

OPEN LETTER TO SUPPLIERS, VENDORS AND CONTRACTORS **REGARDING PROCUREMENT CONTRACTS**

Dear Supplier/Vendor/Contractor:

Thank you for your interest in doing business with Valdosta State University (hereinafter "VSU"). As an instrumentality of the State of Georgia and a member institution of the Board of Regents of the University System of Georgia, VSU is subject to a number of laws, rules and regulations that prohibit us from entering into certain kinds of contracts or agreeing to certain contract provisions. While these rules may occasionally make the process of negotiating a contract with VSU more challenging, these rules are not unique to VSU. They apply to all of the other public colleges and universities in Georgia and, indeed, to all State of Georgia agencies as well. There are several special legal considerations to keep in mind when negotiating a contract. Some of the more common issues are as follows:

1. Legal name of VSU

The official name of VSU is "The Board of Regents of the University System of Georgia by and on behalf of Valdosta State University" and should appear on all contracts.

VSU is not an entity separate and apart from the Valdosta State University" or the name of a separate entity. It is appropriate.

2. Indemnity/hold harmless provisions

An indemnity provision requires one party to defend the other party against any claims of third parties who might be injured or suffer damages as a result of something that happens during the performance of the contract. The Georgia Attorney General (who is the chief legal officer of the State of Georgia) has determined that public agencies cannot enter into agreements indemnifying any person or entity against third party claims. This includes, among other things, any agreement that requires a party to indemnify or hold harmless the other party or its agents, employees, or representatives from or against claims, damages, losses, or expenses, including reasonable attorneys' fees, that may be asserted against or incurred by a party, its agents, employees, or representatives in connection with the performance of the contract.

Without leaving the intent of the contract, VSU will not be able to enter into indemnity or hold harmless provisions in contracts.

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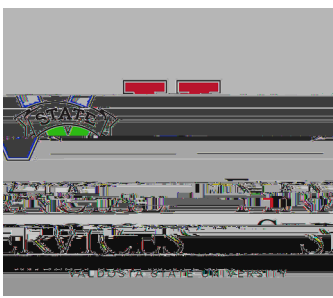
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what it might cost to fund an indemnity that has no cap? The same is true as to any other potential expenses that cannot be calculated at the time of the execution of the agreement, such as paying a party's attorney's fees, paying for add-ons not priced in the agreement, paying for unknown cost increases during the life of the contract, paying for travel expenses, etc.

Interest and fees on late payments would also fall under this prohibition. Fi9 (i)-8.67 (o)-0.6 Hioayn. Fd6 (Tec.6 n(

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