



Fullerton School District Contract and Agreement Guidelines

Contract Approvals

The Board of Education has the sole authority to approve contracts for the District. Board policy allows only the Superintendent and Assistant Superintendents to sign contracts on behalf of the District. All contracts must be Board approved before submitted for signature.

A contract is a document that sets forth an understanding between two or more parties. It involves an offer, an acceptance, and the conditions relative to the offer and acceptance. Of primary concern to the district are the statements concerning liability and insurance coverage. The types of contracts can be divided into the following two agreements:

Independent Contractor Agreement (Under \$2,500 Dollars) (NO Board Approval Required)

The Independent Contractor Agreement is a District form that should be used for as many contractual agreements as possible. (Site Administration and or Asst. Superintendent of Business Services can **ONLY** sign on behalf of the District.)

- You must request and receive the required insurance stated on **number 10** prior to the service starting.
- Consultant must initial **number 11** (Criminal Records and Drug Free) prior to the service starting.
- Lastly Contract must be fully executed by Contractor and District prior to service starting.

This contract form was developed in conjunction with County Legal Services. This contract contains the specific language that protects the District (and the Contractor).

Independent Contractor Agreements are completed by the site, department or program using the service, signed by the contractor.

Independent Contractor Agreement (Over \$2,500 Dollars)(Board Approval Required)

The Independent Contractor Agreement is a District form that should be used for as many contractual agreements as possible. (**ONLY** Asst. Superintendent of Business Services or the Superintendent can sign on behalf of the District.)

- You must request and receive the required insurance stated on **number 11** prior to the service starting.
- Consultant must sign the Criminal Records form prior to the service starting.
- Lastly Contract must be fully executed by Contractor and District prior to service starting.

This contract form was developed in conjunction with County Legal Services. This contract contains the specific language that protects the District (and the Contractor).

Independent Contractor Agreements are completed by the site, department or program using the service, signed by the contractor. A list of approved contracts is prepared by the responsible division and is placed on the Board agenda for approval.

NOTE: If Vendor/Contractor does not want to use our District contract and provides their contract instead you will need to scan and email the contract to Mike McAdam in purchasing for review prior to take it to board.

Leases and Other Multi-Year Commitments

The Board of Education has the sole authority to obligate the District to multi-year commitments. Prior Board approval must be obtained before submitting Purchase Requisition for the following items:

- Multi-year or open-ended service agreements,
- Multi-year or open-ended personal services contracts
- Multi-year leases for equipment, musical instruments, computers, vehicles, etc.
- Any real property lease

Timing

Normally, all contracts and agreements should be approved before the event or the work commences. Contracts to be taken to the Board should always be Board approved, not ratified. Very important to plan ahead when entering into any agreement.

Agreements

Principals may sign agreements up to \$2,500. Please ensure that your agreements include all the terms (listed below). Sample agreements are available from Purchasing. If you have any questions about an agreement, please forward to the Director of Purchasing Mike McAdam to review.

Contract/Agreement Terms

All contracts/agreements must include the following:

- **Services** to be provided: A detailed description should be provided. What is going to be done, by whom? If a written proposal has been submitted, the description of services to be provided may be attached to the contract/agreement as an appendix.
- **Term**: The dates for the services to be provided. Contracts must be for a specific period of time, normally less than one year.
- **Compensation**: It is extremely important that the amount of compensation, measurement of performance that will justify payment, documentation required, and timing of payments be specified.

The agreement should specify if payment is based on an hourly rate, or on a per project basis. If an hourly rate, describe how often the hours will be reported and paid. Also note who will approve the invoice.

If paid on an hourly basis, a “not to exceed” amount must be included.

EXAMPLE: Contractor will submit a monthly invoice which details by date, the hours worked on each date. Invoice will be submitted to XX for approval, who will verify hours worked. Total compensation shall not exceed \$XXX.

In most cases invoices should be submitted monthly. Both the contractor preparing the invoice, and the manager approving it should not have to remember what happened several months earlier.

If on a per project basis, describe how the compensation will be earned and how the total compensation will be paid.

EXAMPLE: Contractor will receive 15% of total agreed upon contract sum when X has occurred, 60% when Y has incurred, and 25% upon satisfactory completion of project. Contractor will submit invoices to Z for approval and payment when these percentages have been achieved.

