

A man wearing a light-colored straw hat and a blue and white striped shirt is shown in profile, pointing his right hand towards the right. He is outdoors, with a white fence in the foreground and a landscape of green trees and mountains in the background under a clear blue sky. The text "AES Agreements" is overlaid on the right side of the image.

AES Agreements

September 8, 2016

CALS Business Services



Replacement of Agreements

Improving processes as a system operating as one

What?

- Changing the way AES units do business with external customers
- Replacing the old PTFUA and Farm Service Agreements that have been used in the past with external customers
- Agreement templates
 - **Research Agreement:** collaborating on research
 - **Testing and Facility Use Agreement:** performing service provision using AES land, equipment, or labor but NOT engaging in research for the customer
- Does not apply to internal employees (PIs)

Why?

- AES units are using inconsistent methods and documents with external customers.
- Some units are/have operated without any agreements.
- Old documents do NOT provide adequate protections
 - Invoicing and collections
 - Insurance and liability protection for the UA
 - Removal of customer-owned property at end of projects
 - UA Procurement and CRSP will no longer institutionally sign the old agreement(s)

Why? continued

- Units have experienced problems
 - Delinquent payments of ~\$500,000 that we know of
 - Abandonment of customer-owned assets without clear ownership
 - Inability to legally pursue customers – no agreements or insufficient agreements
- No systemic process for pursuing delinquent payments – each unit has created its own approach
- **Integrated Approach:** agreements, debt collection, and rate studies are all integrated with each other

New Agreements

Use new agreements when:

- Working with external customer
- Collaborating on research activities
- Any combination of services, facilities, or labor over some period of time
 - NOT performing simple sales (i.e. list of established services and prices, when customer accepts invoice in lieu of a contract)

Definition: External Customer

- External to UA – customer is not an employee of the UA
- Paying by check, credit card, or cash
- If payment is assessed the 9.5% administrative service charge by the University, customer is an external customer

Definition: Combination of Activities

Example:

- Yuma Ag Center works with a company from California
- The company pays YAC to:
 - Plant new variety of crop in the field and in the greenhouse, harvest it in a specific way, process the crop
 - Use the microbiology lab to examine differences between field and greenhouse plants
 - YAC staff to collect data
 - Customer is locating a DNA sequencing machine at the lab
- Combination of activities and use of facilities, labor, and land
- Each project is unique, not a la carte
- **USE TFUA AGREEMENT**

Definition: Simple Sales Activity

Example:

- Vet Diagnostic Lab has a set price and menu of service offerings that customers can choose from
- Each activity is standard industrywide
- No intellectual property is expected to be generated from performing these standard menu offerings
- A standard and set fee for the service is charged
 - Services and prices are listed on a website or price list
- **DO NOT USE THE NEW AGREEMENTS – use an invoice that includes terms of payment, unless customer requires a contract**

When to Use Which Agreement?

Research Agreement (intellectual partners)

- Intellectual property (IP) required to design experiments and analyze results
- Purpose is to collaborate with the UA (use UA expertise) to learn something new
- UA employee(s) are collaborating in research
- UA employee(s) are involved in data analysis

