

## POLICY 2034

### Procurement: Contracts and Contract Limitations

#### A. Definitions

1. In this policy, the following definitions apply:

- a. “Boycott action” means refusing to deal, terminating business activities, or limiting commercial relations.
- b. “Boycott of the State of Israel” means engaging in a boycott action targeting the State of Israel, companies or individuals doing business in or with the State of Israel, or companies authorized by, licensed by, or organized under the laws of the State of Israel to do business.
- c. “Boycotted company” means a company that:
  - 1) Engages in the exploration, production, utilization, transportation, sale, or manufacture of fossil fuel-based energy, timber, mining, or agriculture;
  - 2) Engages in, facilitates, or supports the manufacture, distribution, sale, or use of firearms;
  - 3) Does not meet or commit to meet environmental standards beyond applicable state and federal law requirements, including standards for eliminating, reducing, offsetting, or disclosing greenhouse-gas emissions; or
  - 4) Does not facilitate or commit to facilitate access to abortion or sex characteristic surgical procedures.
- d. “Change order” means a written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of a contract, upon mutual agreement of the parties to the contract.
- e. “Construction project” means a project for the construction, renovation, alteration, improvement, or repair of a public facility on real property, including all services, labor, supplies, and materials for the project. It does not include services and supplies for the routine, day-to-day operation, repair, or maintenance of an existing public facility.

- f. “Construction manager/general contractor” means a contractor who enters into a contract for the management of a construction project that allows the contractor to subcontract for additional labor and materials that are not included in the contractor’s cost proposal submitted at the time of the procurement of the contractor’s services. It does not include a contractor whose only subcontract work not included in the contractor’s cost proposal submitted as part of the procurement of the contractor’s services is to meet subcontracted portions of change orders approved within the scope of the project.
- g. “Cost-plus-a-percentage-of-cost contract” means a contract under which the contractor is paid a percentage of the total actual expenses or costs in addition to the contractor’s actual expenses or costs.
- h. “Cost-reimbursement contract” means a contract under which a contractor is reimbursed for costs which are allowed and allocated in accordance with the contract terms and the provisions of the procurement policies and Utah Procurement Code, and a fee, if any.
- i. “Definite quantity contract” means a fixed price contract that provides for a specified amount of supplies over a specified period, with deliveries scheduled according to a specified schedule.
- j. “Design-build” means the procurement of design professional services and construction by the use of a single contract.
- k. “Design professional” means
  - 1) an individual licensed as an architect under [Utah Code Title 58, Chapter 3a, Architects Licensing Act](#);
  - 2) an individual licensed as a professional engineer or professional land surveyor under [Utah Code Title 58, Chapter 22, Professional Engineers and Professional Land Surveyors Licensing Act](#);
  - 3) an individual licensed to engage in the practice of landscape architecture under [Utah Code Title 58, Chapter 53, Landscape Architects Licensing Act](#), or
  - 4) an individual certified as a commercial interior designer under [Title 58, Chapter 86, State Certification of Commercial Interior Designers Act](#).
- l. “Design professional services” means:

- 1) professional services within the scope of the practice of architecture as defined in [Utah Code § 58-3a-102](#);
  - 2) professional engineering as defined in [Utah Code § 58-22-102](#);
  - 3) master planning and programming services;
  - 4) professional services within the scope of the practice of landscape architecture, as defined in [Utah Code § 58-53-102](#), or
  - 5) services within the scope of the practice of commercial interior design, as defined in [Utah Code § 58-86-102](#).
- m. "Economic boycott" means, without an ordinary business purpose,
- 1) Engaging in a boycott action targeting a boycotted company or another company because the company does business with a boycotted company; or
  - 2) Taking an action intended to penalize, inflict economic harm to, or change or limit the activities of a boycotted company or another company because the company does business with a boycotted company.
- n. "Educational good or service" means a good or service that is required or regulated under Utah Code Titles [53E](#), [53F](#), or [53G](#) or Utah State Board of Education rule.
- o. "Established catalogue price" means the price included in a catalogue, price list, schedule, or other form that:
- 1) is regularly maintained by a manufacturer or contractor;
  - 2) is published or otherwise available for inspection by customers; and
  - 3) states prices at which sales are currently or were last made to a significant number of any category of buyers or buyers constituting the general buying public for the supplies or services involved.
- p. "Fixed price contract" means a contract that provides a price, for each procurement item obtained under the contract, that is not subject to adjustment except to the extent that either
- 1) the contract provides, under circumstances specified in the contract, for an adjustment in price that is not based on cost to the contractor; or

