

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

Overview

Contracts made with vendors represent an independent offer, promise, and acceptance of business commitment which outlines the responsibilities undertaken by vendors in order to fulfil UOS' requirements and the obligations stipulated in the contract while protecting the University and vendor legal rights.

Scope

The scope of the Contract Management lifecycle process includes the Contract Preparation, Contract Performance Management, Contract Amendments – Variation Orders, Contract Extension, Contract Renewal, Contract Termination, and Contract Close-out.

Purpose

The main purpose of this policy is to:

- Regulate its relationship with vendors by specifying the rights, liabilities, roles, and responsibilities of both parties during and after the execution of a contract.
- Mitigate procurement risks and manage business affairs with vendors through a strong due diligence exercised throughout the contract lifecycle.
- Achieve its business commitment and fulfill end-user requirements in the optimal way possible.

Abbreviations and Definitions

UOS: University of Sharjah

DOA: Delegation of Authority

LD: Liquidate damages

LOA: Letter of Award

Policy

- The procurement and supply chain management department shall enter into contractual agreements and arrangements with vendors based on the UoS criteria.
- The Procurement Team has the overall responsibility of preparing contracts that govern the requisition intended to be made with awarded vendors in order to ensure full compliance with UOS's terms and conditions during the execution of the contract.
- The Procurement Team should monitor and manage vendors' performance during the contract lifecycle.
- The Procurement Team shall update the contract review register on a monthly basis and sign it off as a proof of review.
- The register shall be submitted to the P&SC Director on a quarterly basis for review and approval.
- All contract renewal request shall be review and approved in line with the DOA.
- The Procurement Team shall explore all possible options to rectify any situation / issue identified during the contract execution and treat it amicably with vendor before making any decision that would lead to contract's termination.

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

- The Procurement Team shall terminate any contract made with vendors if the vendors repeal/disrupt one of the contract terms.
- UOS shall not allow disagreements and disputes to prevent the execution of the contract and shall always commit to the amicable resolution, to the extent possible, through negotiation with vendors.
- The Procurement Team shall ensure that all contractual obligations have been met by vendors upon contract's expiry date, after seeking inputs and feedback from the respective end users.

Procedures

1. Contract Criteria and Types

Contract Criteria

UOS shall enter into contractual agreements and arrangements with vendors in case any of the below criteria are met:

- Purchase requisition is equal to or exceeds 100,000 AED,
- For high-risk procurement/project or service (especially for projects/services that have a reputational impact on UOS),
- Services expected to be rendered within a period of time equal to or exceeding 180 days;
- Services / Projects requiring service level agreement;
- Services performed on a recurring basis and throughout the year (cleaning, security, etc.);
- To ensure continuous supply of standardized goods / material requested in large quantities and on a recurring basis (i.e. stock items, etc.);
- To avoid price fluctuations and benefit from price and quantity discount for goods / material requested; and
- Special provisions for material / services having variable rates, and where rates cannot be determined in advance.

Contract Elements

The Procurement Team shall consider the following elements during contract development:

- Clear and complete description of the scope of work / service / material / goods' specifications;
- Price, payment terms and method of payment;
- Schedule of activities / milestones and delivery date;
- Specific terms and conditions (liquidated damages, performance securities, incoterms, warranty, etc.); and
- General terms and conditions (indemnification, insurance and third-party liabilities; and copyright, patent, force majeure, termination clause, etc.).

Contract Types

- The Procurement Team might consider different type of contracts when dealing with vendors depending on the type of material / goods / service / project requested by end user and terms and conditions required for such requisition.

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

- Below are the following types of contracts to be made with successful vendors along with the criteria used for each type of contract:
 - Fixed prices contract (i.e. lump sum contract);
 - Unit price / Rate contracts (i.e. blanket purchase agreement); and
 - Cost Reimbursable cost.
- All contracts made with vendors shall be accompanied with a complementary purchase order (internal purchase order) that shall be linked to the contract made with vendor on the system.
- Complementary purchase order shall be created for UOS's internal purposes and shall not be shared with vendors.
- The below table indicates **some examples** of the type of purchases associated to each type of contract:

| Contract Type | Contract Sub-Type | Nature of Purchase |
|---|---|--|
| Lumpsum Contract | <ul style="list-style-type: none"> ▪ Supply contract ▪ Service contract ▪ Consulting services contract ▪ Lease contract | <ul style="list-style-type: none"> ▪ Purchase of goods / material / equipment. ▪ Professional Consultancy services (where applicable), etc. |
| Unit price / rate contract (i.e. blanket purchase agreement, etc.) | | <ul style="list-style-type: none"> ▪ Purchases of sock items / repetitive purchase of goods/material. ▪ Administrative services (cleaning, security, etc.) where payment is based on timesheets provided by vendors. ▪ Other services (where applicable). |
| Cost - Reimbursable contract | <ul style="list-style-type: none"> ▪ Project contract (construction, design, etc.) | <ul style="list-style-type: none"> ▪ Subcontracting project / construction work. |

a) Lump Sum contract

- The Procurement Team shall use the lump sum contract under the below circumstances:
 - For goods / material / service in which the scope of work, specification, duration and required output are clearly defined.
 - For goods / material / service (i.e. professional services, etc.) whereby costs cannot be determined in advance with sufficient accuracy.
 - When there is an agreement with vendors to perform the service / project / goods/material requisition for one fixed price.
 - When payment can be easily linked to outputs and deliverables, such as reports, drawings and bills of quantities, etc.

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

b) Unit Price / Rate Contract (i.e. Blanket Purchase Agreement)

- The Procurement Team shall establish rate contracts for material / goods and services that satisfy the below criteria:
 - Repetitive purchases of goods / material required by end users on a recurring basis;
 - For goods / material having a high annual procurement value / spend (spare parts, consumables, etc.);
 - Ordering standardized goods / material which requires numerous delivery and shipments;
 - Fast moving items with short shelf life or storage constraints;
 - Items with anticipated price fluctuation;
 - When a price / quantity discount can be obtained from vendor(s); and
 - When it is impossible, due to the nature of goods / material, to determine with sufficient precision the quantity of goods / material required from vendor.

- In order to avoid situation when purchases cannot be performed as per the Unit Price / Rate Contract's terms and conditions, the Procurement Team might consider, at its discretion establishing a parallel unit price / rate contract with another vendor under the below circumstances:
 - Criticality and importance of material / goods /service procured;
 - Failure of the vendor to procure the requested material;
 - Material / goods demand exceeds quantity offered by one vendor; and
 - Having a wider vendor base due to the criticality of the material / goods / service procured.

c) Cost-Reimbursable Contract

- A cost-reimbursable contract is an agreement that involves the reimbursement of vendor's actual costs, in addition to, a fee that typically represents the vendor's profit margin.
- The Procurement Team shall establish a cost-reimbursable contract under the below circumstances:
 - Implementation of a large-scale project;
 - Projects where costs cannot be determined in advance with sufficient accuracy; and
 - In exceptional circumstances such as conditions of high risk to UOS's operations.

2. Subcontracting

- Subcontracting is permitted by UOS only if the contract made with vendors / contractor stipulates the right to subcontract part of the vendor's obligations or duties to a subcontractor.
- The RFX shall clearly stipulate subcontracting requirement, depending on the project / service required by end user. The RFX or contract template sent to vendor shall also indicate that the vendor / contractor shall retain full liability towards UOS for the performance of the subcontractor and the project / service as a whole.
- The Procurement Team shall only consider claims received by vendors who are contracted directly by UOS. Any claim received by vendor's sub-contractor shall be rejected by the Procurement Team.

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

3. Roles and Responsibilities in the contract management lifecycle

- The table below depicts the main roles and responsibilities undertaken by the Procurement team, end users, and various stakeholders during the contract management lifecycle:

| Contract Management Life Cycle | End User | Procurement Team | Finance Department | Legal Department |
|---|--|---|---|---|
| Contract Preparation & Archiving | <ul style="list-style-type: none"> Review of scope of work | <ul style="list-style-type: none"> Contract Development based on the service / material / project requirement. Contract Archiving. | <ul style="list-style-type: none"> Review and approval of payment terms and method of payment. | <ul style="list-style-type: none"> Review and approval of the legal provisions and terms and conditions. |
| Contract Performance and Monitoring | <ul style="list-style-type: none"> Follow up on project / service implementation. Monitoring delivery service and day-to-day activities. | <ul style="list-style-type: none"> Monitor the application / adherence to contractual agreements and monitor delivery and progress. | <ul style="list-style-type: none"> Managing progress / partial payment to vendors. Computation of penalties imposed on vendors. | <ul style="list-style-type: none"> Managing / resolving any legal-related issues during the execution of the contract (disputes, penalties, Litigation, etc.). |
| Contract Amendment | <ul style="list-style-type: none"> Request for change order / contract Amendment. | <ul style="list-style-type: none"> Review and approval of request for change order and contract amendment | <ul style="list-style-type: none"> Approval of variation order / budget resulting from such amendments. Reviewing and approving any change in payment terms | <ul style="list-style-type: none"> Review and Approval of any change in legal terms & conditions. |
| Contract Termination | <ul style="list-style-type: none"> Request for contract termination. | <ul style="list-style-type: none"> Review and approval of contract termination request. Issuance of notice of termination to vendor | <ul style="list-style-type: none"> Settlement of payments due to vendors (if any) | <ul style="list-style-type: none"> Provide legal opinion on contract termination. |
| Contract Extension / Renewal | <ul style="list-style-type: none"> Request for renewal / extension. | <ul style="list-style-type: none"> Review and approval of request for renewal / extension | <ul style="list-style-type: none"> Reviewing and approving any change in payment terms Payment of outstanding amounts to vendors (if any) upon renewal | <ul style="list-style-type: none"> Provide legal opinion on securities and any new legal clause in compliance with the UAE rules and regulations. |

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

| Contract Management Life Cycle | End User | Procurement Team | Finance Department | Legal Department |
|--------------------------------|--|---|---|---|
| Contract Close Out | <ul style="list-style-type: none"> Verification and providing assurance of service delivery / material receipt as per the contractual agreement made with vendor. | <ul style="list-style-type: none"> Developing contract close out report. | <ul style="list-style-type: none"> Payment to vendor. Release of bank Guarantee. | <ul style="list-style-type: none"> Monitor the closure of any legal-related issues or liabilities during the execution of the contract (i.e. penalties, litigation). |

4. Contract Preparation

- The Procurement Team has the overall responsibility of preparing contracts that govern the requisition intended to be made with awarded vendors in order to ensure full compliance with UOS's terms and conditions during the execution of the contract.
- Contracts made with vendors shall be uploaded in the system by the Procurement Team and shall specify the specifications/requirements of material/goods/services/projects' scope of work after seeking the required approval of the concerned end users. Such requirements/specifications shall be specified in the RFX document. However, it is still advisable to seek the end user's confirmation on the specifications/scope of work prior to sending the contract to the vendor for signature.
- Legal terms and conditions shall be reviewed and approved by the Legal Department through the system within (3) working days prior to finalizing the contract.
- Payment terms and mode of payment shall also be reviewed and approved by the Finance Department through the system within (2) working days in order to ensure the adequacy of the contract's financial terms and conditions.
- Health, safety, environment and quality assurance's clauses shall be included in UOS's contract, where applicable, and shall be also reviewed by the respective Department within (3) working days.
- The Procurement Team shall send the draft contract to the successful vendor along with the Letter of Award (LOA) and after obtaining the required approvals from all business units involved in the contract's review process.
- The Procurement Team shall request the awarded vendor to submit the signed contract and the respective securities (i.e. performance bond); as specified in the RFX document within the stipulated period specified in the (LOA) document shared with vendor.

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

- For complex / high value project or service, a contract form shall be shared with the vendor during the bidding process. It is recommended that the vendor is given sufficient time to review the draft contract, and request that any proposed changes or modifications to the contract clauses / terms and conditions be provided in writing.
- If at this stage the vendor raises a legal issue, the Procurement Team shall ensure that proper consultation takes place with the legal Department.
- The Procurement Team shall review the changes proposed by the vendor to determine that they do not conflict with the original requirement and offer and that they are acceptable to UOS. If acceptable, the Procurement Team shall revise the draft until the contract terms and conditions are acceptable by both parties.
- If the change(s) proposed by the vendor is not acceptable to UOS, a round of discussion and negotiation shall take place with the vendor to reach a mutual consensus / agreement.
- If the negotiation made with vendor does not lead to a common agreement and acceptance on the contract's terms and conditions, the Procurement Team shall discuss the matter with the Procurement Committee and take the necessary action as deemed appropriate in accordance with the DoA
- Contracts made with vendors shall be subject to review and approval in line with the DoA.
- A copy of the original contract shall be sent to vendor, and additional copies of the contract shall be sent to the respective business units (i.e. End User, Finance, Legal Department, etc.) through the system for performance monitoring.
- Awarded vendor shall start the execution of the signed contract after the kick-off meeting is held with the awarded vendor.
- A unique code shall be linked to each contract made with vendors in the system.

