REQUEST FOR INFORMATION

RFI # 20-24

Contract Lifecycle Management

I. BACKGROUND:

The City of Ann Arbor is seeking information from qualified companies interested in providing a software solution for Contract Lifecycle Management**.**

The City is requesting detailed information on the services offered by your company that may assist the City in the procurement of a Contract Lifecycle Management software solution. The City's goal is to acquire a software solution that meets the project needs outlined below.

Interested companies are encouraged to provide a detailed project plan outlining the approach and services that may be offered to the City for this endeavor along with associated fees/costs.

The submittal of a proposal does not guarantee an award of a contract.

1. Description

Research and implement an enterprise-wide contract lifecycle management solution.

2. Business Problems or Opportunities

- Re-examine the City's legacy Contract Management process and make appropriate changes utilizing current resources and technology.
- The current contract lifecycle management process lacks governance and consistency.
- Risk management (PII, Insurance, etc) is cumbersome and costly.
- Contract documents are difficult to find and piece together from various amendments and iterations.
- Too much time is spent on contracts.
- There is limited integration with other systems (Legistar/Logos/OnBase).
- Users do not always receive all deliverables outlined in contracts.

3. Current State

- Steps for each contract (per the contract administration step-by-step guide and APP 109, as attached herein)
    1. Follow proper procurement method in selecting a contractor.
    2. Submit contractor's insurance information to City Attorney Office for uploading and review in myCOI.
    3. Prepare and submit draft contract for legal review. All contracts are then reviewed by an attorney.
    4. Prepare and submit: Resolution (if applicable) in Legistar or City Administrator's Memo.
    5. Contract execution/routing.
    6. Ongoing contract administration.
- The City has 120 contract administrators.
- Contracts are individually managed by contract administrators.

- Each unit is unique in how they manage contracts.
- All contracts are not available in one location – contracts are stored by each contract administrator and may be stored in one or more of the following: Clerk's Office, OnBase, Legistar, Logos, File Shares, CityLaw or paper.
- Documents and data are duplicated in many locations.
- Departments use different processes to create and manage contracts.
- Several different software solutions are involved in a contract's lifecycle: myCOI for insurance, Legistar for City Council approval; Logos for payment/accounting, OnBase for routing most contracts for signature and storage, CityLaw for the City Attorney's document management, and the service units store many contracts in separate systems for records retention purposes.

4. Expected Benefits

- Solution will be simple to use and guide users through the process.
- Consistent tool set for managing and delivering all deliverables as part of the lifecycle.
- Less attorney time spent on risk management and review.
- Streamlined creation of required supporting contract documents.
- A reduction in time spent on contracts throughout the City.
- Easier to retrieve all contract documents.
- Better visibility into related contracts to streamline the management of a project.

5. Customer Needs and Project Requirements (Business, User, System, Functional)

- Must provide a simple and easy to use solution for contract administrators and guide them through the process.
- Must have customer and vendor support during City's regular business hours.
- Must manage the entire contract lifecycle including, procurement or formal solicitation, insurance/bond review/compliance, contract creation/review/execution, contract approval (e.g., resolution approval/Legistar), contract management and closeout.
- Solution must be simple and intuitive.
- Streamline risk management – will check for correct insurance requirements and assess risks for HIPAA, personally identifiable information, potential liability, credit card information, social security numbers, etc.
- Group by project – must be able to tie contracts (including amendments, renewals, etc.) and other documents related to a larger project together.
- Insurance requirements must be identified at the first stage of procurement using our insurance matrix.
- Software must review contracts and notify legal for non-standard terms.
- Software must create the resolution and other required documents.
- Integrations with Legistar and Logos will be required.
- Need an option to search council authorizations in Legistar in order to see contracts associated with a specific action.
- Electronic workflow capabilities for managing the contract lifecycle.
- The ability to see any changes to a contract easily after it was sent for review.
- Document version control and version history, as well as a notification of changes to the City Attorney's office and anyone else involved.
- Reminders for deliverables and renewals, as well as verification that all deliverables were delivered. It's important that we receive the services for which we pay.
- Permissions can be assigned to grant user groups access to all contracts for which they are responsible.
- View the current state of the contract, including any amendments or changes in language.
- Must operate as the central storage location or integrate with an existing central storage

location for contracts and related documents.
- Electronic signatures for both City staff and vendors are required.
- Must be able to see where a contract is in the process at any given moment.
- Contracts and related documents should be secure and confidential.
- Contracts that we receive and that we provide (Telecom is one example) must be managed in the software.
- Standard operating procedures and defined responsibilities are required.
- Track required procurement forms, such as living wage and conflict of interest.
- Generate scope of services during contract creation to identify who is responsible for which deliverable.
- Ability to handle contract management during the term of the agreement including: delegate the control of deliverables with the ability to report up to the primary contract administrator; contract closure and punch list tracking, warranty inspection tracking and scheduling.
- Software must handle 3rd party (contractor/vendor) contract templates.
- Software must be able to handle non-standard processes (e.g., State or Federal government execution processes, review of contracts that are not created in the system).