- 2) an adjustment is required by law.
- q. "Fixed price contract with price adjustment" means a fixed price contract that provides for an upward or downward revision of price, precisely described in the contract, that:
  - 1) is based on the consumer price index or another commercially acceptable index, source, or formula; and
  - 2) is not based on a percentage of the cost to the contractor.
- r. "Indefinite quantity contract" means a fixed price contract that both
  - 1) is for an indefinite amount of procurement items to be supplied as ordered by the District; and
  - 2) either does not require a minimum purchase amount or provides a maximum purchase limit.
- s. "Labor hour contract" is a contract under which the supplies and materials are not provided by, or through, the contractor and the contractor is paid a fixed rate that includes the cost of labor, overhead, and profit for a specified number of labor hours or days.
- t. "Multiple award contract" means a procurement process resulting in the award of a contract to more than one person, which may be for an indefinite quantity of a procurement item.
- u. "Multiyear contract" means a contract that extends beyond a one-year period, including a contract that permits renewal of the contract, without competition, beyond the first year of the contract.
- v. "Ordinary business purpose" means a purpose that is related to business operations and does not include a purpose that is solely related to furthering social, political, or ideological interests
- w. "Requirements contract" means a contract:
  - 1) under which a contractor agrees to provide the District's entire requirements for certain procurement items at prices specified in the contract during the contract period; and

- 2) that either does not require a minimum purchase amount or provides a maximum purchase limit.

[Utah Code § 63G-6a-103 \(2025\)](#)

[Utah Code § 63G-27-102 \(2023\)](#)

[Utah Admin. Rules R33-112-301\(1\) \(October 22, 2024\)](#)

[Utah Code § 53E-3-401\(1\)\(b\) \(2025\)](#)

[Utah Admin. Rules R277-115-2\(1\) \(July 9, 2024\)](#)

#### B. Permissible and Impermissible Types of Contracts

1. Except as otherwise provided in this policy, and subject to any rules made by the Procurement Policy Board, the District may use any type of contract that will promote its best interests. However, before the District uses any type of contract other than a firm fixed price contract, the Procurement Official must first make a written determination that:
  - a. the proposed contractor's accounting system will permit timely development of all necessary cost data in the form required by the specific contract type contemplated;
  - b. the proposed contractor's accounting system is adequate to allocate costs in accordance with generally accepted accounting principles; and
  - c. the use of a specified type of contract, other than a firm fixed price contract, is in the best interest of the District, taking into consideration the following criteria:
    - 1) the type and complexity of the procurement item;
    - 2) the difficulty of estimating performance costs at the time the contract is entered into, due to factors that may include:
      - a) the difficulty of determining definitive specifications;
      - b) the difficulty of determining the risks, to the contractor, that are inherent in the nature of the work to be performed; or
      - c) the difficulty to clearly determine other factors necessary to enter into an accurate firm fixed price contract;
    - 3) the administrative costs to the District and the contractor;

