of \$84,100
P/T Faculty	BP/AP 7110	Standard	(R)		Consent
Short Term Employees	BP/AP 7110	Standard	(R)		Consent
Interim/Acting Classified/Confidential	BP/AP 7110	Standard	(R)		Consent
Interim/Acting Management	BP/AP 7110	Standard	(R)		Consent
Student Workers	BP/AP 7110	Standard	(R)		Consent
Volunteers	BP/AP 7110	Standard Non-Standard	(R)		Consent
Temporary Out-of-Class Assignments	BP/AP 7110	Standard	(R)		Consent



## **CONTRACTS - ADMINISTRATIVE APPROVAL REQUEST**

**COVER SHEET FOR SIGNATURE OF CONTRACTS IN ADVANCE OF BOARD RATIFICATION  
 SUBMIT THROUGH DISTRICT RISK SERVICES**

<b>Agreement Type:</b>	<input type="checkbox"/> Standard	<input type="checkbox"/> Non-Standard
<input type="checkbox"/> Independent Contractor	<input type="checkbox"/> Amendment to I/C	<input type="checkbox"/> Architectural Services
<input type="checkbox"/> Professional Services	<input type="checkbox"/> Service Maintenance	<input type="checkbox"/> Software License
<input type="checkbox"/> Contractor Services	<input type="checkbox"/> Contract Education	<input type="checkbox"/> Clinical Affiliation
<input type="checkbox"/> Equipment Leasing	<input type="checkbox"/> Student Internship	<input type="checkbox"/> Telecourse
<input type="checkbox"/> Work for Hire	<input type="checkbox"/> Course License	<input type="checkbox"/> Community Education
<input type="checkbox"/> Study Abroad	<input type="checkbox"/> Procure/Purchasing	<input type="checkbox"/> Technology
<input type="checkbox"/> Partnership	<input type="checkbox"/> Membership	<input type="checkbox"/> MOU
<input type="checkbox"/> Other (describe):		

**Description of Services/Project:**

**Originator** (Department/Person Proposing Contract): \_\_\_\_\_

**Submitted By** (President, VP, Vice Chancellor, District Manager): \_\_\_\_\_

**Date:**

**Contract Amount:** \$

**Risk Services Review:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Approved by:** (Chancellor (and) Vice Chancellor, Administration and Fiscal Services)

**Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Signature:** \_\_\_\_\_