

PROHIBITED TERMS IN CONTRACTS WITH CHICAGO STATE UNIVERSITY

Due to Illinois laws,* The Board of Trustees of Chicago State University (CSU) cannot agree to certain terms in contracts.** Below is a list of such terms and alternative language that is agreeable to CSU. If a vendor contract contains any of the below prohibited terms:

1. Inform the vendor that CSU cannot agree to the term(s).
2. Ask the vendor to remove the term(s) and, if the vendor chooses, add the alternative language to the contract.

This practice streamlines the contractual review process and saves significant time.

If you have any questions, please contact Barb Trybula, Executive Director of Contract Compliance at btrybula@csu.edu.

	PROHIBITED TERMS	ALTERNATIVE LANGUAGE
1	Automatic Contract Renewal: Illinois law places a limit on the term of procurement contracts. Terms may be renewed, but auto renewals are not permitted.	This Contract may be renewed for an additional term upon the written agreement of the parties via an amendment. The maximum term, including all renewals, cannot exceed 10 years.
2	Governing Law and Venue: As an agency of the State of Illinois, CSU cannot agree to the governing laws of another state nor to the jurisdiction of a court other than a court of competent jurisdiction located in the State of Illinois.	This Contract is governed by the laws of the State of Illinois and CSU does not waive sovereign immunity by entering into this contract.
3	Arbitration: CSU cannot agree to binding arbitration as a form of dispute resolution. Arbitration as a forum/venue interferes with CSU's right to be sued in the Court of Claims for the State of Illinois and CSU's sovereign immunity.	Any claim against CSU arising out of this contract must be filed with the Illinois Court of Claims.
4	Payments and Late Fees: CSU cannot agree to payment terms which are less than 60 days from the date of invoice, or which charge late fees in excess of the amounts allowed by law. Any payment terms contained on vendor's invoice will have no force or effect.	Payments, including late payment charges, will be paid in accordance with the Illinois State Prompt Payment Act.
5	Prevailing Wages: CSU is prohibited from entering into a contract with a vendor who pays less than prevailing wages.	Vendor certifies its employees are paid in accordance with the Illinois Prevailing Wage Act.
6	Indemnification or Hold Harmless: CSU is prohibited by statute from assuming liabilities for another party's conduct and from extra judicial remedies.	Each party to this Contract agrees to be responsible for the liabilities arising out of their own conduct and the conduct of their officers, employees and agents.
7	Limit of Liability: CSU cannot agree to any clause which limits a vendor's liability since the Illinois Court of Claims has exclusive jurisdiction over contract claims and imposes no monetary limit on damages that can be awarded. CSU is not liable for cancellation fees, penalties, as well as incidental, special, consequential, punitive or liquidated damages. CSU cannot be held liable to pay a vendor's cost of collection, attorney fees, court costs and related expenses.	Parties understand that claims against CSU are subject to the jurisdiction and claim limits of the Illinois Court of Claims. It is understood and agreed that neither party to this agreement shall be liable for any negligent or wrongful acts, either of commission or omission, chargeable to the other, unless such liability is imposed by law, and that this Contract shall not be construed as seeking to either enlarge or diminish any obligation or duty owed by one party against the other or against a third party. CSU shall not agree to any additional provision that requires CSU to indemnify the Vendor, limits the liability of the Vendor for property damage or personal injury, binds CSU to arbitration proceedings for claims under this Contract, obligates CSU to pay costs of collection or attorney's fees, or otherwise requires CSU to waive the sovereignty of Illinois.
8	Confidentiality/Non-Disclosure: CSU is prohibited from disclosing protected student education and medical & personal information that are subject to Illinois' Freedom of Information Act (FOIA), Family Educational Rights and Privacy Act (FERPA), Health Information Portability and Accountability Act (HIPAA) and Personal Information Protection Act (PIPA).	Parties shall comply with Illinois FOIA, FERPA, HIPAA and PIPA laws governing the confidentiality of protected information which the party shall not disclose without the prior written approval of CSU.

*Illinois Procurement Code (30 ILCS 500)
 Illinois Administrative Code (44 Ill. Admin. Code 4)
 Illinois Court of Claims Act (705 ILCS 505/1 et seq.)
 Illinois Prevailing Wage Act (820 ILCS 130/0.01 et seq.)
 Illinois Prompt Payment Act (30 ILCS 540/1 et seq.)

**Does not apply to grant-related or software-related agreements.

These terms are the standard terms for University contracts. Should vendor determine that certain terms are unacceptable, then where appropriate, a redline can be provided, along with an explanation.