- 4) the degree to which the District is required to provide technical coordination during performance of the contract;
  - 5) the impact that the choice of contract type may have upon the level of competition for award of the contract;
  - 6) the stability of material prices, commodity prices, and wage rates in the applicable market;
  - 7) the impact of the contract type on the level of urgency related to obtaining the procurement item;
  - 8) the impact of any applicable governmental regulation relating to the contract; and
  - 9) other criteria that the Procurement Official determines may relate to determining the contract type that is in the best interest of the District.
2. Subject to this policy and any rules made by the Procurement Policy Board, the District may use the following types of contracts:
- a. a fixed price contract;
  - b. a fixed price contract with price adjustment;
  - c. a time and materials contract;
  - d. a labor hour contract;
  - e. a definite quantity contract;
  - f. an indefinite quantity contract;
  - g. a requirements contract;
  - h. a contract based on a rate table in accordance with industry standards; or
  - i. a contract that includes one of the following construction delivery methods:
    - 1) design-build;
    - 2) design-bid-build; or

- 3) construction manager/general contractor.
3. Except as it applies to a change order, the District may not enter into a cost-plus-percentage-of-cost contract, unless:
  - a. use of a cost-plus-percentage-of-cost contract is approved by the Procurement Official;
  - b. it is standard practice in the industry to obtain the procurement item through that type of contract; and
  - c. the percentage and the method of calculating costs in the contract are in accordance with industry standards.
4. The District may not enter into a cost-reimbursement contract, unless the Procurement Official makes a written determination that:
  - a. Either
    - 1) a cost-reimbursement contract is likely to cost less than any other type of permitted contract; or
    - 2) it is impracticable to obtain the procurement item under any other type of permitted contract; and
  - b. the proposed contractor's accounting system will both
    - 1) timely develop the cost data in the form necessary for the District to timely and accurately make payments under the contract; and
    - 2) allocate costs in accordance with generally accepted accounting principles.
5. Determining allowable Incurred costs under a cost-based contract
  - a. Except as provided below, a person who seeks to be, or is, a party in a cost-based contract with the District shall submit cost or pricing data relating to determining the cost or pricing amount and shall certify that, to the best of the contractor's knowledge and belief, the cost or pricing data submitted is accurate and complete as of the date specified by the District. The Procurement Official shall ensure that the specified date is before
    - 1) the pricing of any contract awarded by a standard procurement process or pursuant to a sole source procurement, if the total contract price is expected

to exceed an amount established by rule of the Procurement Policy Board made by the applicable rulemaking authority; or

- 2) the pricing of any change order that is expected to exceed an amount established by rule of the Procurement Policy Board.
- b. A contract or change order that requires a cost or pricing data certification shall include a provision that the price to the District, including profit or fee, shall be adjusted to exclude any significant sums by which the District finds that the price was increased because the contractor provided cost or pricing data that was inaccurate, incomplete, or not current as of the date specified by the Procurement Officer.
- c. A cost-reimbursement contract does not have to meet the cost or pricing data requirements above if:
  - 1) the contract price is based on adequate price competition;
  - 2) the contract price is based on established catalogue prices or market prices;
  - 3) the contract price is set by law or rule; or
  - 4) the procurement states, in writing that in accordance with Procurement Policy Board rules the requirements may be waived and sets forth the reasons for that waiver.

[Utah Code § 63G-6a-1206 \(2020\)](#)

## 6. Price Adjustments

- a. For contracts that expressly allow price adjustments, cost or pricing data shall be required in support of a proposal leading to the adjustment of any contract pricing. Such data does not need to be provided when the terms of the contract state established market indices, catalog prices or other benchmarks are used as the basis for contract price adjustments or when prices are set by law or rule. If a contractor submits a price adjustment higher than established market indices, catalog prices or other benchmarks established in the contract, the Procurement Official may request additional cost or pricing data. The Procurement Official may waive the requirement for cost or pricing data provided a written determination is made supporting the reasons for the waiver. A copy of the determination shall be kept in the contract file.

- b. If defective cost or pricing data was used to adjust a contract price, the vendor and the District may enter into discussions to negotiate a settlement. If a settlement cannot be negotiated, either party may seek relief through the courts.