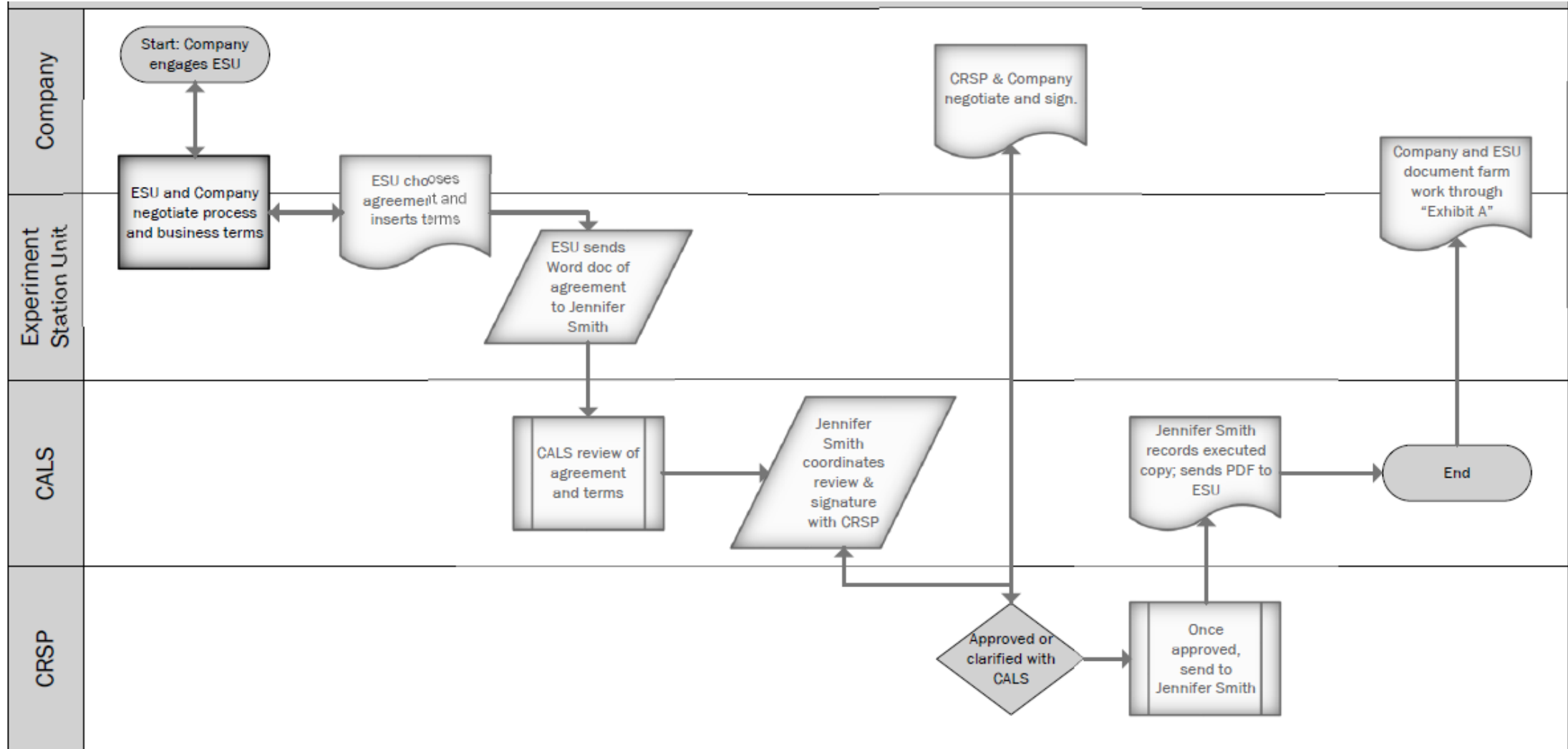
Testing & Facility Use Agreement

- Using AES land, facilities, and/or labor
- Purpose is for company to do its own testing, field trials & analysis
- UA executing a standard protocol
- Activities are standard/not novel
- UA employee(s) may be engaged in data collection but NOT analysis

When NOT to Use Either Agreement?

- **Lease:** Customer solely wants to rent/lease UA property (land or buildings)
 - No UA involvement beyond leasing property
 - Work with Business Services and Real Estate Administration on a lease
- **When in Doubt:** Contact us – (e.g. drone flyovers in our airspace, CASE IH equipment loan, sponsored product testing events, etc.)

