Replacement of Agreements

Improving processes as a system operating as one
What?

• Changing the way AES units do business with *external* customers
• Replacing the old PTFUA and Farm Service Agreements that have been used in the past with external customers
• Agreement templates
  • **Research Agreement**: collaborating on research
  • **Testing and Facility Use Agreement**: performing service provision using AES land, equipment, or labor but NOT engaging in research for the customer
• Does not apply to *internal* employees (PIs)
Why?

• AES units are using inconsistent methods and documents with external customers.
• Some units are/have operated without any agreements.
• Old documents do NOT provide adequate protections
  • Invoicing and collections
  • Insurance and liability protection for the UA
  • Removal of customer-owned property at end of projects
  • UA Procurement and CRSP will no longer institutionally sign the old agreement(s)
Why? continued

• Units have experienced problems
  • Delinquent payments of ~$500,000 that we know of
  • Abandonment of customer-owned assets without clear ownership
  • Inability to legally pursue customers – no agreements or insufficient agreements

• No systemic process for pursuing delinquent payments – each unit has created its own approach

• Integrated Approach: agreements, debt collection, and rate studies are all integrated with each other
New Agreements

Use new agreements when:

• Working with *external* customer

• Collaborating on research activities

• Any combination of services, facilities, or labor over some period of time
  
  • NOT performing simple sales (i.e. list of established services and prices, when customer accepts invoice in lieu of a contract)
Definition: External Customer

- External to UA – customer is not an employee of the UA
- Paying by check, credit card, or cash
- If payment is assessed the 9.5% administrative service charge by the University, customer is an external customer
Definition: Combination of Activities

Example:

• Yuma Ag Center works with a company from California
• The company pays YAC to:
  • Plant new variety of crop in the field and in the greenhouse, harvest it in a specific way, process the crop
  • Use the microbiology lab to examine differences between field and greenhouse plants
  • YAC staff to collect data
  • Customer is locating a DNA sequencing machine at the lab
• Combination of activities and use of facilities, labor, and land
• Each project is unique, not a la carte
• USE TFUA AGREEMENT
Definition: Simple Sales Activity

Example:
• Vet Diagnostic Lab has a set price and menu of service offerings that customers can choose from
• Each activity is standard industrywide
• No intellectual property is expected to be generated from performing these standard menu offerings
• A standard and set fee for the service is charged
  • Services and prices are listed on a website or price list
• **DO NOT USE THE NEW AGREEMENTS** – use an invoice that includes terms of payment, unless customer requires a contract
When to Use Which Agreement?

Research Agreement (intellectual partners)

• Intellectual property (IP) required to design experiments and analyze results
• Purpose is to collaborate with the UA (use UA expertise) to learn something new
• UA employee(s) are collaborating in research
• UA employee(s) are involved in data *analysis*

Testing & Facility Use Agreement

• Using AES land, facilities, and/or labor
• Purpose is for company to do its own testing, field trials & analysis
• UA executing a standard protocol
• Activities are standard/not novel
• UA employee(s) may be engaged in data collection but NOT analysis
When NOT to Use Either Agreement?

• **Lease:** Customer solely wants to rent/lease UA property (land or buildings)
  • No UA involvement beyond leasing property
  • Work with Business Services and Real Estate Administration on a lease

• **When in Doubt:** Contact us – (e.g. drone flyovers in our airspace, CASE IH equipment loan, sponsored product testing events, etc.)
Processing of Agreements

Start: Company engages ESU

ESU and Company negotiate process and business terms

ESU chooses agreement and inserts terms

ESU sends Word doc of agreement to Jennifer Smith

CALS review of agreement and terms

Jennifer Smith coordinates review & signature with CRSP

CRSP & Company negotiate and sign

Jennifer Smith records executed copy; sends PDF to ESU

Company and ESU document form work through “Exhibit A”

End

CRSP

Once approved, send to Jennifer Smith

Approved or clarified with CALS
Delinquent Payments & Collections
Collecting on Payments

• Business officers (BO) should review and pursue collections monthly at minimum

• Aged Accounts Receivable, progressive collections activities:
  • 30 Day Letter
  • 60 Day Letter with threat of disbarment from AES
  • 90 Day Letter with disbarment from AES until repayment in full

• BO should NOT send 90 day letter without receiving authorization from your representative on the AES Leadership Committee AND Jeffrey Ratje or Belinda Oden
Delinquent Customer List

• Business Services will maintain a list for AES of all delinquent customers

• AES units are prohibited from conducting new business with these customers (company and principle(s) of the company) until all payments are brought current and removed from list

• AES unit leaders must review this list PRIOR to doing work with a new customer they have not dealt with before

• Contact Mary Carroll at (520) 621-7195 for a current list. All updates to this list should be shared with Mary.
Federal Excess Property Update
Status of Disposal Completion

• Arboretum, 100%
• Maricopa Ag Center, 20%
• Tucson Area Ag Centers, 30%
• Yuma Ag Center, 35%

• Safford Ag Center, 0%
• Vet Diagnostic Lab, N/A
• V Bar V Ranch, 0% site visit scheduled Sept 28
Disposal Progress to Date

• 145,000+ pounds of scrap metal
• 12 Humvees
• 2 trailers
• 40 miscellaneous items including trucks, ovens, forklifts, tractors, etc.
• Mobile home
Target Date for Acquisition Requests

Best Guess

• Best case – July 1, 2017
• Worst case – December 31, 2017

USDA will approve CRITICAL acquisitions on a case-by-case basis as approved by Jeffrey Ratje.
Long Term Goals

• Physical inventory required every two years
  • Due October 2016 – Madge will be coordinating with property custodians soon

• Training and ethics involving FEPP for property custodians and screeners

• Develop scientific equipment program with academic units – outreach efforts

• Develop and implement barcoding system for FEPP physical inventory including improved equipment identification system
ARBORETUM—MILITARY VEHICLE
MARICOPA AGRICULTURAL CENTER—STEEL PIPE
MAC – SITE AFTER REMOVAL OF STEEL PIPE
TUCSON AREA AGRICULTURAL CENTERS
TUCSON AREA AGRICULTURAL CENTERS—STEEL PIPE-PENDING
YUMA AGRICULTURAL CENTER – MOBILE HOME FOR DESTRUCTION
YUMA AG CENTER – AFTER MOBILE HOME DESTRUCTION
DISPOSAL OF HUMVEES
Contacts

• Sponsored Research
  • Sangita Pawar, (520) 626-3408
    sangita@email.Arizona.edu

• Agreement Negotiation & Signing
  • Steve Harsy, (520) 626-4602
    harsy@email.Arizona.edu

• AES Administrative Support & Coordination
  • Jennifer Gardner Smith, (520) 621-7201
    jsmith@ag.Arizona.edu

• Federal Excess Property
  • Madge Mock, (520) 621-1921
    mmock@email.Arizona.edu

• Delinquent Collections, Leases, Questions with Agreements
  • Jeffrey Ratje, (520) 621-1468
    jmratje@email.Arizona.edu
  • Belinda Oden, (520) 626-8353
    belindaoden@email.Arizona.edu