5. Kick-off Meeting

- Prior to the commencement of goods / material / service / project delivery, the Procurement Team, in coordination with the end user, might conduct a kick-off meeting with the awarded vendor in order to discuss their understanding and joint administration of the contract.
- In case a kick-off meeting is required, the following topics shall be covered during this meeting:
 - Review the contract terms and conditions along with other key elements and explain the roles and responsibilities of both parties.
 - Update the project plan with the involvement of both parties, to reflect the actual start date as well as project's milestones / deliverables and any changes which may have occurred since it was planned.

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

- Discuss the performance assessment criteria with the vendor, so that both parties know the basis and criteria of performance. These should be understood as milestones for joint monitoring and not only as contractual obligations.
 - Discuss the approach used to measure and report actual performance. The techniques, timing, and frequency of measurement and reporting should consider the nature and criticality of the project / service rendered.
 - Clarify any remaining ambiguities and discuss procedures for managing change and resolving issues.
 - Clarify the communication plan.
- The Procurement Team shall develop a minute of meeting detailing all the discussions / action plans agreed during the meeting and shall send it to the designated vendor for confirmation by email.
 - Minutes of meeting shall be archived in accordance with the archiving and retention policy articulated in this manual.

6. Contract Validity

- The below table specifies the validity period of contracts depending on the type of contract identified by UOS:

| Contract Type | Validity | Renewal Period |
|--|--|---|
| Lump Sum Contract | Up to 2 years | Up to 2 consecutives period |
| Unit Price / Rate Contract (Blanket Purchase Agreement) | Up to 3 years | Up to 2 consecutives period |
| Cost Reimbursable Contract | <ul style="list-style-type: none"> ▪ Up to 2 years (for services); or ▪ Upon project completion (for projects) | <ul style="list-style-type: none"> ▪ Up to 2 consecutives period (for services). ▪ Not Applicable for project's contract. |

For further details about contract renewal, please refer to section 4.7 "Contract Renewal" process.

7. Contract Performance Monitoring

- Contract performance monitoring is an ongoing activity that serves to monitor and manage vendors' performance during the contract lifecycle, as well as assuring compliance with all other terms and conditions of a contract, such as price, quality, lead time, etc. It also helps the Procurement Team to manage effectively the relationship between the vendor, end users and the Procurement Team.
- Once the contract has been awarded to vendor, the Vendor Management Team, in collaboration with the end user, shall monitor vendor / contract's performance, collects information and measures actual performance against contract's terms and conditions.
- The Procurement Team shall discuss and confirm vendor's performance measures / criteria with the respective end user prior to executing the contract. Performance measures shall be in line with the

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

contract's terms and conditions in order to ensure accurate and indicative performance evaluation results and outcome.

- The respective end user shall raise a progress report in the system to the Procurement Team and focusing on the following general control points:
 - Cost control;
 - Schedule control;
 - Compliance with quality, specifications, and project / service's scope of work; and
 - Compliance with other terms and conditions, paperwork requirements and administrative aspects of the performance.
- Frequency of reporting shall be determined and agreed with the respective end user prior to the start of the contract. Such frequency shall be in line with the reporting requirement articulated in the contract made with vendor.
- Progress reports' results shall feed into the periodic evaluation exercise conducted by end user and administered by the Vendor Management Team.
- Vendor's performance shall be updated and reflected in the approved vendor master file for future reference.
- The Procurement Team shall maintain a dedicated register for contract review in order to effectively administer and monitor the status of contracts made with vendors. The register shall include, at a minimum, the following information.
 - Contract reference number;
 - Contract name;
 - Description of goods / material / service / project procured;
 - Vendor name;
 - Vendor code;
 - Vendor contact details;
 - End user or Project Manager;
 - Buyer / Procurement officer's name;
 - Contract type;
 - Contract value;
 - Contract start date;
 - Contract expiry date;
 - Contract duration;
 - Renewal / extension date (if applicable);
 - Complementary PO number;
 - Number of renewal or extension along with the respective periods (if any);

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

- Variation orders amount and date (if any);
 - Complaint log received by vendor (if any); and
 - Any other additional information associated to the contract.
- The Procurement Team shall update the contract review register on a monthly basis and sign it off as a proof of review.
 - The register shall be submitted to the P&SC Director on a quarterly basis for review and approval.

