



MANAGING SUPPLIER CONTRACTS EXPIRATION / RENEWAL / TERMINATION Instructions and Guidelines

It is the responsibility of Departments to monitor and manage their Supplier Contracts. Workday gives Departments the capability to manage Supplier Contracts from start to finish. Important elements of contract management are tracking and managing expiries / renewals / terminations of Supplier Contracts.

This guide supports Departments in the contract management of their Supplier Contract expiries / renewals / addenda / terminations.

Procurement is committed to supporting Departments with managing their Supplier Contracts. For additional assistance or any questions regarding Supplier Contracts, please contact Libby Phelan, Contracts & Sourcing Manager at lphelan@uark.edu.

Note: If the Supplier Contract is a *State of Arkansas Services Contract (PCS/TGS)*, the Termination and Renewal documents below **DO NOT** apply. Please contact, Ellen Ferguson, Sr. Procurement Coordinator, ellen@uark.edu for assistance.

STEP 1. HOW TO MONITOR EXPIRING SUPPLIER CONTRACTS

Workday tracks and reports on expiring contracts enabling Departments to manage renewals, terminations, and expiries. Setting up expiring Supplier Contract notifications and reporting in Workday is done through the *Supplier Contract Expiry* report.

A. Generating a *Find Expiring Supplier Contracts* Report.

The *Find Expiring Supplier Contracts* report identifies expiring Supplier Contracts.

- Open Workday and Search Find Expiring Supplier Contracts.
- Complete the fields Select OK.

Some filtering TIPS to narrow down the report:

- Filter by Contract Specialist (if your Department contract specialist has changed over time you can select by previous and current Department Contract Specialists).
- Filter by Contract Types (enter in the Contract Types used by your Department).
- Filter by a Contract End Date that gives the Department enough lead time to determine next steps.

STEP 2. THE SUPPLIER CONTRACT IS EXPIRING WHAT ARE THE NEXT STEPS?

Before the Supplier Contract expires, it is recommended the Department review the contract terms and conditions and decide whether to renew (if any renewals left), terminate (if an option) or allow the Supplier Contract to expire.

A. What to look for in the Supplier Contract and Workday when renewing, terminating, or allowing a Supplier Contract to expire.

- Look for the term, term renewal and termination language in the Supplier Contract.
- Be aware of the Supplier Contract renewal terms – CPI increases, term language changes. Price increases should be consistent year over year and only if allowed if stated in Supplier Contract.
- Any unapproved price increases shall be approved by the Department or Procurement.
- Any contract changes require approval by the General Counsel. Do not send contracts directly to General Counsel for review. The Supplier Contract function of Workday will route through legal automatically.
- Confirm contract end dates, amounts, etc. in Workday are correct.
- Use the Workday Supplier Contract Amendment process (Step 3) for all contractual changes/renewals/terminations.

B. Expiry: If your Supplier Contract has standard term language and the Department has determined to allow the contract to expire there is no Supplier communication required.

Sample Expiry Language: The term of this Agreement shall commence on May 1, 2021 (“Effective Date”) and continue for a period of four (4) years (“Initial Term”). The parties may, through written agreement, elect to renew the Agreement on an annual basis for three (3) additional years (each a “Subsequent Term”).

In the example above, the contract expires on its Initial Term end date or if renewed on the Subsequent Term end date.

C. Renewal: If your Department has determined to renew the contract the next step is to send the Supplier a Contract Renewal Notice letter located at:

https://procurement.uark.edu/resources/documents/Contract_Renewal_Notice_Template.pdf

To complete the letter, open the letter and right click on the yellow comment icon for instructions. The yellow comment icon will need to be deleted before emailing the letter to the Supplier.

Sample Renewal Language: The term of this Agreement shall commence on May 1, 2021 (“Effective Date”) and continue for a period of four (4) years (“Initial Term”). The parties may, through written agreement, elect to renew the Agreement on an annual basis for three (3) additional years (each a “Subsequent Term”).

In the example above, a Contract Renewal Notice letter would be emailed to the Supplier before the end of the Initial Term or any Subsequent Term end date.

Important Information for Renewals:

- Review of Requested Changes: Do not assume requested changes by the Supplier are acceptable. Any changes requested should be reviewed first to see if allowed by the contract. If not, then the Department has the right to refuse the change, especially if it is unfavorable to the University. Seek Procurement assistance, if needed.
- Price Changes: Any price changes need to be in line with contract agreed to pricing.
- Contract Language Changes: Any contract changes require approval by the General Counsel. Do not send contracts directly to General Counsel for review. The Supplier Contract amendment function of Workday will route through legal automatically.

Note: If renewal language is unclear or non-standard contact Libby Phelan, lphelan@uark.edu for assistance.

- D. Termination:** If your Supplier Contract has auto renewal language and the Department has determined to terminate the contract the next step is to send the Supplier a Contract Termination Notice letter located at: https://procurement.uark.edu/resources/documents/Contract_Termination_Notice_Template.pdf

To complete the letter, open the letter and right click on the yellow comment icon for instructions. The yellow comment icon will need to be deleted before emailing the letter to the Supplier.

Sample Termination Language: The term of this Agreement shall commence on May 1, 2021 (“Effective Date”). This Agreement shall automatically renew for consecutive calendar years beyond the Initial Term (“Renewal Terms”). This Agreement may only be terminated (by any party) with 90 days prior written notice effective the last day of the Initial Term or, thereafter, effective the last day of any Renewal Term.

In the example above, to end the contract a written Contract Termination Notice letter would need to be sent to the Supplier not less than 90 days before the end of the Initial Term or any subsequent Renewal Term end date.

If the termination language is unclear or non-standard contact Libby Phelan, lphelan@uark.edu for assistance.

STEP 3. AMENDING YOUR SUPPLIER CONTRACT IN WORKDAY

Once the renewal letter, termination letter, or addendum document is signed and returned by the Supplier, the next step is to use the Workday Supplier Contract Amendment process to enter in the agreed upon changes to the contract.

A. Amend a Supplier Contract

located at: <https://uark.sharepoint.com/sites/wdt/SitePages/Supplier-Contracts.aspx>

Follow the steps completing all applicable fields and paying particular attention to the following instructions to ensure your Supplier Contract reflects the renewal, termination, pricing, etc. associated with the amendment.

Instructions on how to complete the amendment in Workday:

Expiries

- Prior to expiry confirm all dates and amounts are correct in Workday. Amend dates and/or amounts prior to expiration, if needed.
- If amendment needed, Select Change in the relation actions.
- Make any correction to the dates and/or amounts, as needed.
- Add a comment noting the reason for the amendment.
- Note: Upon expiry, confirm the Supplier Contract is closed and no longer impacting budget, etc.

Renewals

- Select Amend in the related actions – Amendment Type – Select Renewal.
- Update the Header Contract End Date to reflect the new term end date.
- Update the Header Total Contract Amount to reflect the new total.
- Update the Line item totals and End Date fields to reflect the new dates and totals.
- Attach signed Notice of Intent to Renew letter and any associated contract documents.
- Add a comment noting the reason for the amendment.

Terminations

- Wait for final payments to clear before terminating in Workday.
- Select Amend in the related actions – Amendment Type – Select Terminate.
- Update dates and/or amounts to reflect the termination of the contract.
- Attach Notice of Intent to Terminate letter and any associated contract documents.
- Add a comment noting the reason for the amendment.
- Note: Upon termination approval confirm the Supplier Contract is closed and no longer impacting budget, etc.

Complete the remaining steps and submit amendment for approval.