



Cleveland State University

Guidelines for Development of Contracts for Long-Term Use of CSU Facilities by Non-University Parties (Version 1.0, November 18, 2004)

Purpose and Use of Guidelines

These guidelines are to help:

- ensure that all Long-Term Use Agreements address all pertinent issues of concern
- units considering such arrangements to understand the types of terms that might be included in any such agreement; and
- meet the goals of the CSU policy on long-term use of CSU facilities by non-university parties.

The issues listed below must be addressed in any **Long-Term Use Agreement**. It is not meant to be an all inclusive listing, and other issues may need to be included as determined by the University and CSU Legal Counsel on a case-by-case basis. Further, there is no mandate that all costs and risks be borne by the Non-University party in all instances. It is possible that in those cases where CSU desires to encourage faculty establishment of a spin-off companies or to promote commercialization of its Intellectual Property, the University may decide to the extent permitted under State and federal laws, to find other sources of revenue for expenses and/or risks associated with the activities under the agreement. However, in such instances, the agreement should explicitly state what costs and/or risks the University is assuming. Likewise, while the cost of facility rental should be informed by local market conditions and rates for similar space (taking into account special needs like fume hoods, etc.), the University may want to reduce rates for its own faculty in some instances to the extent permitted under State and federal laws.

Issues that Must Be Included in All Long-Term Use Agreements

Any Long-Term Use Agreement for the use of University Facilities must include the following:

- A clear and complete description of the activities to be undertaken in the space, including a clear and demonstrable connection to the academic and/or research activities of the University.
- If the activities present any unique risks (such as the use of human pathogens and/or toxic chemicals, a clear plan for the mitigation and handling of these risks must be presented, including delineation of responsibility and liability.
- The cost of space rental, utilities, maintenance, and any special services including but not limited to hazardous waste removal, shipping, radiation compliance, safety inspections, and animal care facility use. and delineation of the responsibilities of the University and the Non-University party concerning normal operating activities, including but not limited to security, cleaning, routine maintenance and ensuring safety in the leased space.
- A clause specifying payment schedules, penalties for missed payments and specific remedies for breach of the agreement.
- A clause specifying that it is the responsibility of the Non-University Party to ensure all activities are conducted in compliance with federal, state and local laws and regulations. This includes, but is not limited to obtaining any and all required permits and or licenses, performing safety inspections, and managing and disposing of hazardous and/or infectious waste.

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- Delineation of what mechanisms for oversight will be employed to ensure compliance with:
 - state and federal regulations associated with the specific activities;
 - CSU's conflict of interest policies;
 - Drug-free workplace requirements; and
 - All other applicable CSU regulations and policies.
- Appropriate liability coverage reflecting potential risks presented by the proposed operation.
- Rules for involvement of CSU faculty staff and students in the activities proposed and the process, if appropriate, by which non-university participants in the activities may become adjunct faculty.
- A clause discussing the assignment and disclosure of Intellectual Property in those instances where University faculty, staff and/or students or non-leased University facilities are involved.
- A clause specifying a set review period for the agreement (not to exceed two years), and mandating annual reporting to the Department Chair(s) as required in the University's *Policy on Long-Term Use of CSU Facilities by Non-University Parties*.
- A clause that allows the University to terminate the agreement upon 30-day notice without cause and explicitly limits the period of the agreement, in accordance with the University's *Policy on Long-Term Use of CSU Facilities by Non-University Parties*.
- A clause specifying that the Non-University Party will indemnify and hold harmless CSU, its Trustees, officers, employees, agents and representatives from any and all damages, claims, causes of action, judgments, costs (including attorneys' fees) attributable to the Non-University Party's negligence, performance or failure to perform in accordance with the Long-Term Use Agreement.