II.   DISCLAIMER:

The City shall not in any way be liable or responsible for cost incurred in responding to this RFI. All information received in response to this RFI becomes the exclusive property of the City. All responses to this RFI become matter of public record and shall be regarded as public records. The City shall not in any way be liable or responsible for the disclosure of such records, including, with limitation, those so marked, if disclosure is required by law, or by any order of a court of competent jurisdiction.

III.   INSTRUCTIONS:

Respondents shall include a letter of interest and qualifications of similar projects and information on the items identified in the Background section above.   If possible, include any reference sites that might be contacted about the services provided.

IV.   NOTICES:

This is not a Request for Proposal. The purpose of this RFI is to gather information to potentially solicit a Request for Proposal. No award will be made based on the results of this process. Any procurement by the City will be the subject of a separate process and subject to budget approval.

V.   DEADLINE TO SUBMIT RESPONSES:

Responses to this RFI are due by **12:00 p.m (local time) on June 30, 2020**. Responses shall be sent via email to: cspencer@a2gov.org or by delivery to:

City of Ann Arbor Purchasing Department
Attn: Colin Spencer, Purchasing Manager, RFI# 20-24
301 East Huron Street
Ann Arbor, MI 48107

Any questions should be sent in writing to the attention of Colin Spencer, Purchasing Manager via email to cspencer@a2gov.org.

APP 109 governs contract administration. Every contract administrator must understand and comply with APP 109.

CONTRACT ADMINISTRATION – STEPS

Step 1: Follow Proper Procurement Method in Selecting Contractor

Step 2: Submit Contractor's Insurance Information (myCOI) to Attorney's Office ASAP

Step 3: Prepare and Submit Draft Contract for Legal Review

Step 4: Prepare and Submit: Resolution (if applicable) in Legistar or City Admin. Memo

Step 5: Contract Execution/Routing

Step 6: Ongoing Contract Administration

STEP 1 – PROCUREMENT

Procurement Overview

For a contract or purchase to be approved/allowed, you must comply with the applicable procurement requirements *before* you make the purchase or submit a contract for approval.

Procurement Checklist

1: Contact Purchasing Agent. The City's Purchasing Agent, Colin Spencer (cspencer@a2gov.org), will advise you on what procurement method is required. Procurement's A2Central page is [here](#) and its A2gov page is [here](#).

2: Comply with Purchasing Requirements. See [Purchasing Guide Matrix](#) for an idea of what is required. Some examples include obtaining three quotes for the goods/services from different vendors/contractors, issuing a request for proposal ("RFP") or invitation to bid ("ITB"), etc.

3: Get the City Attorney's Input If Appropriate. If you are purchasing services or goods that pose unique risks (i.e., chemicals, pesticides, guns, services where the provider will have access to personal information, etc.), consult legal prior to issuance of the quote/formal solicitation to ensure proper insurance requirements are included.

4: Address Key Issues in Quotes/Formal Solicitations. Properly draft the scope of services/specs, desired contract term/duration, required insurance, required renewal options, desired guarantees, etc.

5: Ensure Sufficient Funds are Budgeted for Purchase.

6: Provide Key Documents to Open Purchase Order. Purchasing requires a purchase order to process payment to a contractor. To create a purchase order, you must provide the required forms noted on the [Purchasing Guide matrix](#) such as the living wage declaration, conflict of interest, etc. Note: purchasing *may* already have some of these forms if you issued an RFP/ITB. Also, provide a fully executed copy of the contract together with any City Council resolution from Legistar that notes the resolution passage information.

Procurement Ordinances and Policies/Procedures

Chapter 14, City Charter ("Contracts")

Chapter 14, City Code ("Purchasing, Contracting and Selling Procedure")

Chapter 23, City Code ("Living Wage Requirements in City Contracts and Grants")

Chapter 112, City Code ("City Non-Discrimination Requirements for City Contractors")

Administrative Policies and Procedures

- Sale of Surplus Property – APP 203
- Purchases of goods and services - APP 204
- Non-Discrimination by City Contractors - APP 206
- Procurement Standards for Federally Funded Contracts – APP 207
- Environmentally Preferable Procurement – APP 208

COMMON EXCEPTIONS TO COMPETITIVE BIDDING

Exceptions to Competitive Bidding. Consult with Purchasing Agent. Some contracts may be excepted from competitive bidding if the vendor/contractor is a best source or sole source, or the purchase is an emergency. Emergency purchases are governed by Chapter 14, Section 1:317 of the City Code and APP 204. Other exceptions to competitive bidding are listed in Chapter 14, Section 1:316 and APP 204 (4.4).

Common Procurement Terminology

Contractor: any person having a contract with the City.

