

South Dakota Public Assurance Alliance

Contract Guidelines

These guidelines are provided by SDPAA to assist Members in the preparation of contracts. **All contracts should be reviewed by the Member's attorney.**

1. Identify the parties entering into the agreement.

Example: This Agreement is made and entered into this (day) of (month), (year), by and between (Name of Entity), (address), (city), (state) (zip code), and (name of contractor), (address), (city), (state) (zip code).

2. Describe the work the contractor is to perform.

Example: The Contractor will perform those services described in the Work Plan, attached hereto as Exhibit A and by this reference incorporated herein.

Example: The Contractor will perform services for (name of entity) as follows:

3. Specify the date services will commence and the date services will terminate.

Example: The Contractor's services under this Agreement shall commence on _____ and end on _____, unless sooner terminated pursuant to the terms hereof.

4. Describe the entity's responsibilities, if any.
5. State whether the Contractor is using Entity equipment, supplies, or facilities. If the Contractor is using Entity equipment, supplies, or facilities, include a statement specifying the conditions under which the Entity equipment, supplies, or facilities are to be used.
6. Identify the maximum amount to be paid for services, including expenses. Describe the method of payment, timing of payment, and what documentation is required from the Contractor in order to process a request for payment.
7. All contracts should include hold harmless/indemnification language. [Click here for sample language.](#)
8. Most contracts should require the Contractor to have insurance coverage for commercial general liability, or its equivalent, worker's compensation, and business automobile liability. [Click here for insurance requirements information.](#)
9. All contracts should include an Independent Contractor Provision.

Example: While performing services hereunder, Contractor is an independent contractor and not an officer, agent, or employee of (Name of Entity).

10. All contracts should include a Termination Provision.

Example: This Agreement may be terminated by either party hereto upon _____ days written notice, and may be terminated by the (Name of Entity) for cause at any time, with or without notice.

11. All contracts should include a Controlling Law Provision.

Example: This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, (number of circuit) Judicial Circuit, (name of county) County, South Dakota.

12. All contracts should contain a Compliance Provision.

Example: Contractor will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

13. All contracts should contain a Notice Provision.

Example: Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to _____ on behalf of (Name of Entity), and by and to _____ on behalf of the Contractor, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail.

In addition to the above referenced contract guidelines, other provisions to consider include a Reporting Provision, a Severability Provision, a Use of Subcontractors Provision, a provision pertaining to Ownership of Reports, Data, or Property created by the Contractor, a Conflicts Provision, a Records Inspection and Retention Provision, a Funding Out Clause, and an Amendment Provision.

Again, these are guidelines only. Please consult with your attorney on all contractual matters.