

City of Austin



**A Report to the
Austin City Council**

Mayor
Lee Leffingwell

Mayor Pro Tem
Sheryl Cole

Council Members
Chris Riley
Mike Martinez
Kathie Tovo
Laura Morrison
Bill Spelman

**Office of the
City Auditor**

City Auditor
Kenneth J. Mory
CPA, CIA, CISA, CRMA

Deputy City Auditor
Corrie E. Stokes
CIA, CGAP, CFE

AUDIT REPORT

Contract Development and Approval Audit

March 2014



REPORT SUMMARY

There is limited evidence that all City contracts are reviewed by Law, as required by City Charter, resulting in contracts that may increase the City's risk. Additionally, contract clauses designed to safeguard the City's interests are not consistently included in all contract documents, and there does not appear to be an established review process for contract templates.

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GOVERNMENT AUDITING STANDARDS COMPLIANCE

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT TEAM

Niki Raggi, CGAP, CRMA, CICA, Assistant City Auditor
Andrew Keegan, CIA, CGAP, Auditor-in-Charge

NOTE: This report was updated to include direction given to management by members of the Audit and Finance Committee at the meeting on March 26, 2014. That direction has been included in Appendix C.

Office of the City Auditor
Austin City Hall
phone: (512)974-2805
email: oca_auditor@austintexas.gov
website: <http://www.austintexas.gov/auditor>

Copies of our audit reports are available at <http://www.austintexas.gov/auditor/reports>



March 2014



Audit Report Highlights

Why We Did This Audit

This audit was conducted as part of the Office of the City Auditor's (OCA) FY 2013 Strategic Audit Plan.

What We Recommend

The City Attorney should work with the Purchasing Office to develop, implement, communicate, and monitor a process that ensures contract templates are followed or changes are reviewed and approved, and that all contract templates are periodically reviewed for completeness and compliance with laws, regulations, and contracting best practice.



For more information on this or any of our reports, email oca_auditor@austintexas.gov

CONTRACT DEVELOPMENT AND APPROVAL AUDIT

Mayor and Council,

I am pleased to present this audit on contract development and approval.

BACKGROUND

The City Charter requires that the City Attorney "pass upon" all contracts in which the City may have an interest. The Law Department (Law) stated that they have interpreted this to mean review.

The Purchasing Office has the sole authority to negotiate and execute contracts, but the Purchasing Officer can delegate authority for certain types of contracts to other City departments. Currently, Contract Management Department (CMD), Economic Development Department (EDD), and Neighborhood Housing and Community Development (NHCD) have received delegated authority for executing contracts.

OBJECTIVE AND SCOPE

The objective of this audit was to determine if the process for developing and approving City contracts adequately protects the City's assets, rights, and interests.

The audit scope included contracts that were executed by the Purchasing Office, CMD, EDD, or NHCD and went to City Council for approval in FY 2012 or FY 2013.

WHAT WE FOUND

There is limited evidence that all City contracts are reviewed by Law, as required by City Charter, resulting in contracts that may increase the City's risk. Of 14 contracts tested, nine (64%) did not follow templates created by Law, with no evidence that Law reviewed the changes. Examples of the differences include:

- removal of clause that requires vendors comply with health, safety, and environmental regulations;
- removal of clause that requires vendors employ orderly and competent workers who are not under the influence of drugs or alcohol; and
- reduction of the standard warranty period from one year to 120 days.

Additionally, contract clauses designed to safeguard the City's interests are not consistently included in all contract documents, and there does not appear to be an established review process for contract templates. Model clauses not consistently included in templates we reviewed include Right to Audit, Indemnification, and Confidential Information clauses.

Kenneth J. Mory, City Auditor

BACKGROUND

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The Purchasing Office has the sole authority to negotiate and execute contracts, but the Purchasing Officer can delegate authority for certain types of contracts to other City departments. Currently, Contract Management Department (CMD), Economic Development Department (EDD), and Neighborhood Housing and Community Development (NHCD) have received delegated authority for executing contracts.

OBJECTIVE, SCOPE, AND METHODOLOGY

The Contract Development and Approval Audit was conducted as part of the Office of the City Auditor’s (OCA) Fiscal Year (FY) 2013 Strategic Audit Plan, as presented to the City Council Audit and Finance Committee.

Objective

The objective of this audit was to determine if the process for developing and approving City contracts adequately protects the City’s assets, rights, and interests.