8. Contract Amendment

An amendment to contract is a written record of changes to the original terms and conditions (i.e. cost, time, etc.) of a contract made with vendor. It is executed to reflect changes to the original requirement, or to reflect the resolution of any disputes or performance issues, or to comply with any other formal.

- administrative considerations that aims to enhance the performance of contract and improve the relationship between UOS and its vendor.
- An amendment to contract for goods / material / services / projects might be considered whenever a need for change in any of the below elements is identified by the Procurement Team or end users:
 - Modification in goods / material specifications or quantities;
 - Modification in service scope of work;
 - Modification in goods / material / service price;
 - Change in the method of shipment or packing;
 - Work details which could not be assessed prior to commencement of the service; and
 - Additional work assigned to vendors under the initial scope of work specified in the contract.
- End users shall also take into consideration the period specified for the amendment according to the contract validity period when raising such request.
- Budgetary requirements shall be discussed between end users and the Finance department and shall be approved by the Finance department prior to amending any contract made with vendor.
- For goods / material / service-related changes, end user shall raise a “Modification Request” to the Procurement Team along with a detailed justification for amendment, at least (3) months prior to the contract’s expiry date.
- For project-related changes, end user shall raise a “Change Request Form” to the Procurement Team along with a detailed justification for project change / amendment as per the agreed timeline.
- The Procurement Team shall review the “Modification / Change Request Form” and assess the business justification provided by end user prior to amending any contract
- “Modification / Change Request Form” raised by end users shall be subject to review and approval in line with DOA in order to ensure that the reason behind the contract’s modification is valid and reasonable.

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

- In the event of any modification to contract value, a maximum increase of 20% of the initial value shall be accepted by the Procurement Team while taking into consideration the contract's requirements and the overall objective of the project requested.
- When there is a need to execute an additional scope of work in excess of what is stipulated in the contract and not part of the initial scope of work, the Procurement Team shall negotiate the additional scope of work / goods / material and prices with vendor.
- In case consensus on the additional scope of work / goods / material cannot be reached between both parties, the Procurement Team may decide to initiate a new bidding process for the provision of such goods / material, services, or projects after consultation with end user and after obtaining approval in line with the DOA.
- The Procurement Team shall prepare an addendum of the initial contract and raise it to the Legal department for review and approval.
- The updated performance bond might be requested from vendors based on the additional scope of work required in relation to the change / modification request needed.
- Addendum of the initial contract shall be subject to approval in line with the DOA prior to sending it to the designated vendor along with the initial contract and request for providing the updated performance bond, if applicable.
- The Procurement Team shall seek the signature of vendor on the addendum as a proof of confirmation and acknowledgment on the amended scope of work or terms and conditions prior execution

9. Contract Extension

- Contract extension aims at extending a contract's duration without any alteration of the contract's terms and conditions and service / project scope of work. Contract's extension will also provide vendor an opportunity to fulfil end user's requirement in the best possible way under the provision(s) of the initial agreement and arrangement.
- Whenever extension is required, end user shall raise a "Contract Extension Request" in the system along with a detailed business justification (including the updated timelines of contract extension and the business impact of such extension) to the Procurement Team at least (3) months prior to the contract's expiry date.
- Meeting with vendor might be conducted with the presence of end user to discuss such reason(s) and understand the vendor's position and feedback.
- The Procurement Team may extend the duration of an ongoing contract, under the following conditions:

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

- Excusable delays beyond the control of the vendor and without any fault or negligence from the vendor's side. This includes delay caused or authorized by UOS and delay caused by a force majeure or other events beyond the vendor's control, such as fire, flood, acts of war, etc.
 - Contemplated extension is merely an emergency measure to maintain status quo in the operations of UOS and to avoid interruption of service.
 - Additional requirements / services are identified by end users and needs to be fulfilled as part of the existing contract.
- If the delay is found to be due to negligence from vendors, the Procurement Team might impose liquidated damages on the vendor as a result of delay in the performance delivery and completion obligation after obtaining the required approvals in line with the DOA.