Quote: an informal solicitation or request for information, where oral or written quotes are obtained from vendors, without formal advertising or receipt of "sealed" bids. Used only where Ordinance does not require formal "sealed" bids, such as small emergency purchases, or under $25k in value but price competition is desired.

- **Verbal Quotes** – compile on [quote form](#).
- **Written Quotes** – contact purchasing agent for proper forms.

Formal Solicitation: the process of obtaining sealed bids (in the case of invitations to bid) or sealed proposals (in the case of requests for proposals). Required for most purchases over $25,000.

Invitation to Bid or ITB: a formal request to prospective contractors/vendors soliciting bids; contains, or incorporates by reference, the specifications or scope of work and all contractual terms and conditions. Typically provided in "sealed bids."

Request for Proposal or RFP: means a formal solicitation method used when it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirements, or other factors will be considered in the selection of the contractor/consultant in addition to price (e.g., professional services). Typically provided in "sealed bids."

Purchase Order – City-issued order that commits City funds for a specific purchase. Also referred to as a "PO." Contains certain terms and conditions that can serve as the City's contract with a vendor.

STEP 2 – MYCOI

myCOI Overview

Most City contracts require contractors to carry adequate insurance. [myCOI](#) is the third-party that the City uses to review and track our contractors' proof of insurance. myCOI generally works directly with the contractor's insurance agent to obtain proper proof of insurance: 1) before the contract is executed; and 2) throughout the agreement's term. Contact the attorney's office to get access to myCOI if you do not already have an account.

myCOI Steps

Step 1: Start Early. As soon as you know who the contractor/vendor will be, start the myCOI process. You cannot route your contract for signature until myCOI deems the assignment "compliant". For some vendors, this can take weeks to accomplish. Submit the required information (see Step 2 below) to the City Attorney's Office ASAP. **If possible, do this before you submit the contract to the attorney's office for review and/or before you submit your contract to Legistar.**

Step 2: Gather Information from Contractor and Submit to City Attorney's Office. You must submit the following to the City Attorney's Office for a myCOI assignment to be opened (use this [sample email](#) to request the necessary information from the contractor)**:**
- Contractor's point of contact for insurance matters;
- Provide the Contractor's Certificate(s) of Insurance ("COI") (sample [here](#)):
    - ***For all required policies*** (e.g., professional liability policies are often on a COI that is separate from the commercial general liability); and
    - ***With the insurance agent's email address listed***. Click for an image of [where to find this on the COI](#) (PDF).
- Identify which City contract template will be used (e.g., PSA, GSA, or Construction), if known. *See* "[Which City Template to Use](#)" below for help. If legal approves use of a non-city template, consult with legal re: insurance requirements.
- Ensure the insured's name on the COI matches the contractor's name on the contract. If there is a discrepancy, see [Common Mistakes](#) for how to confirm correct name.
- While gathering the myCOI information, you may also want to request any other necessary forms for Procurement (W9 & documents in Step 6, [Procurement Checklist](#)).

Submitting myCOI information to the City Attorney's Office

- For Public Services (service area), Fleet and Facilities (unit), & Sustainability (unit) – send to Stephanie Brink (sbrink@a2gov.org).
- All other service areas and units – send to Michele Yanga (myanga@a2gov.org).

Step 3: Ensure myCOI Assignment Is Compliant before You Route the Contract for Execution. Contract Administrators are responsible for monitoring the myCOI assignment's status in myCOI to ensure the workflow is progressing/the vendor's insurance agent is responding; and that the vendor is deemed "compliant" prior to routing the contract for signature. This PDF calls out where this information is on the assignment's main screen (PDF).

Step 4: Monitor Compliance. Contract Administrators are responsible to ensure that vendors not only obtain proper insurance prior to contract executions — they are also responsible to ensure vendors maintain proper insurance during the life of the contract. Weekly compliance reports are mailed to contract administrators who have opted in to receive them. If a vendor's insurance is cancelled or lapses, this information will be in that report and in the myCOI system. Email the vendor to demand that they provide compliant proof of insurance to myCOI; if they fail to do that, consult with the City Attorney re: next steps.

Step 5: Close the Assignment. Email the City Attorney's Office when an assignment should be closed/the vendor is no longer required to provide insurance information. *See* CAO emails (below).

myCOI Tips

- **Use Google Chrome.** myCOI's website does not load properly in Internet Explorer.

- **Start Early.** The earlier you submit your contract and myCOI information, the more likely your vendor will be deemed compliant by the time your contract is ready to be routed.

- **myCOI Account.** You should have an account at myCOI, which you can [access here](). If you are having difficulty accessing your account, call myCOI at 1-888-692-6448 (ext. 105) or email them at [support@mycoitracking.com](). If you are new and need to request myCOI account credentials, email the CAO (emails below).