Scope

The audit scope included contracts that were executed by the Purchasing Office, CMD, EDD, or NHCD and went to City Council for approval in FY 2012 or FY 2013.

Methodology

To accomplish our audit objectives, we performed the following steps:

- reviewed City policies and procedures for developing and approving contracts;
- researched best practices for developing and approving contracts;
- interviewed City personnel in the Law Department and in the Purchasing Office;
- interviewed personnel with responsibility for developing and approving contracts in CMD, EDD, and NHCD;
- evaluated whether contract templates provided by City departments contain model contract clauses as identified by the Texas Contract Management Guide;
- judgmentally selected a sample of 14 contracts that were submitted to the City Council for approval based on a random sample of City Council agendas from FY 2012 and FY 2013, and tested for evidence of legal review or congruence with the applicable contract template; and
- evaluated risk of fraud, waste, and abuse, and information technology relevant to the development and approval of contracts.

AUDIT RESULTS

We found limited evidence that all City contracts are reviewed by the Law Department as required by the City Charter, resulting in contracts that may increase risk to the City. The Law Department has developed contract templates as the primary method for meeting this Charter requirement, as well as ensuring that contracts are consistent with applicable laws and that risks to the City have been evaluated. However, nine of the 14 contracts tested significantly differed from a template with no evidence that the changes had been reviewed by the Law Department. This resulted in contracts that increase the City's risk, and in one instance, were out of compliance with federal housing grant requirements. We also found that some model contract clauses designed to safeguard the City's interests, such as Right to Audit and Indemnification clauses, are not consistently included in all of the City's contract templates.

Finding 1: Although required by the City Charter, we found limited evidence that all City contracts are reviewed by the Law Department, which results in contracts that may increase the City's risk.

To ensure that the City is adequately safeguarded when entering into contracts, the City Charter requires that the City Attorney "pass upon all documents, contracts, and legal instruments in which the city may have an interest." The Law Department stated they have interpreted "pass upon" to mean "review." According to Law Department policy¹, this review includes determining whether contract clauses are lawful, risks have been evaluated, and that nothing significant is missing or incorrect in the document.

Although not formally documented, the Law Department asserted during interviews that this review occurs either directly or indirectly as follows:

- Direct Review –The Law Department is involved in the contract development process and reviews each contract. This method is used when required by City policy or for unique contracts, such as construction contract and economic development agreements.
- Indirect Review –The Law Department developed contract templates that comply with City Code and Charter, as well as applicable state and federal laws. This method is used for standard contracts, such as the purchase of goods and services. According to the Law Department, changes to the template would require a direct review.

Based on a test of 14 randomly sampled contracts, we found limited evidence that contracts are reviewed either directly or indirectly by the Law Department. As shown in Exhibit 1, significant differences between the contract and the applicable template were noted in nine out of 14 (64%) contracts, and we found no evidence that the changes were reviewed by the Law Department.

¹ Law Department's Contract Standards Notebook

EXHIBIT 1
Test of Law Department Review of Contracts

OCA Classification	# of Contracts	Total Value
Significant differences from applicable template and no evidence of legal review	9	\$2,513,132
Minor differences from a template and no evidence of legal review	1	\$1,178,560
Evidence of legal review	4	\$4,493,320
TOTAL	14	\$8,185,012

SOURCE: OCA analysis of contracts and templates, January 2014

The nine contracts that significantly differed from a template included contracts for maintenance and support of software for a City utility service distribution system, security at City facilities, and support of job creation. The differences we identified appear to result in contracts that are more advantageous for the vendors. While these changes may not affect the legality or enforceability of the contract, they do have an impact on the City’s contract risk. Examples of these changes include:

- removal of the requirement that vendors comply with health, safety, and environmental regulations;
- removal of the requirement that the vendor employ orderly and competent workers who are not under the influence of drugs or alcohol;
- reducing the service warranty period from one year to 120 days; and
- addition of a clause limiting the maximum liability for damages.

After a discussion of the audit results, the Law Department discovered that one of the contracts tested during our audit was missing clauses required by federal housing grant requirements. The Law Department also indicated that this issue affected other active contracts and that amendments to those contracts would be required.

Additionally, we noted that three contracts were signed by the City, but not by the vendor. Since the vendor did not explicitly agree to the contract clause, it may be difficult to enforce contract clauses should any issues arise.