[Utah Admin. Rules R33-112-601 \(October 22, 2024\)](#)

[Utah Admin. Rules R33-112-602 \(October, 2024\)](#)

7. Installment payments and contract prepayments

- a. The District may enter into a contract which provides for installment payments, including interest charges, over a period of time, if the Procurement Official makes a written finding that:
  - 1) the use of installment payments is in District's interest;
  - 2) installment payments are not used as a method of avoiding budgetary constraints;
  - 3) the District has obtained all budgetary approvals and other approvals required for making the installment payments;
  - 4) all aspects of the installment payments required in the contract are in accordance with the requirements of law; and
  - 5) for a contract awarded through an invitation for bids or a request for proposals, the invitation for bids or request for proposals indicates that installment payments are required or permitted.
- b. The District may not pay for a procurement item before the District receives the procurement item unless the Procurement Official determines that it is necessary or beneficial for the District to pay for the procurement item before the District receives the procurement item. Such circumstances include
  - 1) when it is customary in the industry to prepay for the procurement item,
  - 2) if the District will receive an identifiable benefit by prepaying, including reduced costs, additional procurement items, early delivery, better service, or better contract terms; or
  - 3) such other circumstances as may be permitted by Procurement Policy Board rule.
- c. The determination shall be in writing except in the following circumstances:

- 1) The procurement item is:
  - a) Software subscription services;
  - b) Online information, media, or database subscription services;
  - c) Online marketplace purchases;
  - d) Trade show booth space rentals; or
  - e) Deposits for venue rental for group gathering, and
- 2) The prepayment is:
  - a) Below the individual procurement threshold (unless the Procurement Official determines a lower amount); or
  - b) For a procurement item available through an existing contract entered into in compliance with the procurement code.
- 3) Where written documentation is required, prepaid expenditure shall be supported by documentation indicating:
  - a) the amount of the prepayment;
  - b) the prepayment schedule;
  - c) the procurement items to which each prepayment relates;
  - d) the remedies for a contractor's noncompliance with requirements relating to the provision of the procurement items; and
  - e) all other terms and conditions relating to the payments and the procurement items.
- 4) The Procurement Official may require a performance bond, of up to 100% of the prepayment amount, from the person to whom the prepayments are made.

[Utah Code § 63G-6a-1208 \(2020\)](#)  
[Utah Admin. Rules R33-112-401 \(October 22, 2024\)](#)

8. Leases of personal property

- a. As used in this policy, “lease” means for the District to lease or lease-purchase a procurement item from a person. (This does not apply to the lease of real property.) The District may only lease a procurement item if each of the following requirements is met:
  - 1) the Procurement Official determines that it is in the best interest of the District to lease the procurement item, after investigating and considering the costs and benefits of alternative means of obtaining the procurement item;
  - 2) all conditions for renewal and costs of termination are included in the lease;
  - 3) the lease is awarded through a standard procurement process or a valid exception;
  - 4) for a standard procurement process, the invitation for bids, request for proposals, or request for quotes states that the District is seeking, or willing to consider, a lease (or a lease purchase);
  - 5) the lease is not used to avoid competition; and
  - 6) the lease complies with all other applicable provisions of law or rule.

[Utah Code § 63G-6a-1209 \(2013\)](#)

9. Multiyear contracts

- a. The District may enter into a multiyear contract if the Procurement Official determines, in his or her discretion, that doing so is in the District’s best interest and the other requirements of this section are satisfied. The Procurement Official shall consider whether the multiyear contract will:
  - 1) result in significant savings to the District, including
    - a) reduction of the administrative burden in procuring, negotiating, or administering contracts,
    - b) continuity in operations of the District, or
    - c) the ability to obtain a volume or term discount;
- b. The invitation for bids or request for proposals must