If contract extension is deemed appropriate, the Procurement Team shall seek the approval of Legal and Finance department on the contract's extension request in order to ensure that all legal and financial terms and conditions are still intact and valid

- "Extension Request" shall be subject to review and approval in line with the DOA.
- The Procurement Team shall prepare a contract extension letter within (2) working days from the approval date including, at a minimum, the following information:
 - Vendor's name;
 - Initial contract's period;
 - Extension period;
 - Contract Value; and
 - Liquidated damages, if any.
- The Procurement Team shall send the contract extension letter to vendor within (2) working days from the approval date.

10. Contract Renewal

- Contract's renewal provides UOS and its vendors the opportunity to extend and improve the relationship established between both parties. It can also address issues with the previous contract and renegotiate more favorable terms and conditions with vendor, if possible.
- Contracts are renewed when there is a valid business need to achieve end users' plans and objectives and an ability to deliver value for money by dealing with vendors who have demonstrated their capabilities to fulfil end users' requirement in the best possible manner.
- A "Renewal Request" shall be raised by end users along with a valid business justification to the Procurement Team within at least (3) months prior to the contract's expiry date.
- Contracts made with vendors shall be renewed in case one or more of the following criteria is met:
 - Vendor has met end user's expectations and demonstrates a good / outstanding performance during the execution of the contract;

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

- Better value for money would not be obtained by re-approaching the market
 - Unavailability / limited number of vendors within the marketplace;
 - Contract renewal is supported by business needs and supply market analysis.
 - The existing contract is renewable.
- In case contract renewal is deemed appropriate, “Renewal Request” shall be reviewed and approved by the Legal and Finance department prior to proceeding with the contract renewal.
- All contract renewal request shall be review and approved in line with the DOA.
- The Procurement Team shall prepare a “Renewal Letter” which shall include, at minimum, the following information:
- Vendor’s name;
 - Initial contract’s period;
 - Renewal period;
 - Contract Value; and
 - Outstanding / due amount paid to vendor.
- The Procurement Team shall send the “Renewal Letter” to the vendor within (2) working days from the approval date.
- Acknowledgement of receipt shall be obtained from vendor prior to starting the execution of the renewed contract.
- Final payments to vendors shall be settled prior to contract’s renewal while ensuring that any damages or loss to business shall be recovered from vendor under such circumstances.
- The Procurement Team shall obtain the renewed performance bank guarantee from vendors (if any) that covers the new contract’s validity period prior to the expected renewal date
- The Procurement Team is strictly prohibited to renew contracts with vendors in case the overall contracting period (including renewal), exceeds 6 years, except for sole procurement or Public-Private Partnership (PPP) projects, if any.

11. Contract Termination

- The Procurement Team shall explore all possible options to rectify any situation / issue identified during the contract execution and treat it amicably with vendor before making any decision that would lead to contract’s termination.
- The Procurement Team shall terminate any contract made with vendors under, but not limited to, the following circumstances:

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

- Material specification / service level is below end user’s expectations and quality standard, and when there is no further opportunity / possibility to enhance the quality or improve the service by vendor;
- Vendor has failed to commence the work / start the supply, or has without any lawful excuse to suspend the work / supply;
- Vendor did not take the corrective action(s) to remedy any failure in performance of his obligation under the contract within agreed working days as per the contract, after being notified;
- Vendor has acted in any manner detrimental to the interest, reputation, dignity, name of UOS and breached its terms and conditions;
- Vendor / contractor has contracted with sub-contractor to supply the agreed materials or services without prior approval from UOS;
- Material or service is no longer needed by UOS;
- A notification from vendor about supply discontinuation due to unforeseen event; and
- Vendor’s bankruptcy or insolvency.

