

## Common Mistakes Made on Contracts

Below is a list of common mistakes that are made on agency contracts. Please check that agency contracts are prepared correctly before they are signed by the parties, and sent to State Purchasing.

1. **Signatures Missing:** Vendor or agency signatures are missing, or are only on some of the copies.
2. **Finet Codes:** Vendor numbers or commodity codes need to be listed on the contract.
3. **Contract Period:** New contracts must be for five years with no renewal options, unless a different period has been approved in writing by State Purchasing. If the contract will be for a different period or will have renewal options, send a memo for State Purchasing's approval to justify using a different contract period and/or identifying why renewal options are requested. Notwithstanding the forgoing statement, the contract period must match the period listed in the original solicitation.
4. **Contract Totals:** The contract needs to list the total for the Contract Period, not just the annual amount.
5. **Scope of Work:** Contracts should have a Scope of Work, or similar attachment, included in the contract. The Scope of Work needs to describe the main work that will be done under the contract. If the contract is only for purchasing supplies, a price list would be acceptable.
6. **Cost Detail:** Contracts need to have reasonable cost detail. Cost detail should include information such as price lists, costs by tasks, hourly rates, etc. There should be enough detail that Accounts Payable Personnel can tell that the amounts charged look reasonable. The cost detail can be included in the Scope of Work or as a separate attachment.
7. **Attachments not Listed:** All attachments should have a title on the attachment. Attachments must be listed on the contract, under Section 6. The title listed on the contract should be the attachment name used under Section 6. If the agency is not adding an attachment that is titled "Scope of Work," then delete that preset title on the contract form.
8. **Attachments need to be Attached:** If an attachment is listed, then make sure that the attachment is attached to each copy of the contract.
9. **Effective Date:** The Effective Date of the contract should not be before the solicitation award date. Generally, the Effective Date should be a date in the future, and usually is a date close to the time the contract has been signed by all parties, including State Purchasing's signature.
10. **Handwritten/Visible Changes:** Handwritten and visible changes should be initialed by both parties, except for minor changes, such as accounting code corrections or contract number corrections. Sometimes, during the signature process, a Contractor makes a handwritten change to the contract, and the agency is unaware that the change was made.
11. **White-Out:** White-out should not be used on contracts. One cannot tell whose white-out changes are the last changes, or who actually made the changes. Changes to contracts should be visible changes and initialed by both parties.
12. **Sole Source:** If a Sole Source Request applies, the approved Sole Source Request Form must be included with the contract when the contract is sent to State Purchasing. The Sole Source Form does not need to be an attachment to the contract, but it should be included as backup information with the contract. The contract total and/or the contract period should not go over the dollar amount or contract period approved in the Sole Source Request, unless approved in writing by State Purchasing.
13. **Standard Terms and Conditions:** The appropriate State Terms and Conditions (State T&Cs) should be attached to the contract. **The State T&Cs that were included in the solicitation should be the version used in the contract.** For most contracts, there should NOT be changes to the State T&Cs.

If the contract is a result of a Request for Proposal (RFP) or Sole Source, State T&Cs may be negotiated, when appropriate. If the State T&Cs have been revised, please check that the changes are in line with State Purchasing's guidelines and, if there are material changes, that the changes are approved in writing by the agency's Assistant Attorney General. Some changes to terms and conditions must be approved in writing by Risk Management's Assistant Attorney

General. The approvals of the Assistant Attorney General must be sent with the contract, as a backup document, when the contract is sent to State Purchasing.

If the contract is the result of an Invitation for Bid (IFB), the State T&Cs from the solicitation must be used. No changes can be made to the State T&Cs unless an Addendum to the IFB identifies changes that will apply to all vendors.

14. **Vendor Terms and Conditions:** Vendor Terms and Conditions (Vendor T&Cs) should be reviewed closely. The Assistant Attorney General for the agency must approve the Vendor T&Cs in writing. Attach the Assistant Attorney General's approval as backup information to the contract when sending the contract to State Purchasing. Watch for any Vendor T&Cs that are incorporated into the contract by reference; for example, terms and conditions listed in a Sales Order or in a vendor term. Vendor T&Cs that will apply should be printed in hard copy and added as an attachment to the contract.
15. **Confidential or Proprietary Information:** The following cannot be listed as confidential or proprietary in State Contracts: contracts, terms and conditions, pricing, sales orders, or invoices. Generally, most of the vendor's response to the solicitation cannot be confidential. Watch for headers, footers, cover page notes, or clauses that identify the documents as confidential or proprietary, and have the notation deleted or changed.
16. **Solicitation Language Not Removed:** Solicitation specific language, that was once appropriate in the solicitation but not for the contract itself, should not be included in the actual contract. Solicitation language may include words such as bid, bidder, proposal, offeror, IFB, RFP, vendor (instead of Contractor), etc. It may also include a description or background information of what an agency was seeking to purchase in the solicitation and inviting submissions to the solicitation from the vendor community, but which is now no longer necessary with the solicitation already having been awarded. Once a solicitation is awarded, then vendors become Contractors, and we need to make sure the solicitation language that no longer makes sense for a contract is removed and replaced with appropriate contract language.