- 1) state the term of the contract, including all possible renewals of the contract,
  - 2) state the conditions for renewal of the contract, and
  - 3) include the pertinent funding and renewal condition provision applicable to the contract.
- c. Except as stated below with regard to contracts with federal funding and regardless of anything in an invitation for bids, request for proposals, or a contract, no multiyear contract may continue or be renewed for any year after the first year of the multiyear contract if adequate funds are not appropriated or otherwise available to continue or renew the contract.
- d. A multiyear contract that is funded solely by federal funds may be continued or renewed for any year after the first year of the multiyear contract if:
- 1) adequate funds to continue or renew the contract have not been, but are expected to be appropriated by, and received from, the federal government;
  - 2) continuation or renewal of the contract before the money is appropriated or received is permitted by the federal government; and
  - 3) the contract states that it may be cancelled or suspended, without penalty, if the anticipated federal funds are not appropriated or received.
- e. A multiyear contract that is funded in part by federal funds may be continued or renewed for any year after the first year of the multiyear contract if:
- 1) the portion of the contract that is to be funded by District funds are appropriated;
  - 2) adequate federal funds to continue or renew the contract have not been, but are expected to be, appropriated by, and received from, the federal government;
  - 3) continuation or renewal of the contract before the federal money is appropriated or received is permitted by the federal government; and
  - 4) the contract states that it may be cancelled or suspended, without penalty, if the anticipated federal funds are not appropriated or received.

- f. The District may not continue or renew a multiyear contract after the end of the multiyear contract term or the renewal periods described in the contract, unless the District engages in a new standard procurement process or complies with a valid exception to standard procurement.
- g. A multiyear contract, including any renewal periods, may not exceed a period of five years, unless the Procurement Official makes a written determination that the longer period is necessary in order to obtain the procurement item, or that a longer period is customary for industry standards, or that a longer period is in the best interest of the District. This written determination must be included in the file relating to the procurement. However, this limitation does not apply to a contract for the design or construction of a facility, a road, or a contract for the financing of equipment.

#### 10. Multiple award contracts

- a. The District may enter into multiple award contracts with multiple persons through a standard procurement process as provided in this section. Multiple award contracts may be in the District's best interest if award to two or more bidders or offerors for similar procurement items is needed or desired for adequate delivery, service, availability, or product compatibility.
- b. In entering into or seeking to enter into multiple award contracts, the District shall exercise care to protect and promote competition among bidders or offerors and shall name all eligible users of the multiple award contracts in the invitation for bids or request for proposals. If the District anticipates entering into multiple award contracts before issuing the invitation for bids or request for proposals, the invitation or request shall state that the District may enter into multiple award contracts at the end of the procurement process.
- c. Once the District has entered into multiple award contracts, it shall obtain under those contracts all of its normal, recurring requirements for the procurement items that are the subject of the contracts until the contracts terminate. However, the District shall in the contracts reserve the right to obtain the procurement items separately from the contracts if either
  - 1) there is a need to obtain a quantity of the procurement items that exceeds the amount specified in the contracts, or
  - 2) the Procurement Official makes a written finding that the procurement items available under the contract will not effectively or efficiently meet a nonrecurring special need of the District.

[Utah Code § 63G-6a-1204.5 \(2020\)](#)

11. Awarding multiple award contracts

- a. Multiple award contracts are appropriate when two or more bidders or offerors for similar procurement items are needed for coverage on a statewide, regional, combined statewide and regional basis, agency specific requirement, or other criteria specified in the solicitation such as
  - 1) delivery,
  - 2) service,
  - 3) product availability, or
  - 4) compatibility with existing equipment or infrastructure.
- b. In addition to the information required in an invitation for bids or request for proposals, when it is anticipated that a procurement will result in multiple contract awards, the solicitation shall include a statement that:
  - 1) Indicates that contracts may be awarded to more than one bidder or offeror;
  - 2) Specifies whether contracts will be awarded on a statewide, regional, combined statewide and regional basis, or agency specific requirement; and
  - 3) Describes specific methodology or a formula that will be used to determine the number of contract awards.
- c. Multiple award contracts in an invitation for bids shall be conducted in accordance with the requirements for a bidding procurement process and awarded to the lowest responsive and responsible bidder(s) who meet the objective criteria described in the invitation for bids. The contracts may be awarded using the following methods:
  - 1) Based on the lowest bids for procurement items solicited provided the solicitation indicates that multiple contracts will be awarded to the lowest bidders for procurement items being solicited as determined by the following methods:
    - a) bids within a specified percentage, not to exceed five percent, of the lowest responsive and responsible bid, unless otherwise approved in writing by the Procurement Official;

