

Top five reasons contract get rejected – v11.1.2018

The first three lead to the contract being rejected, frequently with major revisions necessary:

1. **No Board approval** – Especially common is this: a contract is under \$10,000, but the District has additional spending with this vendor (other contracts or commodity purchases) accumulating to over \$10,000. If you are unsure if the District has any other spending with the vendor please ask, don't assume. Failure to obtain a Board approval in advance could delay the contract by a month or more.
2. **Not a contractor** - The contractor should have been treated as an employee (e.g. previously was an employee, doing work of employees, don't have a business name and tax ID, and don't provide services to any other entities)
3. **Unacceptable terms or policy violations:**
 - a. Pre-payment requests
 - b. Unusual payment schedules
 - c. MWBE requirements
 - d. Unallowable expenditures (non-educational)
 - e. Contract references an invalid/expired RFP
 - f. Contract submitted after work started/completed
 - g. Did not use most current contract template

The final two types of errors are very common and could be prevented with a thorough review of the contract in advance of submission. The overwhelming majority of the contracts that are rejected in the approval process could be avoided if the contract owners followed the checklist *literally* and checked their work *before* submitting the contract for approval. Further, it is critical to ensure the attached documents agree (i.e. if the Contract, Board recommendation and vendor proposal all have a different cost or scope of services, the contract will likely be rejected.)

4. **Typographical or lack-of-review errors**
 - a. Spelling errors of vendor names, dates, addresses or other critical information
 - b. Dates in the contract don't line up to Board approval, grant or other information, along with days of the month that don't exist (e.g. February 30th, June 31st)
 - c. Scope of service isn't understandable
 - d. Payment terms aren't understandable
 - e. Wrong dollar amount included in Section 4 or written and numeric dollars don't match
 - f. Munis account code is incorrect or split funding is not sufficiently outlined
5. **Failure to attach/include information required by the contract checklist**
 - a. Failure to attach Board recommendation, when required
 - b. Failure to attach RFP or other BID information required
 - c. Failure to attach original (and any revised) vendor proposal to RFP/BID
 - d. Failure to attach information outlining why contract cost differs from original vendor proposal
 - e. Failure to attach the FS-10 or forward funding document, when required
 - f. Failure to create requisition or insufficient funds available
 - g. Failure to include insurance certificate listing District as "additional insured"