- **Avoid Being a Go-Between.** Try to avoid situations where the vendor/insured and the City are getting brought into the process — the vendor's insurance agent should respond to myCOI directly. If the vendor objects to certain insurance requirements and wants a waiver, the vendor's insurance agent should request the same through myCOI.

- **Know Where to Get Help.** You can find numerous tutorials on myCOI via the "Help" link. If you are having difficulty with the myCOI system, contact them at 1-888-692-6448 (ext. 105) or email them at [support@mycoitracking.com.]()

- **Is Your Vendor Already in the myCOI System?** Is the vendor already in the myCOI system? If so, confirm with the vendor who should be the point person for the vendor for myCOI/insurance issues related to all the vendor's contracts with the City — **they can only have one point of contact.** Click for information on [how to determine the vendor's point of contact]() (PDF).

- **How to Upload a COI**? Your vendor may send you a certificate of insurance and ask you to upload it. You can either forward that COI to [certificates@mycoitracking.com]() or upload directly to the website (*see* this tutorial on [how to upload a COI]() (PDF)). Note: some PDFs are secure and can be difficult to upload. Consider printing, scanning, and uploading as a work-around.

- **Responding to Issues.** If a vendor's insurance agent is not responding to myCOI's requests, Contract Administrators should ask the vendor to push his/her agent to respond. You can share a screenshot of the "Agent Notes" with the vendor (which are viewable in myCOI by clicking on the Vendor's name and scrolling to the bottom of the screen). You can also download and share a copy of the "Sample Certificate" with the vendor to show it or its agent what the COI *should* look like. If the vendor objects to certain insurance requirements, his/her insurance agent may request a waiver/override of the requirement through myCOI — do not ask the City Attorney's office directly for overrides (it slows down the process).

- **How myCOI communicates.** myCOI will send all notices first to the insurance agent (if there is one on file) and if they do not get a response, they will then send notices to the vendor. A more in-depth guide regarding myCOI's communication process is available [here]().

STEP 3 – PREPARE AND SUBMIT DRAFT CONTRACT FOR LEGAL REVIEW

Overview

Contract Administrators are required to:

- Prepare the initial draft of the contract on the correct City template (or obtain the City Attorney's permission to use a contractor form);
- Ensure legal reviews and signs off on the contract *before* routing for signatures;
- Draft applicable authorizing resolution or City Administrator memo; and
- If applicable, timely submit contract and resolution in Legistar.

Initial Contract Draft

- City Template or Contractor Form?
  - Legal may reject contractor's form and require City template.
  - Legal generally accepts state and federal forms and some forms related to intellectual property (e.g., software contracts) or insurance. Legal review of those forms is still required.
  - Current City templates available here.
- Which City Template to Use?
  - **PSA** (Professional Services Agreement) - when contractor is a member of a "recognized profession" (e.g., appraisers, architects, auditors, consultants, engineers, software developers, designers, lawyers, medical services, etc.). Someone who uses extended analysis, exercises discretion/independent judgment, and has completed advanced training. There are three types of PSAs:
    - **PSA No Auto AI** – Appropriate when driving is not integral to the service.
    - **PSA Auto AI** – Appropriate when driving is integral to the contractor's service (e.g., to a location that is not the City or Contractor's place of business). For example, inspection services.
    - **Low Risk PSA** – Request template (and approval to use template) from legal. Appropriate for consultants, actuaries, lawyers, etc., where the work does not pose a risk to City property or threat of personal injury to another.
  - **GSA** (General Services Agreement) – when services follow an established or standardized procedure and independent judgement is not really exercised.

Examples include: cleaning services, lawn mowing, vending machines, banking services, debris removal, uniform rental, snow removal, etc.

- o **General Terms and Conditions** (attached to Purchase Orders) – the Terms and Conditions that are attached to every purchase order are a form of a contract. Best for non-specialized or routine goods; disfavored for purchases of services. Consult with legal if: Over $25,000; or Purchase of specialized good (e.g., chemical, Taser, gun, etc.).
- o **Construction Agreement** - Contractor is constructing, altering, or replacing a public improvement.

- Common Mistakes on City Templates:
  - o Failure to fill in all blanks;
  - o Failure to attach Exhibit A (Scope of Services) or Exhibit B (Compensation);
  - o Failure to use Contractor's correct name (check Legal Status of Bidder/Offeror form (included with RFP/ITB response), LARA, and/or conduct a business entity search in the state where business is organized, to determine contractor's correct legal name);
  - o Failure to reference RFP or ITB number in contract's title or project definition;
  - o Failure to include provisions from RFP or ITB (e.g., the correct contract duration, allowed renewals, guarantees, etc.);
  - o Unclear scope of services – proper scopes should include proper terms (e.g., "Contractor" and "City"), describe the *who, what, when, where, how*, and be free of the passive voice (e.g., "Contractor shall provide monthly reports to the Contract Administrator on the 5th of each month on a City-approved form" not "Monthly reports will be provided").

