



When A Contract Ratification is Required and Why...

What is a Contract Ratification? A Contract Ratification is a form that is sent to a member board to acknowledge receipt of a copy of a contract, agreement to terms, and commitment to both terms and financial obligations during the term of the contract.

When is it required? When a User Group Contract requires a certain minimum amount (either by number of participants or some number representing the total number of participating members – e.g. parcel count, population, or employee count) during the entire term of the contract AND the user group would be required to absorb the costs if a member were to leave the user group. The contract would be required to be ratified by each participating member for each contract terms to commit the participating member to remain with the user group and pay all designated contract amounts until which time the contract expires or is modified (through amendment or change in membership) to allow them to leave.

How to enforce a required Contract Ratification? We recommended User Group Rules and Regulations contain the following language or similar language when a contract ratification is required...

Members of the XXX User Group agree to pay the dues established by the MCCC Board of Directors as provided for in Article X., Sections 2 and 4 of the MCCC Bylaws. The Maintenance and Support Contract shall be ratified by the Governing Board of each Member Agency within 90 days after signing by MCCC and the chair. Voting rights and enhancement rights will be placed on hold for agencies without a ratification statement on file after the 90 day period unless this is waived by the Chair of the XXX User Group due to extenuating circumstances. Member agencies may not submit requests for participatory enhancements without a contract ratification on file with MCCC. Member Agencies must promptly pay their assigned rates for Maintenance and Support when billed by MCCC.

When is a Contract Ratification not required?

- When participation in a contract requires a member to agree to terms outlined in a participatory work order (similar to a purchase order). The participatory work order includes terms, pricing, and references the master agreement; it also requires signatures from both an authorized representative of the member and the MnCCC Executive Director; in some cases, the user group chair is also required to sign.
- When a vendor contract allows users to add and leave a contract with no penalty to the remaining user group members and no contract minimums at risk. In these cases, both the contract and the user group rules and regulations shall contain the required notification process for leaving the user group. Member will be responsible for all fees until which time the proper notification process is met.

Adopted by the MnCCC Board December 10, 2015.