## Assessing risk for UoM Contracts

Last updated: 18 May 2022

The purpose of this document is to provide general guidance to the University of Melbourne (**UoM**) as to factors that should be taken into account when assessing whether a contract which UoM proposes to sign is low risk.

This guidance supports compliance with the UoM Contracts Policy ([MPF1247](https://policy.unimelb.edu.au/MPF1247)) which enables a UoM signing delegate to sign contracts that have **not** been reviewed by UoM Legal Services in certain circumstances. Please note that the factors set out below are a non-exhaustive and non-prescriptive set of factors that can be used to help determine if the risk of using a non-standard UoM contract is low. ‘Non-standard’ means that a contract provided by the other party is being used, or a UoM standard contract has been used but the terms have been varied without involvement by Legal Services. As set out in the Contracts Policy, If Legal Services has published or provided guidance which enables use of specific categories of non UoM standard agreements without the involvement of Legal Services, that specific guidance will continue to apply and should be followed.

If you are the UoM signing delegate and you are being asked to sign a contract which is not a standard UoM contract, and which has not been reviewed by Legal Services, you should ensure that you are taking advice from other functions and areas within UoM as appropriate (for example, Research Grants and Contracts Services (RGCS); Procurement; HR; Workplace Relations, etc) who may have subject matter expertise in the area covered by the contract.

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| **Contract Risk Assessment Areas** | **Low** |
| Inherent Risk | * Minor actual or potential non-compliance with the terms of the contract which will not negatively impact UoM’s reputation or a significant UoM relationship or agreement[[1]](#footnote-2)
* Terms of the contract do not detrimentally impact a UoM asset (including IP)
* Terms of the contract do not restrict UoM from publishing or researching or impact a student’s ability to publish their thesis.
* Terms of the contract do not restrict UoM from competing with or dealing with the other party - or with any other party
* Low impact / involvement of Key Risk[[2]](#footnote-3) subject matter (see footnote below)
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| Strategic Significance | * BAU contracting activity
* Not linked to or part of key strategic initiative of UoM or any of its schools, faculties or departments
* <$200k in contract value and/or financial impact to UoM - and there are suitable insurance provisions in place if UoM is the customer under the contract
* non- binding MOUs and Term Sheets which do not involve an international party and which provide binding protection for UoM confidential information.
* Not related to a significant new business activity, commercialization of UoM IP or the licensing or sale of UoM IP.
* Not related to the establishment of a new venture, joint venture, partnership, affiliate relationship, centre or institute, or the creation or the establishment or entry into a new legal entity (regardless of value).
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1. Any agreement that seeks to govern the terms of the University's relationship with an external party (without being limited to a single project). Examples of relationship-level agreements include: deeds of standing offer, panel arrangements, partnership agreements, and joint venture agreements. The key feature that will ordinarily distinguish a relationship level agreement is that it will not be directed toward a specific transaction or project but will seek to create terms for the parties' relationship, which will apply over a period of time.
2. Key Risk subjects are those areas that the University has identified in its risk appetite assessment as being areas where it has a low appetite for risk. These are:
	* teaching and research freedom/ academic integrity/ student experience
	* OH&S
	* Cybersecurity and privacy
	* clinical trials
	* sensitive HR
	* material reputation risk to UoM
	* defence
	* foreign country involvement
	* competition law / restraints of trade
1. [↑](#footnote-ref-2)
2. Authorised by: General Counsel and Executive Director, Legal and Risk
Date Authorised: 25 August 2022 [↑](#footnote-ref-3)