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**University Purchasing Department**

**COVID-19/University Contract FAQs**

This FAQ is a resource for the University community to respond to questions regarding University contracts and purchases that may arise as the COVID-19 pandemic impacts University operations. The University’s COVID-19’s Response and General FAQ is available at <https://coronavirus.illinoisstate.edu/> and details the University’s planning and preparedness actions in the wake of the pandemic. This FAQ will be updated periodically.

For all questions generally relating to University purchases and contracts, please reach out to your designated Purchasing staff contact or e-mail a question to ISUPurchasing@ilstu.edu. Purchasing staff will work diligently to respond to all inquiries as soon as possible.

**Contracts for Events, Conferences, Speakers, Performances sponsored by the University after March 14, 2020.**

**These questions apply to contracts for events, conferences, speakers, or performances where the University has expended funds or signed a contract with a third party associated with that event. This does not apply to venue or facility use agreements issued by Bone, CPA, or Athletics.**

1. If your event has already been cancelled what should you do regarding the contracts that might exist for the event?

This process is ongoing and departments are successfully navigating the specifics regarding their events. In general, departments should:

* Step 1: Review all contracts or agreements for your event and identify if each contract has cancellation or termination provisions, a refund provision, or if there are pre-paid University deposits or expenses.

* Step 2: Contact vendor to determine options.
	+ Determine if the event can be rescheduled. If you choose to reschedule, contact vendor(s) to see if the vendor is willing to reschedule the event. If the vendor agrees to reschedule, contact Purchasing as soon as possible to discuss amending your agreement. If the agreement is associated with a purchase order, the amendment request can be submitted through the Sharepoint Portal. The link can be found at the Purchasing website page: <https://purchasing.illinoisstate.edu/purchase_orders/>.

* + If the event will not be rescheduled, then departments should notify the vendor(s) that the event has been cancelled and submit a written request for a refund of any pre-paid expenses. A sample vendor notice letter is available at the Purchasing website: [Vendor Sample COV-ID 19 Letter](https://purchasing.illinoisstate.edu/forms/Vendor%20Sample%20COVID%2019%20Letter%204.2.20.docx). If the contract includes a non-refundable payment or the vendor declines to issue a refund, contact Purchasing regarding next steps.
1. If your event is currently still scheduled but may be cancelled what should you do?
* The University has issued guidance regarding events through May 31, 2020 on the COVID-19 website: at <https://coronavirus.illinoisstate.edu/>. Any decision to cancel an event should be made by an appropriate University official designated by the applicable Vice President. Please consult with your immediate supervisor before any communications are made to vendors or attendees regarding a specific event.
* After a decision is made to cancel an event, then please follow the steps listed in Question 1.

1. For planning of future events, after June 1st and subject to change based on communications from the President what should I consider?

The Governor’s Stay-At Home Order is currently scheduled to expire April 30, 2020. Circumstances, however, are subject to change and the stay-at-home provisions or other restrictions may impact University operations for some time. For events planned after June 1, please consider the following:

* Does the department need to finalize contracts now or will the opportunity exist in a month or two?

We encourage departments to continue to plan events. However, if a decision to finalize contracts can wait until events unfold further, please consider delaying any final decisions.

* If the decision to schedule an event cannot be delayed, then please review the following best practices Purchasing has put in place to manage University contracts.
	+ Contracts should include a cancellation or “Force Majeure” clause. A “Force Majeure” clause is a clause that excuses a party from performing on the contract when conditions that are outside of the control of the parties occur. These Force Majeure events can include things like wars, civil disorder, strikes/work stoppages, natural disaster, Act of God, disease or pandemic, etc.. All event-contracts should include a force majeure clause that permits the University to reschedule or cancel a contract if necessary. Purchasing will add the language to a vendor’s contract as appropriate when submitted for review. If you are using the most current version of the Agreement for Services, the language is already included.
	+ Contracts that require prepayment (e.g. deposit, guarantee, initial payment) must be approved as outlined in Question 5 below.

**General Contract Questions**

1. If I need to make a change to a contract what should I do?
	* Please contact Purchasing to determine how to amend or modify your contract. Departments should be aware, if your contract has an end date, amendments to the contract should be made prior to that end date if possible. If the agreement is associated with a purchase order, the amendment request can be submitted through the Sharepoint Portal. The link can be found at the Purchasing website page: <https://purchasing.illinoisstate.edu/purchase_orders/>
2. Can I enter into a contract that requires a non-refundable pre-payment, guarantee, or deposit?

For contracts or events with a start date prior to June 1st, the University should not commit funds for deposits, pre-payments or guarantees.

For contracts after June 1st, departments should seek approval for any contract that requires the University to commit funds for deposits, pre-payments or guarantees as follows:

* Budget Officers must approve non-refundable University commitments up to $5,000.
* Dean/Directors must approve non-refundable University commitments up to $20,000.00.
* Nonrefundable University commitments in excess of $20,000 require approval from the Vice President or his/her designee.

Note - these non-refundable University commitments equal the amount the University could lose should an event or contract be cancelled. This dollar value may differ from the contract value and depends on specific contract terms.

1. Are construction contracts requiring pre-bid meetings allowed at this time?

No. All construction projects are postponed at this time unless approved by the Vice President – Finance and Planning.

1. How do I obtain University approval for contracts from supervisors and University officials during the period the University is working remotely?

**For Internal University Approval**

For contracts with a start date during the Stay-at-Home period that would typically require a supervisor, Vice President, General Counsel, and/or President Signatures, the University will accept an e-mail approval during the period the University is working remotely. The e-mail should attach the final version of the contract and should include an e-mail from each required signatory that states “**I authorize the attached documents for processing and approve the attached contract.**” For FY21 contracts

Physical signatures are still required for university approval for FY21 contracts (start date July 1st, 2020 or later). Scanned physical signatures are acceptable.

1. How should contracts be signed remotely?

Scanned physical signatures are acceptable.

For agreements $5,000 and over, the budget officer may sign the University Agreement for Services and send the scanned version to the individual who is submitting the requisition through the Sharepoint Portal. Purchasing will review and issue the Purchase Order accordingly.

Purchasing will handle electronic routing of contracts over $250,000 needing full signature (President, VP of Finance and Planning and General Counsel).

**All of the above dates are subject to change based on current University, Federal, and, State guidelines. Please see other COVID-19 FAQ’s for specific issues, for example Travel, Voucher processing, etc.**