

GUIDELINES FOR SELECTING A CONTRACT EFFECTIVE DATE

1. Pursuant to State Law, the expenditure of State funds for goods or services requires compliance with purchasing law and rule. All contracts with private entities (including private non-profit entities) must be awarded pursuant to a procurement action (Sole Source, Request for Proposals [RFP], etc.).¹ In such instances, the contract effective date cannot precede the contract award date. Therefore, if services must start on a particular date, a procurement action for those services must be commenced early enough to allow for both the award of a contract and the preparation and completion of the final contract document prior to the desired contract effective date. See Procurement/Contract Timeline at:

<http://hsofo.utah.gov/services/contract-information/>

2. If a contract will be expiring soon and the Division wants to continue services without interruption, the Division must ensure a new contract begins the day after the existing contract expires. (Example: Contractor A's contract for residential services expires June 30, 20___. Contractor A was awarded a new contract for residential services on May 29, 20___. The effective date of the new contract should be July 1, 20___.)
3. If a contractor is not currently providing services and there is no need to start services on a particular date, the Division may:
 - a. Make the contract effective "the date of last signature". This means the contract effective date will be the same date the last signatory on the contract (generally the Purchasing Agent) signs the contract. (Example: The procurement under which the contract was awarded states contracts will be effective no earlier than July 1, 20___. Contractor A was awarded a contract on September 1, 20___. The last person to sign the contract signed it on October 10, 20___. Therefore, the contract effective date is October 10, 20___.) *This option is not available if State Purchasing handled the procurement because State Purchasing requires a specific effective date.*
 - b. Estimate the time it will take to prepare, process and obtain all the necessary signatures on the final contract and select an effective date **sometime after** the estimated amount of time has passed. (Example: Contractor A was awarded a contract on June 20, 20___. The Division Contract Specialist estimates it will take two weeks to prepare, submit, and process the contract and an additional 2 to 2½ weeks to obtain all the necessary signatures. Based on this estimate the Division Contract Specialist selects a contract effective date of August 1, 20__ or later.)
4. For the protection of clients, contractors, and the Department, contractors should not be allowed to provide services to clients before their contracts have been completed.

¹ Utah governmental entities are exempt from procurement; therefore, a contract may be executed with a Utah governmental entity without going through procurement. However, if a governmental entity responds to a procurement action, it is bound by the terms of the procurement action just like any other Offeror.