End User shall raise a “Termination Request” to the Procurement Team, at any point of time during contract execution, along with a detailed business justification including the reason of termination and details about the incident(s) identified during the execution of the contract

- Upon reviewing the request for contract termination, and if deemed valid, the Procurement Team shall conduct a formal meeting with vendor with the presence of end user to discuss the prevailing issue / non-compliance or poor performance identified. All pending deliverables (if any) and payments shall be discussed in this meeting.
- In case there is no further opportunity or possibility to remedy the issue between both parties or to improve vendor’s performance, the Procurement Team shall prepare a “Notice for Contract Termination”, which should include, at a minimum, the below information:
 - Vendor’s name;
 - Termination date of contract;
 - Reason for termination;
 - Meeting’s outcomes and vendor position / feedback;
 - Bank guarantee encashment (if applicable);
 - Payment settlement details; and
 - Any other information, if deemed appropriate.
- The Procurement Team shall raise the “Notice for Contract Termination” to the Legal Department for review and approval prior to proceeding with contract’s termination in order to ensure that all legal terms and conditions are respected and UOS’s rights are protected upon termination.
- Notice for contract termination shall be subject to approval in line with the DoA and shall be sent to vendor within (3) working days from the approval date.

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

- The Procurement Team shall also request the vendor to return any assets or documents belonging to UOS including entry and exit permits (magnetic cards) to and from UOS's premises.

All outstanding / due amounts to vendor in relation to the contract shall be settled upon termination in order to avoid any future litigation with the vendor. Bank guarantee shall be also en-cashed by the Finance Department, where applicable

- The Procurement Team reserves the right to suspend an ongoing contract with vendors on a temporary basis, after consultation with the respective end users, in the case of unanticipated event(s) (i.e. natural disaster, pandemic, etc.) which has a direct impact on vendor's performance and the overall progress of the project or service.

12. Dispute Management and Resolution

- Dispute Management and resolution shall include agreement on the procedure to follow to resolve any disagreement between UOS and its vendors with respect to the responsibilities and interpretation of the contract.
- UOS shall not allow disagreements and disputes to prevent the execution of the contract and shall always commit to the amicable resolution, to the extent possible, through negotiation with vendors.
- The Procurement Team shall follow the below guidelines to resolve ambiguities in contract language. These would include, but not limited to:
 - Respect established order of precedence of documents;
 - Apply dictionary definitions to everyday words and a law dictionary for legal terms;
 - Apply standard trade or technical definitions to technical words, unless the context or usage indicates a different meaning;
 - Define words in accordance with the contract definition;
 - Presume that the same word used in different section of the contract refers to the same meaning;
 - Do not interpret or define contract language in such a way as to render it meaningless or to render the rights and obligations of one party unrealistic;
 - Interpret the contract as a whole and, wherever possible, consistently;
 - Where the public interest is affected, apply an interpretation that favors the public;
 - When conflict occurs between two sections of the contract and no directions to the contrary exist, it should be assumed that:
 - Hand-written text takes precedence over typed text.
 - Typed text takes precedence over pre-printed text on a standard form
 - Specific clauses take precedence over general clauses.
- Before escalating any dispute, the Procurement Team shall consider the following approach to effective dispute resolution:
 - Recognizing that contract documents are not perfect;
 - Keeping larger objectives in mind;
 - Focusing on the facts;
 - Depersonalizing the issues; and
 - Willing to make reasonable compromises.

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

13. Escalation of Dispute

An agreed upon procedures for escalation shall be specified in the contract made with vendors. Nonetheless, the contract should indicate which party has responsibility for a given decision, and the other party should respect that responsibility

- Contractual disagreements and disputes shall be solved using the following escalation matrix:

| Stage | Description |
|-------|---|
| 1 | <ul style="list-style-type: none"> End Users shall discuss an amicable solution with vendor and implement it promptly. In this stage, end users are advised to carefully update the contract file, in coordination with the Procurement Team while stating exactly what was discussed and how the dispute was resolved. |
| 2 | <ul style="list-style-type: none"> The Procurement Team reviews the claim / issue raised by vendor and analyses it and enforces the Contract's terms and conditions. |
| 3 | <ul style="list-style-type: none"> Arbitration or court litigation is the last resource that can be used where UOS and its vendor agree to submit their dispute to a panel of specialized people who will apply the respective laws that would have been applied by regular courts. Note: UOS contract shall always ensure that all cases are trialed in UAE Court. Any exceptions to the same shall be approved in line with the DoA. However, the arbitrators can use simplified procedures and conduct the arbitration in the language of choice of the parties. |