The exceptions identified above may occur because the Law Department’s contract review process is not clearly documented or effectively communicated to departments that develop contracts. For example, the City’s Contract Administrator Guide requires that “any changes to the contract template that need legal review shall be sent to the Law Department.” However, we were unable to identify any documentation explaining which changes would require legal review.

Finding 2: Contract clauses designed to safeguard the City’s interests are not consistently included in all contract templates.

We reviewed contract clauses included in 15² contract templates provided by various City departments and compared them to model contract clauses as identified by the Texas Contract Management Guide (TCMG). While the City is not required to comply with the TCMG, the model clauses generally align with clauses identified in the Law Department’s contract policies.

² Five templates from the Purchasing Office, three from CMD, two from EDD, and five from NHCD.

Based on our review, we found that the City's contract templates contain the majority of the model clauses identified by the TCMG, including clauses related to termination, insurance requirements, and ownership of intellectual property. However, we noted that other model clauses were not consistently included in all City contract templates. For example:

- the Right to Audit clause, which allows the City to access vendor's records, was not included in two contract templates;
- the Indemnification clause, which protects the City in case of lawsuits related to the performance of the contract, was not included in two contract templates; and
- the Confidential Information clause, which informs vendor of their responsibilities related to public information requests, was not found in 10 contract templates.

We also noted that a clause requiring vendors to comply with state and federal antitrust laws was not included in any of the City's contract templates. However, the Law Department indicated that this clause may not be applicable to City contracts. Appendix D includes OCA's complete analysis of contract template terms as well as a glossary of the clauses.

These inconsistencies may stem from the lack of an established process to ensure that all templates reflect current laws, regulations, and contracting best practices. Instead, management of templates appears to be left to the individual departments. While we noted that there is an established process to regularly review and update CMD templates, this does not appear to happen for other department templates. For example, the Law Department discovered that changes had been made to an NHCD template only after discussing the audit results. This change, as mentioned above, was the removal of a clause required by federal housing grant requirements.

RECOMMENDATIONS

The recommendations listed below are a result of our audit effort and subject to the limitation of our scope of work. We believe that these recommendations provide reasonable approaches to help resolve the issues identified. We also believe that operational management is in a unique position to best understand their operations and may be able to identify more efficient and effective approaches and we encourage them to do so when providing their response to our recommendations. As such, we strongly recommend the following:

- 1. The City Attorney should work with the Purchasing Office to develop, implement, communicate, and monitor a process to ensure that:**
 - a) contract templates used by City departments are followed or changes to the templates are reviewed and approved by the Law Department; and**
 - b) all contract templates used by City departments are periodically reviewed for completeness and compliance with laws, regulations, and contracting best practices.**


MANAGEMENT RESPONSE: **Disagree.** Refer to Appendix A for management response. In accordance with Government Auditing Standards, OCA included a response to the management response in Appendix B. During presentation of the audit to the Austin City Council Audit and Finance Committee, committee members provided direction to management, which has been incorporated to this report as Appendix C. As a result, references to Appendix B made in the management response now refer to Appendix D.

MANAGEMENT RESPONSE



MEMORANDUM

TO: Mayor Pro Tem Sheryl Cole, Audit and Finance Committee
Council Member Laura Morrison, Audit and Finance Committee
Council Member William Spelman, Audit and Finance Committee
Council Member Kathryn Tovo, Audit and Finance Committee

FROM: Karen M. Kennard, City Attorney 

DATE: March 24, 2014

SUBJECT: Law Department Response to Contract and Approval Audit

General Observations. The Law Department (“Law”) disagrees with the scope and methodology reflected in the audit. The audit contains statements that are both factually and legally incorrect, and reflects a fundamental misunderstanding of the basis of contract development and approval.

1. The audit contains statements that are both factually and legally incorrect, and reflects a fundamental misunderstanding of the basis of contract development and approval. Specifically, Finding No. 1 misstates the process by which Law reviews and approves contracts.
 - a. The Auditor provides an incorrect interpretation of the City Charter as it relates to Law’s responsibility for review of city contracts. The charter does not require Law to physically see every contract that is entered into by the city. Law has created contract templates for the very purpose of enabling client departments to enter into contracts and conduct routine city business without the need for a lawyer.
 - b. The audit incorrectly states that Law only directly reviews “unique” contracts. This is factually incorrect. Law drafts contracts as requested by City departments. Departments often use contract templates developed by Law to create initial draft agreements that are subsequently submitted to Law for review. When requested, Law will also review (and revise) agreements drafted by third parties before City departments enter into a contract.