- b) responsive and responsible bidders will be awarded a contract, provided the contract specifically directs that orders must be placed first with low bidder unless the lowest bidder cannot provide the needed procurement item, then with the second lowest bidder unless the second lowest bidder cannot provide the needed procurement item, then with the third lowest bidder unless the third lowest bidder cannot provide the needed procurement item, and so on in order from the lowest responsive and responsible bidder to the highest responsive and responsible bidder; or
  - c) other methodology described in the solicitation to award contracts;
- 2) Based on the lowest bid by category, provided:
- a) the solicitation indicates that a contract will be awarded based on the lowest bid per category; and
  - b) only one bidder may be awarded a contract per category;
- 3) Based on the lowest bid by line item, provided:
- a) the solicitation indicates that a contract will be awarded based on the lowest bid per line item, task or service; and
  - b) only one bidder may be awarded a contract per line item, task or service;  
or
- 4) Based on another specific objective methodology described in the solicitation, such as for primary and secondary contracts (as described below), approved by the Procurement Official.
- d. Multiple award contracts in a request for proposals shall be conducted and awarded in accordance with the requirements for a request for proposals procurement process and awarded in accordance with point thresholds and other methodology set forth in the request for proposals describing how multiple award contracts will be awarded with enough specificity as to avoid the appearance of any favoritism affecting the decision of whether to award a multiple contract and who should receive a multiple award contract.

[Utah Admin. Rules R33-112-301 \(October 8, 2024\)](#)

## 12. Primary and secondary contracts

- a. Designations of multiple award contracts as primary and secondary may be made provided a statement to that effect is contained in the solicitation documents. When the Procurement Official determines that the need for procurement items will exceed the capacity of any single primary contractor, secondary contracts may be awarded to additional contractors.
- b. Purchases under primary and secondary contracts shall be made, initially to the primary contractor offering the lowest contract price until the primary contractor's capacity has been reached or the items are not available from the primary contractor, then to secondary contractors in progressive order from lowest price or availability to the next lowest price or availability, and so on.

[Utah Admin. Rules R33-112-302 \(October 22, 2024\)](#)

## C. Contract Clauses

### 1. Required contract clauses

- a. Contracts entered into by the District for construction of school buildings shall contain a clause ~~requiring satisfaction of insurance standards established by the Utah Division of Facilities Construction and Management, dispute resolution procedures, and any other contract provisions required by the Division addressing the rights of the parties when, after the contract is executed, site conditions are discovered that the contractor did not and could not reasonably have known existed at execution and those conditions materially impact the costs of construction.~~

[Utah Code § 53E-3-704\(3\) \(2026\)](#)

- b. Contracts *entered into by* the District for an educational good or service provided on behalf of the District shall require that the contractor provide, upon request of the District, information necessary to verify that the educational good or service complies with Utah Code [Title 53E](#), [Title 53F](#), and [Title 53G](#) as well as Utah State Board of Education rules.

[Utah Admin. Rules R277-115-4\(1\)\(a\) \(July 8, 2024\)](#)

- c. Each contract which is for an amount of \$100,000 or more or with a company that has at least 10 employees must include a written certification that the company is not currently engaged in a boycott of the State of Israel or an economic boycott as defined above, that the company agrees not to engage in a boycott of the State of Israel for the duration of the contract, and that the company agrees to notify the District in writing if the company begins engaging in

an economic boycott as defined above. Such a contract must also provide that a notice that the company is beginning to engage in an economic boycott may be grounds for termination of the contract.

