

Standard Contract Terms and Conditions

The following list is not intended to be inclusive and definitely not intended to serve as a guide in writing your own contract. It is intended to familiarize you with the different sections that you can expect to see. A "standard contract" will have most of the following sections, called "provisions":

- 1. Purpose.** A brief summary of the more detailed "Statement of Work".
- 2. Term and Termination.** It sets the length of the agreement and each party's rights to end the agreement under certain conditions.
- 3. Intellectual Property.** Identifies what (if any) intellectual property (IP) each party will contribute to the effort. Intellectual property might be traditional knowledge that a party wants to protect.
- 4. Intellectual Property Indemnification.** It distributes the risk in a case a third party files a claim against one or both of the parties, saying that the IP is actually theirs.
- 5. Indemnification.** This distributes the risk in the event a third party is harmed (financially, physically, or otherwise), due to the actions of the signing parties when performing the contract. Intellectual property should be addressed separately. The indemnification clause is often used to say that neither party can be held responsible for the other's actions.
- 6. Limitation of Liability.** Limits the amount and types of money each party pays the other if either party suffers any harm during the performance of the agreement.
- 7. Dispute and escalation procedures.** Identifies the manner in which disputes will be decided, and typically includes a requirement that work and payment continue during the resolution of the dispute.
- 8. Confidential Information.** A "nondisclosure" agreement that defines what information is confidential (secret), procedures for disclosure, and the term of the confidentiality obligation.
- 9. Payment.** States amount of payment and when payment is due.
- 10. Acceptance and Inspection.** (Used in a pilot or research project) Describes what is being tested, the testing procedures, who performs the testing, and who accepts the test results.
- 11. Warranty.** Establishes the level and duration of performance, although the most common warranty seen is NO warranty, especially in MOAs.