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- c. The audit confuses the difference between changes to a “template”, and contracts that deviate from a template. While changes to a template require legal approval, departments have the latitude and authority to develop contracts that deviate from the template without legal review. A template is only intended to provide guidance.

2. The audit lacks context and thus overstates the magnitude and impact of its findings. Specifically, the assertion in Finding No. 1 that there is “limited evidence” that all City contracts are reviewed by Law is overly broad and misleading in each of the following respects:

- a. The Auditor fails to clearly note that the audit omitted from review all contracts that were actually developed by Law. Nor does the audit consider the contracts reviewed by Law that were not based on a template.
- b. The audit only includes a subset of contracts that were developed using Law approved templates. This lack of context undermines the broad and sweeping pronouncements that are gratuitously sprinkled throughout the audit. As a result, many of the statements in the audit are misleading and inaccurate.

3. The audit fails to identify the standards by which it determines that the deviations from the template are “significant.”

- a. As explained by Law, templates are intended to provide guidance. To aid the Auditor in his review, Law reviewed the contracts identified by the audit that deviated from the template prepared by Law and which were not subsequently reviewed by Law. Law concluded that the deviations from the template made by City departments were not significant, and the changes did not impact either the enforceability or legality of the agreement. Law also determined that some of the agreements *had* actually be reviewed by Law.
- b. The development of contracts is a departmental function. Departments have the latitude to develop contracts that deviate from the templates and can determine if modifications are necessary to accomplish a business objective.
- c. The audit incorrectly assumes that departments are unaware when additional legal review is necessary. Law communicates with City departments about contracts on a daily basis. While Law is sometimes called upon to create specialized contracts, many of the agreements submitted by City departments have utilized law department templates to create an initial draft agreement, which is then submitted to Law for further review. Again, these contracts were excluded from the audit.
- d. The audit cites as a further example of lack of safeguards that three contracts do not include vendor signatures. Again, this is factually incorrect. The agreements in question are purchasing agreements that were solicited through the invitations for bid (“IFB”) process. Purchasing contracts are viewed in their totality and

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include both the solicitation documents as well as the terms and conditions. Under the IFB process, the bidder, by responding to the solicitation, accepts all the terms and conditions presented in the solicitation. For IFBs, the respondent “signs” the contract with the submission of a bid. A separate signature block for the bidder on the City’s signature page is not required. The agreements are enforceable.

4. The audit fails to provide sufficient evidence or support for its findings. Specifically, Finding No. 2 incorrectly identifies the absence of certain contract clauses as examples of a failure to “safeguard” the City’s interests. The audit incorrectly suggests that such clauses are always required to safeguard the City’s interests. Law disagrees.

- a. A fundamental principle of contract law is that the entire document must be read as a whole. Whether the City’s interests are protected does not rest solely on the presence or absence of a specific clause, but rather depends on the totality of the entire agreement between the parties.
- b. The audit states that “not all templates” have indemnification clauses. This is factually incorrect. The one contract template identified by the Auditor that does not include an indemnification clause is the template for Art in Public Places. Indemnification is addressed in the Warranty of Title clause. Moreover, since all APP contracts are reviewed and approved by Law, the lack of a clause in the template has no bearing on the whether the final contract appropriately safeguards the City’s interest.
- c. So long as a contract is reviewed by Law, the determination whether a specific clause is necessary is a legal finding and it’s curious how the audit makes a finding of legal risk without undertaking a legal analysis of the entire final contract.

5. The audit also fails to identify any established legal criteria that provide a basis for its determination that contracts that deviated from the template are not adequate to “safeguard the City’s interests.” In support of this finding, the audit improperly attempts to incorporate criteria that are not applicable to the City. Specifically, Finding No. 2 and Appendix B purport to contrast the City’s contract templates with clauses used by the Texas Contract Management Guide (TCMG).

- a. The TCMG is only applicable to state agencies. Since the TCMG is not applicable to the City, it cannot be the basis to determine the appropriateness or necessity of a given contractual clause in a city contract.
- b. The audit fails to include any comparisons of the city’s contract development process to similarly situated organizations (peer cities) or to demonstrate objectively that such contracting practices offer measurably superior results to the process currently used by the City.