- At each stage of the escalation process, the Procurement Team shall seek the Legal Department's opinion and approval prior to proceeding to the next step.
- Any dispute arising between UOS and its vendor in relation to the contract, which is not settled within the defined timeline, shall be referred to the arbitrators or the competent court in UAE.
- In case of arbitration or court litigation, the Procurement Team, in coordination with the End User, shall prepare a dispute report that has to be presented to the arbitrator / court to resolve the case. Such report would include the following information:
 - Project / service brief;
 - Scope of work;
 - Contract / vendor performance;
 - Contractual matters (disputes, liquidated damages, others, etc.);
 - Feedback of end users;

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

Response from vendor / contractor;

- Recommendations; and
 - Other supporting documents, if any.
- The dispute report shall be subject to review and approval of the Legal Department prior to presenting it to the arbitrators or competent court in UAE.

14. Contract Close Out

- Contract Close out is the final step of the contractual agreements made with vendors. It consists of ensuring that all the business obligations and commitments undertaken by vendor are fulfilled and settled in accordance with the contract's terms and conditions.
- The Procurement Team shall ensure that all contractual obligations have been met by vendors upon contract's expiry date, after seeking inputs and feedback from the respective end users.
- Liquidate damages (LD) shall be assessed by the Procurement Team after consultation with the respective end user or project manager in case of delay has been occurred during the contract execution period.
- Results shall be communicated to the Finance department prior to processing vendor's invoice and make final settlements.
- Performance bond, if any shall be released by the Finance department after receiving confirmation from the Procurement team.

All the assets provided to vendors during the contract, if any, shall be returned to UOS. An acknowledgement confirming the receipt of these assets should be maintained in the contract file

- A "Contract Close-out Report", when required, shall be prepared by the Procurement Team after consultation with end users within (15) working days from the goods / material / project / service delivery date. The report shall include, at a minimum, the following information:
 - Project brief;
 - Scope of work;
 - Delivery schedule / Actual delivery;
 - Vendor's performance results;
 - Lessons learned; and
 - Any other contractual matters.
- The "Contract Close-out Report" shall be subject to review and approval in line with DOA.

| | | | | |
|---|--------------------|-----------------------------------|------------------|------------|
|  جامعة الشارقة UNIVERSITY OF SHARJAH | Policy Main Title | Fiscal Resources and Procurement | Effective Date | 1/10/2021 |
| | Policy Subject | Contract Management Lifecycle | Last Review date | 9/12/2025 |
| | Policy Number | FRP-16 | Next Review date | 10/03/2028 |
| | Responsible Entity | Procurement and Supply Chain Dep. | Approved By | VCFAA |

- The Procurement Team might share the contract close out report with vendor for their feedback and future reference in case of potential work or service to be made with the vendor.
- Contracts shall not be closed out until all claims and disputes are settled, and legal / court cases are closed with vendors, if any.

15. KPIs – Contract Management

| KPI | KPI Measure | Target KPI |
|---|---|--------------|
| Percentage of contract submitted to vendors within the approved timeline | (Total number of contract issued to vendors within the required timeline / Total number of contracts issued to vendors during the year) *100 | Not less 95% |
| Frequency of updating the contract review register | Number of update / reviews of the contract review register during the year | Monthly |
| Percentage of variation orders made with vendors exceeding the variation threshold (20%) of the initial contract value | (Value of the variation orders exceeding the variation threshold during the year / total value of variation order processed during the year) *100 | Null |
| Percentage of contract extension processed within the approved timeline | (Number extension request processed within the approved timeline during the year / total number of extensions processed during the year) *100 | Not less 95% |
| Percentage of renewal request processed within the approved timeline | (Number renewal request processed within the approved timeline / total number of variation order processed during the year) *100 | Not less 95% |
| Percentage of termination request processed within the approved timeline | (Number of termination request processed within the approved timeline / total number of termination requests processed during the year) *100 | Not less 95% |
| Compliance to contract close-out report development within the required timeline | (Number closed our report developed within the required timeline / number of closed-out report developed during the year) *100 | Not less 95% |