- Common Mistakes on Contractor's Forms:
  - o Failure of Contract Administrator to read the form;
  - o Incorrectly names City (all agreements must be in the name of "the City of Ann Arbor", not individual departments);
  - o Failure to include required signature lines (this is the most common mistake);
  - o Ignoring fine print on vendor's quote (e.g., "This sale is subject to Vendor's terms and conditions available here…")

Submission to Legal

- Submit legal request in accordance with Unit procedures;
- Include **ALL** relevant documents. *See* Contract Submission Checklist available here.
- Allow sufficient time for review and negotiation. In negotiations, contract admins shall:
    - Ensure agreement finalized by applicable deadlines; and
    - APP 109 complied with in respect to negotiations, metadata, attorney communications, etc.
    - NEVER forward/share communications from City Attorney's office unless instructed to do so.
    - NEVER share documents provided by City Legal unless specifically authorized (meta-data).
    - Direct outside attorneys to legal immediately; do not talk to them.

QUESTION: CAN I SUBMIT A LEGAL REQUEST SIMPLY THROUGH LEGISTAR?

ANSWER: YES, BUT... you may have problems. Typical problems include: 1) the myCOI assignment is not opened timely; 2) the contract requires negotiation or editing that goes well beyond the Legistar deadlines; 3) the assignment is not assigned to the proper attorney and may not be attended to timely; 4) there are breakdowns in communication that render your resolution or contract flawed.

Contract administrators should be aware of these issues when submitting contracts for legal review through Legistar and manage the process (and communications) to avoid such problems.

STEP 4 – APPROVAL REQUIREMENTS

Overview

- If the contract* is over $25,000, City Council approval/a resolution is required.
- If the contract is for $25,000 or less, draft a memo to the City Administrator is required.

*Contract means the "total legal obligation". What is the total amount the City **must** pay under the contract? If it's over $25,000, City Council approval is required.

Contracts - $25,000 or less

Prepare a memo to the City Administrator (to attach when you route the contract) to address:

- What is the City buying?
- Why does the City need it?
- How is the City paying for it?

Contracts – Over $25,000

- Draft the authorizing resolution
  - See the Resolution Drafting Guide; and
  - See APP 107 for policies related to resolution drafting.
- Upload the resolution to Legistar:
  - By the Attorney Review deadline on the Council Agenda Schedule;
  - In accordance with Legistar Drafter Procedures (see manual here);
  - Attach the proposed, final contract; and
  - Attach a document (to be viewable non-publicly) to address Resolution 18-2026.

The $25,000 Threshold in Practice

- If the contract was for $25,000 exactly, but you spend 1 cent extra, the additional amount (and the corresponding contract) needs Council approval. If it is possible you will spend more than $25,000 under the contract, get Council approval at the outset.
- If your contract was approved by Council but you spend 1 cent more than what was authorized, you must go back to Council. Ensure resolution provides for contingencies, renewals, etc.

STEP 5 – CONTRACT EXECUTION/ROUTING

Before Routing the Contract for City Signatures:
- Contractor must sign first;
- Ensure insurance is "compliant" in myCOI;
- Prepare the Contract Routing Form (link here);
- Attach approved resolution or memo to City Administrator; and
- Include any required bonds.

Routing Process – Non-OnBase
If the Contract Administrator's unit has not transitioned to OnBase or if the contract requires inked signatures, he/she shall:

- Route the contract packet to ensure all required signatures are obtained.
- Provide a fully-executed copy to the City Clerk, the contractor, and legal;
- Save a fully-executed copy in the Service Unit's files in accordance with the applicable records retention schedule (see schedules here).

Routing Process – OnBase
- OnBase is a Software as a service (SAAS) where digital signatures/routing will replace the current routing process. See tutorials here.
- All units should be transitioned to using OnBase by 2020.
- Above process will stay the same EXCEPT:
  - Contract routing forms no longer required;
  - No need to provide copies of fully-executed contracts to the clerk and legal (but provide one to the contractor);
  - No need to save fully-executed contract in a separate file; and
  - OnBase file will house all contracts.

Signature Requirements

Order	Signatory	Contract ($25,000 or less)	Contract (more than $25,000)
1	Contractor	Yes	Yes
2	Service Area Admin.	Yes	Yes
3	City Attorney	Yes	Yes
4	City Administrator	Yes	Yes
5	Mayor	No	Yes
6	City Clerk	No	Yes

Sample Signature Blocks

FOR THE CITY OF ANN ARBOR

By _____

Christopher Taylor, Mayor

By _____

Jacqueline Beaudry, City Clerk

DATE: _____

By _____

Tom Crawford, Interim City Administrator

DATE: _____

Approved as to substance

_____

Service Area Administrator Name, Title

Approved as to form and content

_____

Stephen K. Postema, City Attorney

STEP 6 – ONGOING CONTRACT ADMINISTRATION

Review Invoices and Deliverables
- Ensure the City gets what it pays for.
- If breach is a concern, involve the City Attorney's Office ASAP.