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- c. Even if the TCMG was an appropriate standard, it supports many of the City practices which the audit criticizes. Specifically, under the heading “Drafting the Contract,” the TCMG states that terms and conditions set forth in the TCMG are “recommended” and *may be modified to meet the agency’s need*.
6. The audit asserts that there is no process to “ensure that all templates” are periodically reviewed to reflect “current laws, regulations, and best practices.” This is factually incorrect.
- a. Again, despite this sweeping conclusion, the audit fails to identify any evidence of systemic issues regarding template clauses that are inconsistent with current laws or regulations. The audit identified one template that had been changed by a department without the authorization of Law. Law worked with the department and has corrected this template. Law is also reviewing all templates used by this department.
 - b. Templates only need to be revised when a change in law, policy or procedure mandates it.
 - c. Law does provide periodic training to departments concerning new statutory requirements. Purchasing department buyers were most recently trained on May 7, 2013.

Response to Recommendations

Recommendation No. 1: The City Attorney should work with the Purchasing Officer to develop, implement, communicate, and monitor a process to ensure that:

- a. Contract templates used by City departments are followed or changes to the templates are reviewed and approved by Law;

Law Response: Law currently works with the Purchasing Department to develop contract templates. The Auditor’s recommendation that any deviation from a template be first approved by Law would have immediate adverse impact on the City’s ability to conduct business. City departments are in the best position to determine what contract provisions are necessary for their contracts. As previously stated, none of the changes identified by the Auditor were significant. The deviations identified by audit were low risk, did not impact the legality or enforceability of the contracts in question, and, most importantly, each of the contracts in question achieved its contractual goals: the city received its goods and/or services, and the vendor received its payment. The audit fails to demonstrate that such a requirement is proportionate to the risk. Law agrees that *changes* to a template should always be approved by Law.

- b. All contract templates used by City departments are periodically reviewed for completeness and compliance with laws, regulations and contracting best practices.

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Law Response: As stated previously, Law already revises templates when required to comply with new laws and regulations. As for “contracting best practices,” the audit fails to identify a method of contract development and approval that objectively shows results that are superior to those achieved by the templates used by the City; and fails to identify a “best practice” which is applicable to the City. Following the State of Texas Contract manual is not a best practice for a Texas Home Rule City. In summary, the templates used by Law are appropriate to the business of the City, allow the City to timely transact business, and deliver results that allow the City to achieve its goals of obtaining goods and services necessary to achieve its business objectives.

cc: Marc A Ott, City Manager
Kenneth Mory, City Auditor
Elaine Hart, Chief Financial Officer
Greg Canally, Deputy Chief Financial Officer
Denise Lucas, Deputy Purchasing Officer

OCA Response to Management Response

Government Auditing Standards, 7.37 require that “when the audited entity’s comments are inconsistent or in conflict with the findings, conclusions, or recommendations in the draft report, or when planned corrective actions do not adequately address the auditors’ recommendations, the auditors should evaluate the validity of the audited entity’s comments. If the auditors disagree with the comments, they should explain in the report their reasons for disagreement.”

Overall, we are concerned that the Law Department’s response does not recognize fundamental process issues that include documentation of legal review and a clear delineation of roles and responsibilities.

The conclusions in our report are based on sufficient and appropriate evidence. As stated in the report, these conclusions are not intended to address the legality and enforceability of the individual contracts, nor does the report conclude on specific risks for individual contracts. Rather, this audit addresses risks associated with the business processes and controls for developing and approving contracts.

We shared our findings with the Law Department and Purchasing Office and reviewed additional documentation provided by the Law Department. As a result, we adjusted our audit report accordingly. Based on our discussions with the Law Department, we also conducted further fieldwork that supported our criteria for documenting the legal review of contracts.

Audit and Finance Committee Direction to Management

The Law Department should work with the Purchasing Office, Economic Development Department, Contract Management Department, Neighborhood Housing and Community Development, and other departments that develop contracts to create a list of high-risk clauses that should not be deviated from without legal review. The Law Department should work with contracting departments to ensure that all deviations from those high-risk clauses are reviewed prior to the execution of the contract and this review should be documented and include a reason for the deviation. Any modification to the template itself requires legal review.

