



CONTRACT DEVELOPMENT, EXECUTION AND MANAGEMENT POLICY

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1. INTRODUCTION

The University enters into various contracts with third parties for academic, professional, advisory, and goods and services. Contracts create legal rights and obligations which should be carefully considered before being committed to. A contracts policy is meant to ensure that all risks are effectively managed on behalf of the University.

A contract may take a number of different forms including verbal, made by actions of the parties or be in writing. Although the law does not require contracts to be written, all University contracts should be in writing. This is to ensure that the requirements of the University are clear and that the duties and obligations of both parties as well as the terms of the contract are clear.

2. DEFINITIONS

- 2.1 Contract- a legally binding document agreed by the parties, spelling the terms of engagement.
- 2.2 Contract execution - the signing of the contract.
- 2.3 Contract initiator- the head of the unit/ or designated person, seeking the development of a contract.
- 2.4 Executing Official - the Officer signing the contract on behalf of the University.
- 2.5 The Initiating unit - the University department from which the contract emanates or which seeks to bind the University with a contract.

3. PURPOSE

The purpose of this policy is to ensure that contractual arrangements are conducted in a manner that encourages transparency, fairness, clear accountability and results in best value for the University. This policy provides a framework to ensure that all contracts undergo review and approval prior to execution and establishes who has the authority to sign contracts on behalf of the University. The intention is to ensure compliance with applicable laws, regulations, and rules governing contracting and safeguard the University's resources.

4. SCOPE

This policy applies to all contracts entered into by the University and to all staff involved in contract initiation, administration and management.

5. RELATED DOCUMENTS

This policy must be read with the University Procurement Manual and the Code of Conduct.

6. POLICY STATEMENT

The University is committed to ensuring that its contracting processes and standards are consistent, transparent, promote sound financial stewardship and provide a robust system of internal controls. The University is committed to protecting the University against exposure to legal, compliance and financial risks.

7. POLICY IMPLEMENTATION

7.1 General Requirements:

- 7.1.1 The University's name must appear on all Contracts. Contracts must not be in the name of any specific School, academic department or administrative unit.
- 7.1.2 All contracts entered into on behalf of the University must be made in writing.
- 7.1.3 Payments made by the University to third parties in accordance with the terms of a contract shall take place only when a Contract has been fully executed and is in effect.
- 7.1.4 Any arrangement with the purpose of creating a legally binding agreement must be approved and signed by the Signatory authorised to enter into a Contract of that type.

7.2 Contract Development

- 7.2.1 The development of a contract shall start from the initiating unit with the contract initiator. A request to draft or review a contract shall be made to the Legal Services Office in accordance with the Request for Legal Advise form, and signed by the Head of the Division to acknowledge the request.
- 7.2.2 Before being executed by a designated signatory, a contract binding the University must be reviewed by the head of a School, or head of an administrative department as appropriate to satisfy him/herself of the adequacy of the terms and approved by the Head of the Division.

7.2.3 Before signing the contract, the signatory must satisfy himself/herself that:

- The Contract language is clear and consistent, and accurately reflects the negotiations; no additional understandings exist that are not included in the contract; all annexures are attached.
- The Contract is consistent with the University's strategic plan and budget, and supports the University's mandate;
- Alternative activities, actions, or providers have been considered and those designated in the contract represent the most feasible and reasonable alternatives.
- No conflicts of interest exist or any potential or actual conflicts of interest have been reported.
- The Contract is not in violation of any legislative or regulatory requirements, University policies or guidelines, or other obligations of the University.
- Provision has been made for adequate indemnity, insurance and risk mitigation plans and appropriate consultation with the Legal Office has occurred.

7.3 Approval and Execution of Contracts

7.3.1 All contracts must, before being signed, first be approved by the respective Divisional Head. This is an internal University assurance mechanism. Once approved, the contracts will be sent out to the other party(ies) for signature first, before being returned and signed by the University's authorised signatories.

7.3.2 Only a designated signatory or a delegate shall execute a contract on behalf of the University. Contracts signed by any individual who does not have signature authority are not binding on the University, and may subject the individual who signed without authority to personal liability.

7.3.3 The responsibility of obtaining all signatures on a contract is that of the contract initiator.

7.3.4 The contract initiator shall provide the original copy of the fully executed contract to the Legal Services Office and retain a copy.

7.4 Contract Signature Authority

Contracts shall be executed in the following manner:

Vice Chancellor	<ul style="list-style-type: none"> - International licences agreements/ MOU/MOA - Contracts from P350,001.00 to P500,000.00 - Contracts of employment for Deputy Vice Chancellors Professors, Deans and Directors. - VC may sub-delegate in accordance with Financial approval levels as set out in the BOU Procurement Manual
Deputy Vice Chancellor, Academic Services	<ul style="list-style-type: none"> - Local MOU/MOAs within the Division - Contracts falling within the Division, from P250 001 up to P350 000 - DVC may sub-delegate to a Director or Dean in accordance with Financial approval levels as set out in the BOU Procurement Manual.
Deputy Vice Chancellor, Research, Innovation and Partnerships	<ul style="list-style-type: none"> - Local MOU/MOAs within the Division - Contracts falling within the Division, from P250 001 up to P350 000 - DVC may sub-delegate to a Director or Dean in accordance with Financial approval levels as set out in the BOU Procurement Manual.
Deputy Vice Chancellor, Student Services	<ul style="list-style-type: none"> - Local MOU/MOA's within the Division; - Contracts falling within the Division, of up to P350 000 - Library agreements and Certificates/transcript agreements may be sub-delegated to the appropriate Director in accordance with Financial approval levels
Deputy Vice Chancellor, Corporate Services	<ul style="list-style-type: none"> - Local MOU/MOAs within the Division - Other Contracts falling within the Division, from P250 001 up to P350 000 - Corporate Services related Agreements such as those related to real estate and other property transactions, construction, investments, banking services, and other operations of Finance and Administration; IT infrastructure agreements; insurance agreements; loan scheme agreements. - DVC may sub-delegate to a Director in accordance with Financial approval levels.
Director, HR	<ul style="list-style-type: none"> - Employment contracts below Director level

7.5 Contract Administration and Management

7.5.1 The initiating unit is primarily responsible for monitoring and carrying out the University's obligations under the contract. Once a Contract has been approved and signed, the initiating unit is required to ensure that the University and the other contracting party(ies) meet their respective obligations under the Contract.

7.5.2 The initiating unit shall ensure compliance with this policy throughout the contract process and monitor performance of third party contractors to ensure:

- compliance with contractual terms and conditions;
- the goods/services are delivered to the satisfaction of the Department.

7.6 Contract Extension

Before the expiry date of a contract, negotiations for contract extensions should commence and be agreed before the expiry date of the contract. No contract shall be extended without a needs analysis and without review and approval by the executing official.

7.7 Policy Compliance

7.7.1 Contracts made in violation of this policy are voidable and may be voided at the discretion of the Vice Chancellor.

7.7.2 Non-compliance with this policy shall result in disciplinary action or dismissal.

8. REVIEW OF THE POLICY

The Policy shall be reviewed every three years or earlier as necessary.