Track contract expirations, renewals, etc.

Ensure Budget Accounts for Ongoing Contracts

Track Insurance Compliance
- Notify the City Attorney's Office when myCOI assignments should be closed;
- Address any finalized, non-compliant issue;
- Stop work, when appropriate, when policy expires or is cancelled.

Policy Title:	**Contracts and Legal Requirements**	Policy Number:	109
Effective:	9/18		
Supersedes:			
Approval:	*HOWARD S. LAZARUS*	Page 1	of 10

1. **Purpose:** Establish policies and procedures for drafting, negotiating, entering, and administering City contracts. This APP applies to all City contracts except collective bargaining agreements.

   1.1. **Relationship with Other APPs.** This APP is limited to drafting, negotiating, entering into, and administering City contracts. Other APPs related to procurement and contracting still apply including: #107 (Submissions for Council Agenda); #203 (Sale of Surplus Property); #204 (Purchase of Goods and Services); #206 (Non-Discrimination by City Contractors); #207 (Procurement Standards for Federally Funded Contracts); and #508 (Grant Accounting and Administration)

2. **Policy**

   2.1. **General.** It is the policy of the City that all City contracts must be approved by the City Attorney as to form and legal sufficiency, and by the Service Area Administrator and the City Administrator as to substance. The Office of the City Attorney is referred to herein as the "City Attorney."

2.1.1. What is a "Contract"? For purposes of this APP, "contract" means any agreement or promise, regardless of title or label, which obligates the City to any responsibility, including any action, payment, performance of services, or liability. Contracts can take many forms, including memoranda of understanding or agreement, purchase or sale agreements (including goods and services), rental agreements, employment or personal services agreements, licensing agreements, inter-governmental agreements, real estate transactions, grants, purchase orders (including any document with terms and conditions), non-disclosure agreements, or change orders. The term "contract" also includes any amendment, renewal, or modification to an existing contract.

2.1.2. Authority to Contract.   City contracts must be authorized and signed in accordance with the City's Charter and Code.

2.1.3. Contracts in Name of the City. All contracts must be in the name of the *City of Ann Arbor*.

2.1.4. Use of Templates.

2.1.4.1.   General Policy. It is the policy of the City that when the City Attorney has approved a template contract for a transaction, such template shall be used. Exceptions to this policy may be made at the discretion of the City Attorney. Contract Administrators shall ensure that they are using the most current version of the applicable template contract, which the City Attorney shall ensure is posted on the City's internal website. If none of the available templates are appropriate for a transaction, Contract Administrators shall work with the City Attorney to draft the appropriate contract.

2.1.4.2.   Professional Services Agreement. The Professional Services Agreement is generally appropriate when the service is to be rendered by a member of a recognized profession that involves extended analysis, exercise of discretion and independent judgment, and an advanced, specialized type of knowledge, expertise or training customarily acquired either by a prolonged course of study or equivalent experience in the field. Examples of "professional services" include appraisal, architectural, auditing, consulting, engineering, software development, design, legal and medical services.

2.1.4.3.   Construction Agreement. The Construction Agreement is used when a contractor is constructing, altering, or replacing a public improvement. Certain maintenance and repair projects may require the Construction Agreement. Consult with the City Attorney to resolve any questions.

2.1.4.4.   General Services Agreement. The General Services Agreement is generally appropriate when the service to be rendered does not require either the Professional Services Agreement or the Construction Agreement. Consult with the City Attorney to resolve any question.

2.1.4.5.   Purchase Order. A Purchase Order ("PO") contains City Attorney-approved General Terms and Conditions of sale on the back. These General Terms and Conditions can serve as the contract where no other agreement is in place. This is generally only appropriate if the purchase is for non-specialized or routine goods. For purchase of specialized or non-routine goods (e.g., guns, Tasers, chemicals, purchases over $25,000, etc.), consult with the City Attorney. Anyone purchasing goods or services on behalf of the City, in an amount exceeding $3,000, without an agreement that has otherwise been approved by the City Attorney, must issue a PO prior to receipt/acceptance of the goods/service. Service Units shall review quotes and invoices to ensure that the contractor does not attach any terms and conditions (or refuse to accept the City's General Terms and Conditions) and if it does, to ask that the contractor remove such terms and conditions. If a contractor refuses, seek the advice of the City Attorney. Any changes to the approved General Terms and Conditions must be approved by the City Attorney in accordance with Section 2.1.4.6. of this APP. Please consult APP 204 concerning Purchase Order procedures.

2.1.4.6.   Changes to Templates. Changes to terms in a template are subject to City Attorney approval. This includes situations where a contractor attempts to modify the terms of the City's template by attaching its own terms and conditions. Contract Administrators are advised to involve the City Attorney at the earliest opportunity where changes to the template are proposed.

