

Contracts Process Improvements

10/28/13

Introduction

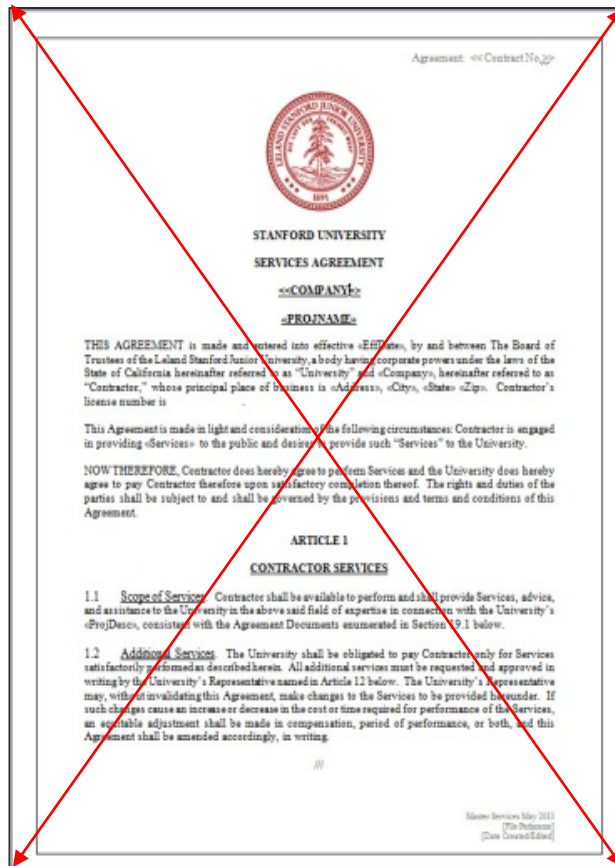
- Financial Management Services (FMS) is working on a project to reduce processing time and standardize the process for purchase orders requiring a contract.
- The result:
 - ◆ **The project team identified an opportunity to improve the processing of contracts less than \$25,000 by switching from a paper model to an electronic model.**

Process Change Summary for Suppliers <\$25K

Paper Model (old)

- Suppliers will no longer receive a paper contract signed by both Stanford and the supplier:
 - In the past paper contracts were emailed by the Contract Advisor

Paper contract example



Process Change Summary for Suppliers <\$25K con't

Electronic Model (new)

- Suppliers now will receive an email with the link to a purchase order; the purchase order contains links to the applicable Terms and Conditions (goods, services or construction)
 - ◆ The purchase order with associated Terms and Conditions will serve as the contract between Stanford and the supplier
 - ◆ Supplier acceptance of Terms and Conditions occurs upon performance of services under this purchase order

Email example

From: **Stanford Procurement**
 To:
 Sent: **21-MAY-13 08:26:21**
 ID: **111829795**

This email represents Stanford's official release of Purchase Order.

ACTION REQUIRED:

- Please click on the link(s) below to acknowledge receipt of this purchase order and any related information/attachments.

[Stanford Purchase Order](#)
- Please process this order per Purchase Order specifications and any related instructions.

If you cannot open documents by clicking on the above link(s), please check the following in order:
 - Make sure that any pop-up blockers are disabled and review Adobe Reader browser settings.
 - Review client browser proxy setting to allow access to <https://poweb.stanford.edu>.
 - If you still encounter issues, please contact the Financial Support Center at 650-723-2772 or at finhelp@stanford.edu.

For questions about this order, contact Stanford's [Financial Support Center](#)



Purchase order example

STANFORD UNIVERSITY

PURCHASE ORDER

DATE	PURCHASE ORDER NO.
10-MAY-2013	
	REVISION NO.
	0

To: Ship To: **Stanford Univ**
365 LASUNEN MALL
214, Stanford Live
Stanford, CA 94305
ATTN :
Requestor Name :
Requestor Phone :
Requestor Email :

