

# Southwestern Oregon Community College

## AP 6380 Vendor Management

This procedure applies to any agreement or commitment by The College, its employees or independent contractors that would create a legal obligation related to Vendors. All Vendors must acknowledge and adhere to The College's internal policies and procedures.

This procedure describes management considerations and requirements when Vendors are engaged or being evaluated for engagement including agreement terms, authorization, review, and approval.

### Vendor Contract Definition

A Vendor Contract is a mutually beneficial agreement between The College, a third party that contains essential elements, or components of a contract. A Vendor contract is typically for the performance of services and covers a year or more time period. This includes Personal Services Agreements (PSA) and/or a Purchase Order ("PO"), a short-term agreement covering goods offered for purchase.

A Vendor contract is any agreement in which:

- 1) Both parties have the required authority to enter into the Vendor contract,
- 2) Each of the parties is to be bound to consent to the Vendor contract,
- 3) The subject of the Vendor contract is lawful, and
- 4) The Vendor contract is supported by a sufficient cause or consideration.

Key components of a Vendor contract may include:

- 1) Identification of Involved Parties,
- 2) Scope of Services,
- 3) Time Frame Including Contract Execution and Termination Dates,
- 4) Product(s) and Associated Pricing,
- 5) Terms and Conditions, and
- 6) Addendums or changes to an existing Vendor contract around scope, time frame, price, and terms and conditions.
- 7) Any terms and conditions in any corresponding Request for Proposal.

### Vendor Contract Requirements

All new and existing Vendors are required to have a Vendor contract or PO. At times, a Vendor contract is not appropriate (such as purchasing certain materials and supplies); then a PO should be used. Purchase Orders are required for all college purchases.

The Vendor contract initiator determines which type of Vendor contract is necessary. As part of Vendor management procedures, the Executive Team leader validates the contract type.

When a Request for Proposal ("RFP") or any formal competitive bid is awarded, a Vendor contract is necessary. Multiple services with a single Vendor must also have separate Vendor contracts.

All Vendor contracts over \$25,000 must verify the Vendor has not been suspended or debarred on the following website: <https://www.dol.gov/agencies/ofccp/debarred-list> Copies of the verification to be included with the Vendor Contract Control Form.

All Vendor contracts and/or addendums between The College and outside parties must be reviewed and approved by the President, VP of Administrative Services, or designee according to college procurement procedures. No contracted work should begin without an executed contract and a completed Vendor Contract Control form. Renewals, addendums, or contract modifications on any non-pricing or pricing change to the terms of an existing Vendor contract must follow the College procurement procedure(s).

## PROCEDURE

- 1) The contract initiator is responsible for leading and facilitating the Vendor contracting process including negotiation and engaging other campus departments in the Vendor contracting process as needed. The contract initiator is responsible for reviewing and approving a final Vendor contract if it is pertinent to their area prior to Vendor contract execution in accordance with of this procedure.
- 2) For Vendor contracts and proposals, the contract initiator(s) will submit the contract purpose, amount, and instructions/concerns (if applicable) along with all Vendor provided documentation to Administrative Services for review. The contract initiator is also responsible for Vendor contract and/or Vendor contract addendum negotiation as well as soliciting a timely review to Administrative Services/Business Office and any other appropriate department(s).
- 3) The contract initiator is responsible for verifying the Vendor is not suspended or debarred for all contracts over \$25,000. The verification should be included with the Vendor Contract Control Form.  
<https://www.dol.gov/agencies/ofccp/debarred-list>
- 4) Administrative Services is responsible for verifying the correct Vendor contract type used, and contract language, assisting in the negotiation process as appropriate, and reviewing and approving all Vendor contracts and/or Vendor contract addendums. Additional outside counsel may be used by management on an as-needed basis to provide additional support.
- 5) The Vendor typically supplies a draft contract for services. If the Vendor does not provide an initial draft agreement, the contract initiator (college staff) should utilize the appropriate contract or agreement located on the Finances or Administrative Services tab on myLakerLink.
- 6) If the Vendor provides an updated or redlined contract to the College for modification, Administrative Services should review the contract to determine the appropriate signature(s).
- 7) The contract initiator or designee will enter the contract in the Vendor Contract Library for monitoring of the contract renewals, periodic assessment, and the budgeting process for The College.
- 8) Finally, the contract initiator should obtain all necessary approvals prior to the Vendor contract and/or Vendor contract addendum execution based on the college purchasing procedure. The contract initiator is responsible for obtaining approvals from the appropriate Executive Team Member and forwarding a final copy to the Business Office. The contract initiator is responsible for uploading the executed final Vendor contracts and/or Vendor contract addendums into the Vendor Contract Library and entering the contract information for Vendor monitoring.

### Vendor Performance and Risk Management

Regular Vendor reporting on service levels, employee turnover, staffing levels, disaster recovery, security, customer satisfaction, etc., is important to effective service management. Performance results and issues should be discussed with relevant Vendor users regularly.

Performance analysis and improvement procedures ensure performance standards are met through effective performance measurement and reporting. A key component of the contract should clearly outline the levels of service that the Vendor is expected to maintain throughout the contract term. Those should be measurable, attainable, and reasonable for both parties.

Annually, Vendors listed on the Vendor Contract Library should be re-evaluated related to their financial condition, legal and regulatory compliance, security, and insurance coverage.

The Vendors are responsible for performing key financial/business processing, ITS compliance, relevant governance, regulatory, compliance and audit reports and should be reviewed annually. Any issues or exceptions in governance, risk and compliance reporting should be evaluated to determine impact on The College internal control environment.

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