2.1.5. Submission Requirements. A contract submitted to the City Attorney for review must be accompanied by all related documents. For contract renewals and amendments, a copy of the original, fully-executed agreement

(and any previous amendments, extensions, and renewals) must be included. For contracts that incorporate exhibits, attachments, and addenda, such documents must be provided.

2.1.6. Timeline for Review. The City Attorney will review contracts in a timely manner. Service Units should submit contracts to the City Attorney as early as possible as review and negotiations may take significant time.

2.2. Contract Administration. Each Service Unit shall designate at least one Contract Administrator who will administer the Unit's contracts including preparing the initial contract and any Council resolution on the appropriate template, supporting the City Attorney in contract negotiations, managing contract execution and routing, and other general contract administration. Service Units shall keep the City Administrator and City Attorney apprised of their current list of Contract Administrators. All Contract Administrators shall complete trainings as required by the City Administrator and City Attorney. The Contract Administrator shall ensure that the Service Unit can comply with a contract's obligations.

2.2.1. Negotiations. Contract Administrators shall work with contractors to edit contracts in accordance with the City Attorney's requested changes and to obtain all documentation that the City Attorney requests. If the City Attorney requests changes to an agreement, the Contract Administrator shall communicate those changes in accordance with the City Attorney's instructions. Contract Administrators shall also ensure that City Attorney documents that are shared with outside parties have been approved for sharing by the City Attorney. If the City Attorney requests to speak to a contractor's attorney, the Contract Administrator shall be responsible for requesting such attorney's contact information.

2.2.2. Notices. Contract Administrators shall designate the appropriate person within their Service Unit to receive notice related to a contract by both name and title. Service Units shall notify the City Attorney immediately of any notice related to: (1) amending the contract's terms, (2) terminating the contract, (3) any claimed breach of the contract, or (4) exercising or enforcing any contractual right or obligation.

2.2.3. Scope of Services. Contract Administrators are responsible for the content of a contract's scope of services. The scope of services shall be written clearly and concisely, addressing questions of "Who? What? When?

Where? How?"   If the scope of services refers to or incorporates a contractor's terms and conditions, notify the City Attorney.

2.2.4. Compensation.   Contract Administrators shall ensure a contract's compensation provisions accurately address the compensation amount (including payment of expenses and fees), timing of payment, and amounts returnable upon contract termination.

2.2.5. Non-Disclosure Agreements. The Contract Administrator shall assess whether a non-disclosure agreement (NDA) is necessary for a contemplated agreement based on the information that the City will be providing in connection therewith.   If the Contract Administrator believes that an NDA may be necessary, he/she shall consult with the City Attorney.

2.2.6. Signing Sequence. Contract Administrators shall manage the routing of contracts for execution in accordance with this APP.   Contractors must sign contracts first unless the City Attorney has authorized a different sequence.

2.2.7. Fully-Executed Contracts. Contract Administrators shall keep a copy of all fully-executed contracts on file in accordance with the applicable records retention requirement.   After execution is complete, Contract Administrators shall ensure that copies of the fully-executed contract have been provided to the contractor, the City Clerk, and the City Attorney.

2.2.8. Insurance. Contract Administrators shall oversee the insurance review process to ensure that the contractor provides timely proof of insurance prior to contract execution, and that such proof is processed by the City's insurance review contractor.   Contract Administrators shall ensure that the required insurance does not lapse during the life of the contract.   If the required insurance lapses during the life of the contract, the Contract Administrator shall immediately notify the City Attorney who may coordinate with Accounting Services to stop payment to the vendor if appropriate.

2.2.9. Tracking Contracts.   Contract Administrators shall track the date of expiration, renewal, auto-renewal, and termination of contracts, and coordinate with their Service Units regarding applicable notice requirements.   Contract Administrators shall file all contracts with the City Clerk. Included with such filing shall be notice of every contract's expiration and termination, if known, to enable the Clerk to comply with Section 5.3 of the Charter.

2.2.10.   **Contract Breach and Default.** If a Contract Administrator believes that breach or default (by either party) under a contract has occurred or is likely to occur, the Contract Administrator shall consult with the City Attorney as soon as possible.

2.3. Miscellaneous.

2.3.1. Attorney Communications. No one other than the City Attorney may communicate with a contractor's attorney. Any attorney who wishes to communicate with the City should be referred to the City Attorney immediately. Communications from the City Attorney shall never be shared outside of the City without the City Attorney's express consent.

2.3.2. Liability. A contract that includes provisions relating to indemnification, waivers, hold harmless obligations, make whole obligations, or that affect the City's liability, must be reviewed and approved by the City Attorney.

2.3.3. Insurance. If a contract involves special equipment or services (e.g., pesticides or chemicals, the collection or use of personal information, vertical construction, or other hazards or risk of an unusual magnitude or nature), consult with the City Attorney at the earliest opportunity (e.g., prior to issuance of the Formal Solicitation such as RFPs or ITBs), as special insurance may be required. Failure to involve the City Attorney prior to release of the Formal Solicitation could result in serious delay.