APPENDIX D

Texas Contract Management Guide (TCMG) Clauses included in City Contract Templates

Type	Clause	Department Templates			
		Purchasing	CMD	EDD	NHCD
Essential Clauses as identified by TCMG	Introduction	Yes	Yes	Yes	Yes
	Scope of Work	Yes	Yes	Yes	Yes
	Indemnification/Damage Claims	Yes	Yes	NO	Yes
	Price	Yes	Yes	Yes	Yes
	Specifications	Yes	Yes	Yes	Yes
	Funding Out Clause	Yes	Yes	Yes	Yes
	Antitrust ¹	NO	NO	NO	NO
	Payment	Yes	Yes	Yes	Yes
	Affirmation Clauses	NO	NO	NO	Yes
	Dispute Resolution	Yes	Yes	NO	Yes
	Term of Contract	Yes	Yes	Yes	Yes
	Confidential Information	Yes	NO	NO	NO
	Abandonment or Default	Yes	Yes	NO	Yes
	Right to Audit	Yes	Yes	NO	Yes
	Force Majeure	Yes	Yes	Yes	Yes
	Ownership/Intellectual Property, including Rights to Data, Documents, and Computer Software	Yes	Yes	Yes	Yes
	Independent Contractor	Yes	NO ²	Yes	NO
	Termination	Yes	Yes	Yes	Yes
Recommended Clauses as identified by TCMG	Notice	Yes	Yes	Yes	Yes
	Order Precedence	Yes	Yes	Yes	Yes
	Patents and Copyrights	Yes	NO ²	Yes	Yes
	Assignment	Yes	Yes	Yes	Yes
	Insurance	Yes	Yes	Yes	Yes
	Propriety Information	Yes	NO	NO	Yes
	Taxes	Yes	Yes	Yes	NO
	Public Disclosure	Yes	NO	NO	Yes
	Smoking Policy	Yes	Yes	Yes	Yes
	Drug Free Workplace Policy	Yes	Yes	Yes	Yes
# Essential Clauses (of 18)		16	14	11	15
# Recommended Clauses (of 10)		10	7	8	9

1. This clause requires vendors to comply with state and federal antitrust laws; the Law Department asserted that this clause does not apply to City contracts.
2. Out of the three CMD templates reviewed, one template included this clause and two did not.

SOURCE: OCA analysis of contract templates, December 2013

See the following page for a glossary of the clauses.

APPENDIX D

Texas Contract Management Guide Clauses and Summary

Clause	OCA Summary
Introduction	Unknown
Scope of Work	What the vendor will do
Indemnification/Damage Claims	Vendor is responsible for cost of defending lawsuits related to the actions of the vendor
Price	What price will be charged/paid
Specifications	Details about the product/service
Funding Out Clause	Contract depends on the continued availability of funds
Antitrust	Vendor did not violate anti-trust laws
Payment	Terms for submitting invoices by vendor and paying invoices for buyer
Affirmation Clauses	All statements and information from the vendor is accurate
Dispute Resolution	Describes the dispute resolution process
Term of Contract	Describes how long the contract lasts
Confidential Information	Describes the vendors responsibilities related to Public Information Requests
Abandonment or Default	Contract can be cancelled if vendor defaults and the vendor will not be considered for similar jobs in the future
Right to Audit	Anyone (including subcontractors) is subject to audits related to the acceptance of money under this contract
Force Majeure	No liability for vendor or buyer for things beyond reasonable control (war, hurricanes, etc.) that could not reasonably be avoided
Ownership/Intellectual Property, including Rights to Data, Documents, and Computer Software	Everything produced in connection with this contract is the property of the buyer
Independent Contractor	Vendor (and representatives) are not employees of the buyer
Termination	Outlines how and why the contract can be terminated
Notice	Requirements for how and where written notices from buyer will be delivered to the vendor
Order Precedence	Identifies the order of documents to review in case of conflicts within the documents
Patents and Copyrights	Agency is not liable for the defense of or judgments for claims related to patents, copyrights, etc.
Assignment	Vendor cannot assign rights or duties of contract to another party without consent
Insurance	Sets insurance requirements
Propriety Information	Vendor is responsible for identifying proprietary information included in submitted information
Substitutions	Unknown
Taxes	Vendor is responsible for all taxes resulting from contract
Public Disclosure	Vendor cannot make disclosure or news releases about contract without prior approval from buyer
Security/Parking Access	Unknown
Smoking Policy	Vendor must abide by the buyers non-smoking policy when on buyer property
Drug Free Workplace Policy	Vendor must comply with relevant provisions of the Drug-Free Work Place Act of 1988

SOURCE: OCA analysis of TCMG clauses, November 2013