

Sample Contract

A. Background

This section will give some context about the parties entering into the agreement. Keep this section brief.

1. **Purpose of Agreement.** Write about why the organization enlisted the help of a consultant. You may be able to copy language from your RFP.

Example: "The purpose of this agreement is to build XYZ Neighborhood Center's capacity to acquire private funding."

2. **Consultant Background.** A brief statement about the consultant's capabilities will provide context as to why the consultant is suitable for the project. You may be able to take this text directly from the consultant's proposal.

Example: "April Adams is a leading local expert on fundraising and grant writing for federal, state, and local grants. With 20 years of experience building the capacity of nonprofit organizations in the TN-MS-AR area, April Adams is committed to strengthening youth services."

3. **Client Background.** Provide background information about your organization's mission in a few sentences.

Example: "XYZ Neighborhood Center's mission is to provide after-school and extracurricular programs in a safe environment that fosters the positive development of middle and high school-aged children in Memphis."

B. Consultant Duties and Services

This section will detail what the consultant promises to deliver (deliverables), the format the deliverables will take, and when they will be delivered. Be as specific as possible when you outline activities and deliverables.

1. **Period of Performance.** This is the start and end date of the contract. You can extend existing agreements if a project is delayed

Example: "This agreement begins October 1, 2018 and ends June 30, 2019."

2. **Tasks and Deliverables.** Detail what activities and tasks you expect the consultant to undertake and the products he or she will deliver. Include due dates or timelines and requirements pertaining to length, content, approval, and format of delivery. In many cases, you can begin with the activities or tasks detailed in your RFP.

Example: "The Consultant will complete the following tasks:

- a) Assess current resources, assets, and needs. The Consultant will report on the Assessment Findings and Recommendations, including proposed objectives. The report will be completed within 30 days of contract start date. The assessment will include recommendations for training, equipment purchases, etc.*
- b) Provide twelve hours of training over no more than three days on the topic of acquiring private funding. Specific objectives should be determined by the assessment and approved by The Client. Training will be completed within 90 days of the contract start date. The training will yield an action plan for further education and implementation.*
- c) Provide 50 hours of follow-up individual consulting with the Board of Directors and executive staff. After training, the Consultant will provide a schedule of follow up consulting.*
- d) The Consultant will provide monthly progress reports to the Client during follow- up consulting, due no later than the tenth day of the following month."*

C. Client Agreement

This section outlines what you will provide for the consultant, including information, payment, and dedicated time.

1. **Information Gathering.** Describe what systems, information, and documents the consultant will have access to: budgets, invoices and expenses, other financial data, human resources files, marketing materials, and other information. Is there any information you will not allow your consultant to have access to (such as case files for your youth clients)?

Example: "The client will provide access to financial data, human resources policies and procedures, and non-confidential internal communications. The consultant will not have access to confidential human resources or client case files."

2. **Cooperation with Consultant.** This section acknowledges the commitment and level of effort needed from your organization in this project. This section gives you a chance to outline what that process or structure will look like.

Example: "The Executive Director will be responsible for providing information and completing tasks requested by the Consultant. The Client acknowledges that full participation by the board and staff is required to fully execute this project."

3. **Method of Payment.** What is the rate or flat fee that you agree to pay this consultant for the work delivered? If there is an hourly rate, what is the maximum amount that this contract is worth? Outline when the consultant will be paid: installments, upon delivery, reimbursed for supplies, based on a monthly invoice for services rendered and billed at an hourly rate? Some consultants may require a deposit or retainer fee, but organizations should never pay for services not yet delivered.

Example: "The Client will pay the Consultant a fee of no more than \$30,000, plus expenses. Expenses include items such as airfare (coach tickets only), lodging, meals during travel, material expenses such as copying and mailing. All expenses must be documented with a receipt. Payment for fees will be made in two installments; \$10,000 at the signing of the contract, and \$20,000 upon completion of all deliverables and tasks. Expenses will be paid within 60 days of submission of invoice and receipts."

D. Changing the Contract

Over the course the project, you may have a need to change the scope of work, the timeline, or other elements of the contract. This section will outline when that can happen and how those changes will be captured in a new or revised contract.

Example: "If the Client or the Consultant wishes to amend the contract, it must be done in writing and signed by both parties as an addendum to this contract."

E. Terminating the Contract

This clause will tell you how and when either you or your consultant can terminate the agreement. Include the amount of notice required and address payment for services rendered through the termination date. Many contracts also provide for reasonable attorneys' fees for enforcing the contract.

Example: "Either the Client or the Consultant may terminate this contract with 30 days' advance written notice. The Consultant will provide all products developed while working on this agreement to the Client. The Consultant will be paid for items delivered before the termination date."

F. Confidentiality

This section protects information you might share with your consultant about your organization and can be especially important if you plan to share personnel or client information.

Example: "The Consultant will not share any confidential information about the Client with any third party, except when necessary to perform the tasks in this agreement and approved in advance by the Client. Confidential information includes financial records, personnel information, client data, processes, procedures, and the like."

G. Indemnity and Applicable Law

This section specifies indemnification and which state's laws will apply in the event of a dispute. It also requires that the consultant have adequate indemnity insurance, if appropriate for the project.

Examples:

- A. *"Consultant agrees to hold harmless and indemnify the Client, its officers, agents and employees, from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of performing services hereunder. This section does not require Consultant to be responsible for or defend against claims or damages arising solely from errors or omissions of the Client, its officers, agents or employees."*
- B. *Consultant shall maintain occurrence based commercial general liability insurance or equivalent form with a limit of not less than \$_____ for each occurrence. If such insurance contains a general aggregate limit it shall apply separately to this Agreement or be no less than two times the occurrence limit.*
- C. *This Agreement shall be governed by and construed in accordance with the laws of Tennessee. Any lawsuit pertaining to or affecting this Agreement shall be venued in the Circuit Court for Tennessee."*

H. Records and Ownership of Products

Here, the client states that all products and services developed by the consultant through this contract are the property of the client, and that the consultant retains ownership of all pre-existing materials he or she has created.

Example: "Consultant agrees that any and all products or services developed pursuant to this Agreement shall be the sole and exclusive property of the Client, excepting the use of pre-existing works, materials, publications, video media, Web pages, plans, examples, scripts, and artwork that are the copyrighted property of the Consultant."

I. Independent Contractor

This section clarifies that work done by the Consultant is completed as an independent contractor rather than as an agent or employee of the Client. This addresses items such as benefits, desk space at the Client office, other work the Consultant might be engaged in, and work materials such as computer equipment.

Example: "The Consultant's relationship to the Client in the performance of this agreement is that of an independent contractor and not as an agent, employee, or representative of the Client. As an independent contractor, not an employee of the Client, Consultant shall not receive employee benefits. The Consultant will maintain his/her own office space, and will not be provided a permanent work space at the Client. The Consultant is not expected to work exclusively on business for this Client and may maintain relationships with other businesses. The Consultant shall provide all tools, materials, and equipment necessary to conduct business with the Client."

J. Non-assignment

In this section, the Consultant agrees that he or she will not transfer or subcontract the work in this contract to someone else without the prior consent of the Client.

Example: "Consultant agrees that this is a personal service contract, and the rights and obligations hereunder may not be assigned or delegated without the prior written consent of the Client."