



# De La Salle University

## **POLICY AND PROCEDURES ON THE LEGAL REVIEW AND APPROVAL OF CONTRACTS**

### **A. Purpose**

1. To protect the interest of De La Salle University (DLSU) by ensuring that all legal commitments entered into by its duly authorized representatives are carefully reviewed and approved, and that these commitments would obtain for the University optimal legal terms and conditions with minimal legal risks to the University.
2. To outline the procedures in the legal review process, and identify the individuals authorized to sign contracts on behalf of the University that can legally bind the University and/or obligate its resources.
3. To reflect changes brought about by the updated Policy on Signatory Authority of Contracts.

### **B. Purpose**

These policies shall apply to all administrators, employees (teaching faculty, academic service faculty, administrative and professional service personnel, co-academic personnel), consultants, students and all other persons who enter into contracts with external parties on behalf of the University.

### **C. Definition of Terms**

1. University - refers to De La Salle University and all its campuses and units / offices / departments / colleges
2. External Party – refers to the party to the contract outside the University’s organization
3. Contract – refers to any written agreement or understanding between the University and an external party that creates an obligation on the part of the University, whether legally binding or not, to do or to give something. (Appendix A – PLRAC Samples of Contracts Requiring Legal Review and Approval)
4. Institutional Contracts – refers to contracts whose scope affects the entire University
5. Reviewing Authority – refers to the Office of the University Legal Counsel (OULC) as the main reviewer
6. Deciding Authority – refers to the University Provost who is vested with the power and right to resolve matters pertaining to any contract
7. Requesting Party – refers to the authorized person of a concerned unit / office / department / college requesting for the legal review of a contract
8. Authorized Signatory - refers to the person who is vested with the authority to sign, on behalf of the University, contracts with external parties that have been cleared by the OULC and can, thereby, legally bind the University or obligate its resources
9. Expedited Contract Review – refers to the process of expedited (or faster than the regular) review for contracts or templates that
  - a. were prepared by the OULC; and,
  - b. contain terms and conditions similar to those previously approved by the OULC.

## D. Policy Statements

1. All contracts that will be entered into with an external party, regardless of scope, value, or duration, are required to undergo legal review and clearance from the Reviewing Authority.
2. There shall be no exemption from the legal review and approval process.
3. The OULC shall have the mandate as the Reviewing Authority to undertake the legal review and clearing of contracts with external parties.
4. The OULC may consult other units such as, but not limited to, the DLSU Intellectual Property Office (DIPO), Office of Strategic Communication (STRATCOM), Data Privacy Office (DPO), and Finance and Accounting Office (FAO), on provisions and matters relevant to the review of a contract.
5. The OULC is not obligated to review or provide legal advice for contracts where the University is not a party.
6. The University shall only honor contracts that:
  - a. underwent legal review and were subsequently cleared by the OULC in accordance with these policies; and,
  - b. were signed by the authorized signatory of the University.
7. Contracts signed without complying with these policies shall
  - a. not bind the University,
  - b. result in the personal liability of the person who signed them; and,
  - c. subject the signatory to disciplinary action.
8. The legal review of contracts under these policies shall:
  - a. be in addition to other internal review or approval processes required under existing University policies;
  - b. be limited to the interpretation of all legal and intellectual property issues; and,
  - c. not cover the business, social, political, financial, or other non-legal aspects of the contract.
9. The OULC shall accept for review all purchase contracts from the Supply Chain Management Office (SCMO) which are:
  - a. covered by a Purchase Order (PO) and/or which passed through the bidding process; and,
  - b. not covered by a Purchase Orders(PO), but were cleared by the SCMO Vendor Management and Contract Officer (i.e., those covered by the VCRI Research Expenses without PO Form that were approved by the President's Council on July 29, 2016).
  - c. Contracts emanating from cash advance transactions
  - d. Bid exemptions from the Office of the President
10. Authorized Signatories for contracts and all related provisions are indicated in the Policy on Signatory Authority of Contracts.
11. All other University policies inconsistent with these policies are repealed or amended accordingly.
12. Violations of any provision of these policies shall be considered a major offense. They shall be dealt with in accordance with the provisions of the applicable employee (faculty, administrative and professional service personnel, co-academic personnel) manual and student handbook.

## E. Special Situations

1. With the written approval of the University President, the authority to conduct legal review of contracts may be delegated to an external counsel in coordination with the OULC.
2. The President may exercise his authority to review the OULC recommendation and make a final decision.
3. The Reviewing Authority may allow for an "expedited document review" for contracts or templates:
  - a. prepared by the OULC; and,
  - b. containing terms and conditions similar to those that were previously approved by the OULC.
4. In case there are issues in the contract that result in a deadlock or impasse, the University Legal Counsel shall refer the issue to the Deciding Authority who shall resolve the matter.

5. Perceived or actual conflict of interest/commitment shall be disclosed by the concerned party to the concerned immediate superior before commencing any contract negotiation or requesting the OULC for contract review.

## **6. Responsibilities**

1. As the Reviewing Authority for contracts, the OULC shall be responsible for the legal review and clearing of contracts. The OULC shall focus on the interpretation of the legal aspects of the contract and may consult other units (i.e., DIPO, Office of Strategic Communication, Data Privacy Office, Finance and Accounting Office) on relevant provisions in the contract, when it deems necessary.
2. The Requesting Party shall
  - a. initiate the request for contract review by the OULC by accomplishing two (2) copies of the Joint Initial and Final Review Form (OULC Form 1); and,
  - b. submit two (2) original copies of the signed contract (notarized, if needed) with all its annexes.
3. The University President shall be the Authorized Signatory for institutional contracts.
4. The University Provost shall
  - a. be the Deciding Authority for matters that the Reviewing Authority and the contracting party cannot resolve; and,
  - b. sign institutional contracts when delegated by the University President in writing.
5. University Vice-Presidents shall sign contracts that involve a particular unit / office / department / college under them or as designated by the Policy on Signatory Authority of Contracts.

## **7. Responsibilities**

Appendix A – Samples of Contracts Requiring Legal Review  
Appendix B – Legal Review Process

## **8. Procedures**

Please refer to Templated Procedures and accompanying Appendix B – Legal Review Process

## **9. Instructions / Forms**

OULC Form 1- Joint Initial and Final Review Form  
OULC Form 2 – ERIO Form

## **10. Standards**

None

## **11. Parent Policy**

None

## **12. Related Policies**

Legal Document Management Policy  
University Policy on Conflicts of Interest  
Policy on Signatory Authority of Contracts  
DIPO Knowledge & Technology Transfer Policy

### **13. Related Information**

None

### **14. References**

None

### **15. History**

This is the first version of the Policy on the Legal Review and Approval of Contracts. It was approved by the Board of Trustees and took effect on November 15, 2015.