Processing of Agreements

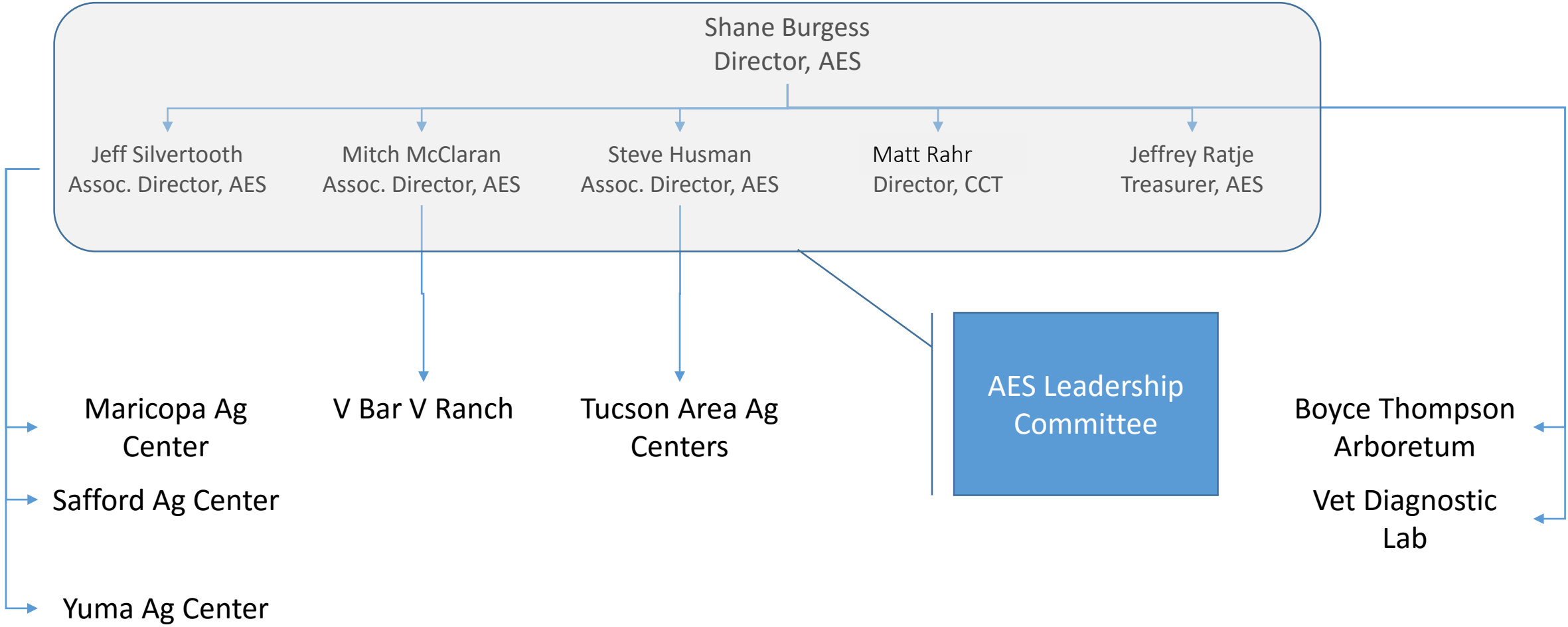


Delinquent Payments & Collections



Collecting on Payments

- Business officers (BO) should review and pursue collections monthly at minimum
- Aged Accounts Receivable, progressive collections activities:
 - 30 Day Letter
 - 60 Day Letter with threat of disbarment from AES
 - 90 Day Letter with disbarment from AES until repayment in full
- BO should NOT send 90 day letter without receiving authorization from your representative on the AES Leadership Committee AND Jeffrey Ratje or Belinda Oden



Delinquent Customer List

- Business Services will maintain a list for AES of all delinquent customers
- AES units are prohibited from conducting new business with these customers (company and principle(s) of the company) until all payments are brought current and removed from list
- AES unit leaders must review this list PRIOR to doing work with a new customer they have not dealt with before
- Contact Mary Carroll at (520) 621-7195 for a current list. All updates to this list should be shared with Mary.

A scenic landscape featuring a river flowing through a valley. In the background, there are rugged mountains under a blue sky with light clouds. On the right side, a large, leafy tree stands prominently. The foreground shows a river with some rocks and dry grass along its banks. A white fence is visible in the distance on the right.

Federal Excess Property Update

Madge Mock

Status of Disposal Completion

- Arboretum, 100%
- Maricopa Ag Center, 20%
- Tucson Area Ag Centers, 30%
- Yuma Ag Center, 35%
- Safford Ag Center, 0%
- Vet Diagnostic Lab, N/A
- V Bar V Ranch, 0% site visit scheduled Sept 28

Disposal Progress to Date

- 145,000+ pounds of scrap metal
- 12 Humvees
- 2 trailers
- 40 miscellaneous items including trucks, ovens, forklifts, tractors, etc.
- Mobile home

Target Date for Acquisition Requests

Best Guess

- Best case – July 1, 2017
- Worst case – December 31, 2017

USDA will approve CRITICAL acquisitions on a case-by-case basis as approved by Jeffrey Ratje.

Long Term Goals

- Physical inventory required every two years
 - Due October 2016 – Madge will be coordinating with property custodians soon
- Training and ethics involving FEPP for property custodians and screeners
- Develop scientific equipment program with academic units – outreach efforts
- Develop and implement barcoding system for FEPP physical inventory including improved equipment identification system

ARBORETUM—MILITARY VEHICLE



MARICOPA AGRICULTURAL CENTER—STEEL PIPE



MAC – SITE AFTER REMOVAL OF STEEL PIPE



TUCSON AREA AGRICULTURAL CENTERS



TUCSON AREA AGRICULTURAL CENTERS— STEEL PIPE-PENDING



YUMA AGRICULTURAL CENTER – MOBILE HOME FOR DESTRUCTION



YUMA AG CENTER – AFTER MOBILE HOME DESTRUCTION



DISPOSAL OF HUMVEES



Contacts

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