The contract/agreement should also be specific if contractor expenses are to be paid in addition to the contract amount. If so, provide a specific list of what will

be included. For mileage, state the rate to be used (normally the current federal reimbursement rate.)

- Procedure for termination of the contract. The termination clause should specify under what circumstances the agreement can be ended, and the timelines and financial consequences if either party wishes to cancel the agreement before it is fulfilled.
- Signature lines of authorized individuals executing the contract.
- Criminal Records request form located on the District Web site under Purchasing
- Insurance
- Hold Harmless Clause
- Termination Clause

Insurance Requirements

Independent contractors who work for the District are required to have certain insurances and sign liability releases. These insurances and releases protect the District in case of accident, injury or damage caused by the contractor. They protect the contractor in case the contractor injures himself/herself, injures someone else, or causes damage to our property.

Any legitimate business or independent contractor should have insurance as a normal part of their business operations. The District cannot allow uninsured businesses/contractors to provide services to the District.

Risk Management has resources for contractors who do not have proper insurances. Insurance options range from one day coverage to ongoing liability insurance. Please contact Risk Management for further information.

Steps for Contract Approval (Contract to be Board approved)

1. Identify contractor.

Be aware of the legal bid limits. In general, school districts must receive formal competitive bids for equipment, materials, supplies, non-construction services and maintenance to be furnished that exceed the current bid threshold of \$99,100. Districts

must also receive formal competitive bids for a public construction project involving an expenditure of \$15,000 or more.

For contracts below the legal bid limit, the District generally would like to get at least three informal bids.

Contracts for professional services are not subject to legal bidding requirements.

Please be aware also of our negotiated employee contracts and the legal prohibition against contracting out work that our CSEA employees can do.

2. Ensure you have budget to cover the contract.

3. Negotiate terms for the contract. Be aware that an independent contractor is just that – independent of the District. He/she is not a District employee. Therefore, there is no set pay schedule or rate. Nor is there time and a half for overtime, expense or mileage reimbursements, health insurance or other benefits, or any compensation other than what is expressly specified in the contract. The person negotiating the contract for the District is responsible for setting the compensation. If you need guidance, contact the Assistant Superintendent of Business Services.

4. Prepare the contract

The District has an approved sample contract available for use. We prefer this contract, since it covers all necessary items.

However, if your contractor already has a contract they prefer to use, please submit to the Director of Purchasing Mike McAdam for approval.

Ensure that your contract includes all the necessary terms (described in detail above): Detailed description of services, term, and compensation to be paid.

5. Ensure all necessary insurances are covered. Purchasing can help you with this.

6. Submit an agenda item to your Assistant Superintendent. In the agenda item you will detail:

Background: Detailed description of what the contract is for. Normally we would include whether this is an ongoing or new contract.

Rationale: Why the contracted services are necessary for the operations of the District, and why we need to use an independent contractor to perform them instead of a District employee.

Funding: Cost of the contract, and where it will be paid from. Note the “not to exceed” amount. Do not use the Cost Center number; use the program name if categorically

funded, or Unrestricted General Fund if not. If paid for from a separate fund, use that identifier.

PTA/Booster Club-Funded Contracts

PTAs, Parent Organizations, Booster Clubs may wish to hire someone to work with students. In that case, the organization must donate funds to the District “gift” account to cover the expense involved. The District then enters into a contract for the desired services, the contract follows the same path as described above.

The PTA or Booster Clubs may wish to directly enter into contracts for services to their organization that do not directly affect students or the District. For example, the PTA may hire an accountant to look at the PTA books. This is strictly a PTA function and has nothing to do with the District or site. In this case, the PTA contracts with the vendor and signs the contract.

Miscellaneous

If you are contemplating doing anything to your buildings (inside or out), grounds, parking lot, or any other part of your facility, please call the Director of Maintenance and Operations **first**.

The District’s insurance carrier (ASCIP) does not allow us to have the following at our events or assemblies:

- bounce houses
- fireworks
- horses
- mechanical amusement devices
- trampolines
- bungee jumping

Please use your good judgment when booking assemblies.

June 2021