



CONTRACT ADVISORY

Other Party: _____

Contract Type: _____

Department: _____

Reviewer: _____

The Contract described above contains one or more provisions that are normally unacceptable to the University. These provisions are normally unacceptable because they (a) potentially impose liability on the University beyond that which is deemed to be appropriate for a state agency, or, (b) limit the vendor's normal liability for its own breach or other wrongdoing, or (c) do both. Those clauses to which the University does not normally agree are as follows:

- Limits other party's liability
- Acceleration clause
- Late payment penalties
- Statute of Limitations or Injunctive relief or liquidated damages
- Repossess property or action outside court proceedings
- Grant of ownership of intellectual property

The North Carolina Attorney General has provided written advice recommending that such terms be deleted from state contracts. However, the decision of whether to assume risks of contractor non-performance, default, defect, and other liabilities is left to the department head (or higher) of the department that wants the product or service being provided under the contract.

By signing below, you indicate your department's desire to enter the contract without deleting the provisions that have been identified as normally unacceptable. Any damages or costs that result from the presence of these clauses in the contract are to be paid from the affected department's budget.

This Contract Advisory is an internal University document intended to make the affected department aware of the risks of agreeing to the identified clause(s) and to alert the department to the potential impact on its budget under certain circumstances. In no way is it intended to make any individual personally liable under this contract.

After this Contract Advisory is signed by the department head, it should be saved with the University's internal file for the contract.

Department Head

Signed By: _____

Name: _____

Title: _____