- d. However, this requirement does not prohibit the District from entering into a contract with a company that engages in an economic boycott if the company engages in the economic boycott to comply with federal law or if there is no economically practicable alternative available to the District to either acquire or dispose of the good or service that is the subject of the contract or to meet the District's legal duties to issue, incur, or manage debt obligations or to deposit, keep custody of, manage, borrow, or invest funds.

[Utah Code § 63G-27-201 \(2023\)](#)

2. Permissible clauses

- a. The District may include in any of its contracts terms that provide for
  - 1) incentives, including bonuses,
  - 2) payment of damages, including liquidated damages, and
  - 3) penalties.

[Utah Code § 63G-6a-1210 \(2013\)](#)

3. Standard terms and conditions

- a. The District may establish standard terms and conditions for contracts. Terms and conditions may be established for a category of procurement items, a specific procurement item, general use in all procurements, the special needs of the District, or the requirements of federal funding.

[Utah Admin. Rules R33-12-201 \(July 8, 2024\)](#)

4. Prohibited contract clauses for design professionals

- a. The following types of clauses (including when the clause is incorporated by reference) are void and unenforceable when included in a contract entered into by the District in a procurement which becomes operative or effective on or after May 7, 2025 unless one of the specified exceptions applies:

- 1) Restricting the District's protection under the Utah Governmental Immunity Act (including an obligation to respond to or defend against any claim);
- 2) Requiring the District to indemnify, defend, or hold harmless another person;
- 3) Restricting the District's ability to seek relief in state court;
- 4) Subjects the District to binding arbitration or other form of dispute resolution outside the courts;
- 5) Disallows the District from having legal counsel and representation from:
  - a) Legal counsel that the District chooses;
  - b) The Utah Attorney General; or
  - c) Legal counsel chosen by a person that has a contractual obligation to defend, indemnify, or hold harmless the District, subject to the written consent of the District;
- 6) Subjects the contract or a party to the contract to the laws of any jurisdiction other than Utah or requires the parties to resolve a dispute in a jurisdiction or venue other than Utah.
- 7) Restricts a governmental entity from making disclosure of information as required by law or for any legitimate purpose;
- 8) Allows a vendor to unilaterally modify any part of the contract, including any provision to which the contract contemplates giving legal effect upon the vendor providing notice to the District of the modification or of the created legal effect.
- 9) Requires a governmental entity to maintain insurance coverage beyond the types and limits required by the state risk manager, or to name an additional insured under that coverage;
- 10) Allows a vendor to automatically renew the contract or that creates a contractual term in violation of the terms permitted under [Utah Code § 63G-6a-1204](#) (which relates to multiyear contracts);
- 11) Limits the liability of a vendor or any third party for bodily injury, death, or damage to tangible property caused by negligence or willful misconduct of a vendor, a third party, or the vendor or third party's employees or agents.

[Utah Code § 63G-6a-1203\(3\), \(4\) \(2025\)](#)

5. Exception Regarding Choice of Law or Venue

- a. A contract provision that makes the law of another jurisdiction applicable or provides for dispute resolution in another jurisdiction or a venue outside of Utah is permitted if counsel for the District exempts the contract from that restriction through a signed, express written authorization made prior to the formation of the contract which determines that the exemption is necessary to promote the best interests of the District due to
  - 1) The relative disproportionate bargaining positions of the contracting parties,
  - 2) Market conditions, or
  - 3) Other unique circumstances identified and described in the authorization.

[Utah Code § 63G-6a-1203\(5\) \(2025\)](#)

6. Exception Regarding Insurance, Renewal, or Limitation of Liability

- a. A contract provision that is contrary to the restrictions in paragraphs 9 through 11 above is permitted and valid if prior to the formation of the contract the District's procurement official makes a signed, written, express authorization stating the District's intent to include the provision, with explicit reference to [Utah Code § 63G-6a-1203\(6\)](#).

[Utah Code § 63G-6a-1203\(6\) \(2025\)](#)