2.3.4. Contracts with Other Governmental Entities. Contracts with other governmental entities (e.g., the state, county, DDA, LDFA, AAATA, Housing Commission, etc.) present special issues. Staff should involve the City Attorney as early as possible to avoid potentially serious delay.

2.3.5. Metadata. Most electronic documents include hidden data or personal information that is not readily apparent. Other than pre-approved templates, electronic contract documents shall not be shared outside of the City unless the City Attorney gives its express approval.

2.3.6. Grants and Sub-Grants. Service Units shall ensure they can comply with all requirements of a grant or sub-grant. Service Units shall review APPs 207 and 508, and consult with Accounting Services prior to pursuing a grant. When a contract accepts a grant or uses grant funds, Service Units shall

provide a copy of the applicable grant documents to the City Attorney with the legal request for review.

2.3.7. Contract Amendments and Change Orders. Contract amendments and change orders are subject to the same approval process as regular contracts.

2.3.8. Designation of Signature Authority.   Authorized signatories may authorize another individual (a "designee") to sign on their behalf.   The designee shall not sign unless and until the authorized signatory has communicated such authorization (and its duration) in writing to the designee, which the designee shall keep on file.

2.3.9. Service Area Administrator Signatures. Service Area Administrators are required to sign all contracts for their respective Service Areas to confirm the Service Area can comply with the substantive obligations and that the contract benefits their Service Area and the City.

2.4. Purchasing Agent.

2.4.1. Use of Templates in Formal Solicitations. The Purchasing Agent shall ensure that the appropriate and most current template contract is attached to any Formal Solicitation that the City issues (e.g., RFPs or ITBs).   The Purchasing Agent shall seek the advice of the City Attorney if there is any question as to the appropriate template.

2.4.2. The Purchasing Agent shall be responsible to ensure that, prior to the City's issuance of a Purchase Order, the City has received all required declaration forms related to compliance with conflict of interest disclosures, living wage requirements, prevailing wage requirements, and non-discrimination requirements, and that the contractor is not in default to the City.

2.4.3. The Purchasing Agent shall be responsible to assist Service Units in identifying contracts that are subject to Section 2.3.3., which require special insurance.

3. **Procedure**

3.1. Signature Requirements. The matrix below outlines whose signatures are required on what contracts, and the order of execution.

Order	Signatory	Contract ($25,000 or less)	Contract (more than $25,000)
1	Contractor	Yes	Yes
2	Service Area Admin.	Yes	Yes
3	City Attorney	Yes	Yes
4	City Administrator	Yes	Yes
5	Mayor	No	Yes
6	City Clerk	No	Yes

3.2. Contract Routing. Before routing a contract for signature, the Contract Administrator shall ensure that all applicable exhibits, attachments, and addenda are attached to the contract. Contract Administrators shall route contracts for signature as follows (unless the City Attorney has authorized a different procedure):

3.2.1. Contracts Requiring City Council Approval. For contracts that require City Council approval, the Contract Administrator shall: (1) have the contractor sign the approved contract; (2) provide the City Council resolution authorizing the contract; (3) ensure that the Contractor's insurance is deemed compliant; (4) include any required bonds; (5) route the contract to ensure all required signatures are obtained; (6) provide a fully-executed copy to the City Clerk, the contractor, and the City Attorney; and (7) save a fully-executed copy in the Service Unit's files in accordance with the applicable records retention schedule.

3.2.2. Contracts Not Requiring City Council Approval. For contracts that do not require City Council approval, the Contract Administrator shall: (1) have the contractor sign the approved contract; (2) prepare a memorandum to the City Administrator in accordance with his/her requirements; (3) ensure that the Contractor's insurance is deemed compliant; (4) include any required bonds; (5) route the contract to ensure all required signatures are obtained; (6) provide a fully-executed copy to the City Clerk, the contractor, and the City Attorney; and (7) save a fully-executed copy in the Service Unit's files in accordance with the applicable records retention schedule.

3.3. Emergency Contracts. For emergency purchases of services, Contract Administrators should review City Code section 1:317 and involve the City Attorney as soon as possible to review the contract as to form and content. For emergency purchases of goods, materials, and equipment, Contract Administrators should review City Code section 1:317 and ensure that: (1) the

City's approved Terms and Conditions (on the back of the City's Purchase Order) are included; and (2) the contractor agrees to those Terms and Conditions.

3.4. Contract Negotiations.   Contract Administrators shall work with the City Attorney to ensure that the Contract Administrator communicates the City Attorney's requested changes accurately without sharing confidential and/or privileged information.

Additional Resources

City Charter – Chapter 14 (pp. 55-57)

City Code – Purchasing, Contracting and Selling Procedure

Contract Templates

Contract Routing Form

APPs

Records Retention Schedules