ORDER PLACED WITH	POB Destination	FREIGHT	VENDOR: If freight not included, in price, prepay and add	DELIVERY DATE	TERMS
1	Audio labor and equipment rental for: Stanford Historical Society 4/27/13 and SFARK reception 4/29/13 at Bing Concert Hall. - #000341 Scope Of Work = Labor/ equipment rental Project Manager = Start Date = End Date =			13-MAY-2013	NET

ITEM NUMBER	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENDED PRICE
1	Audio labor and equipment rental for: Stanford Historical Society 4/27/13 and SFARK reception 4/29/13 at Bing Concert Hall. - #000341 Scope Of Work = Labor/ equipment rental Project Manager = Start Date = End Date =				

This Purchase Contract may be accepted only on the terms set forth herein. The complete Terms and Conditions can be found at: http://agms.stanford.edu/doc/purchase_order_SU_terms_conditions.pdf Terms in any acceptance by Seller which are in addition hereto or not identical with the terms hereof will not become a part of any purchase Contract unless Buyer specifically and expressly agrees in writing that such other terms are accepted. By accepting this purchase Contract or any part hereon, Seller agrees to and accepts all the provisions of the Purchase Contract.

INSTRUCTIONS	<p>A. Invoices - Separate invoices for each purchase order. Show purchase order number on all documents. Mail invoices to Accounts Payable at: Stanford University Accounts Payable P.O. Box 20410 Stanford, CA 94309</p> <p>If this order involves services and you have not advised Stanford of your tax status, please contact the Financial Support Center at finhelp@stanford.edu, 650-723-2772. Failure to provide tax information may result in delayed payment. For more information, email finhelp@stanford.edu.</p>	<p>B. Correspondence - Procurement Department, 3145 Porter Drive, Palo Alto, CA 94304 Fax: (650) 725-1287.</p> <p>C. Transportation - If freight is not included in price, prepay and state separately on invoice. Do not ship collect. Include a packing list with each shipment, and attach to outside (not inside) of container. Show purchase order number on outside of each container.</p> <p>D. Late Shipment - Advise at once if order will not reach destination on time. Buyer reserves right to cancel order if delivery cannot be made by date required.</p> <p>E. Terms and Conditions - http://agms.stanford.edu/doc/purchase_order_SU_terms_conditions.pdf</p>
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Page 1 of 2

Summary of Terms and Conditions Changes

■ **All T&Cs (Goods, Services, Construction):**

- ◆ Conflict of Interest and Insurance provisions updated to be consistent with Stanford policies
- ◆ Stanford's Sexual Harassment Policy for Contractors added

■ **Only Goods T&Cs:**

- ◆ Clarifies payment terms – 30 days from acceptance of valid invoice
- ◆ Eliminates cash discount period
- ◆ [Link to Goods T&C's](#)

■ **Only Services T&Cs:**

- ◆ Effective Dates, Schedule and Location now to be specified in individual PO
- ◆ Acceptance is under T&C terms; performance of any Services equals acceptance
- ◆ Clarifies Stanford can require completion of services upon termination
- ◆ Clarifies compliant insurance required prior to start of Services
- ◆ Requires Services conform to applicable laws
- ◆ [Link to Services T&C's](#)

Summary of Terms and Conditions Changes

▪ **Only Construction T&Cs:**

- ◆ Effective Dates and Schedule now to be specified in individual PO
- ◆ Acceptance is under T&C terms; performance of any Services equals acceptance
- ◆ Makes Contracts Documents (bid/proposal, construction drawings, general conditions, etc.) part of PO
- ◆ Includes Design-Build provision
- ◆ New Assurance clause regarding inspection of site and ability to perform
- ◆ Clarifies Stanford can require completion of services upon termination
- ◆ Clarifies compliant insurance required prior to start of Services
- ◆ Requires Services conform to applicable laws, including Labor Code 2810
- ◆ Clarifies Compensation may be paid in Lump Sum
- ◆ [Link to Construction T&C's](#)

Next Steps

- Implement improvement on 11/4/13

Questions

- Questions regarding this improvement can be directed to Stanford's Financial Support Center (650) 723-2772 finhelp@stanford.edu
- Additional information regarding contracts processes can be found on [Stanford's Fingate site](#)