DOM DoIT Contract Negotiation Reference Guide

I. Statutory Requirements (Non-Negotiable)

These are legally mandated terms. Deviations are void as a matter of law as against public policy. Cite legal authority when necessary.

Topic	Requirement	Legal Source
Indemnification	An indemnity is a contractual provision where one party agrees to compensate the other for certain losses or damages that arise during the performance of the contract. We are constitutionally barred against indemnifying private parties or vendors; this also means no mutual indemnification.	Iowa Const. Art. VII, §1 Iowa Code § 8.94(1)
Payment Terms	60-day payment terms unless a financial incentive justifies shorter terms. Late payment terms must comply with Iowa Code § 8A.514.	Iowa Code § 8A.514 Iowa Code § 8.94(12)
Limitation of Liability	Must comply with Iowa Code § 8.96: Vendor liability cannot be limited below the total contract value (1x floor). Carveouts must remain (e.g., breach of confidentiality, IP infringement).	Iowa Code § 8.96
Advance Payment	No advance payment for services.	Iowa Admin Code § 11-48
Attorney General Participation in Defense	AG must retain the right to participate in any defense.	Iowa Code § 13.2(1)(b) Iowa Code § 8.94(3)

Topic	Requirement	Legal Source
Tax Exemption	State is exempt from taxes.	Iowa Code § 423.3(31) Iowa Code § 8.94(13)
Governing Law	Iowa law only	Iowa Code § 8.95(1) Iowa Code § 8.94(5)
Venue	Iowa courts only	Iowa Code § 8.95(2) Iowa Code § 8.94(8)
State Data	Vendors may not use State data for any purpose other than to fulfill the contract, must return State data at no cost, and must destroy after the contract is over.	Iowa Code § 8.95(3)
Unilateral Changes	All terms must be known, and vendor cannot unilaterally change any of them. Terms added in transactional documents seeking to add or change terms of the contract	Iowa Code § 8.94(2) Iowa Code § 8.94(19)
Settlement Authority	Only the AG can approve a settlement that imposes liability on the state.	Iowa Code § 8.94(4)
Blanket Confidentiality	No blanket confidentiality of the contract's terms.	Iowa Code § 8.94(6)
Payment Confidentiality	No payment terms, cost proposals, or pricing information is confidential.	Iowa Code § 8.94(7)
Litigation expenses	The state will not pay fees, costs, or expenses	Iowa Code § 8.94(9)

Topic	Requirement	Legal Source
Alternative Dispute Resolution	No binding extrajudicial dispute resolution where final resolution is not determined by the state	Iowa Code § 8.94(10)
Jury Trial	No waiving of the right to a jury trial	Iowa Code § 8.94(11)
Software renewal	No prior notice. State may terminate at any time prior to the renewal.	Iowa Code § 8.94(14)
Risk of loss	No risk of loss prior to receipt of goods	Iowa Code § 8.94(15)
Insurance	No obligation for commercial insurance	Iowa Code § 8.94(16)
Intellectual Property	If federal funds are used, there are no IP rights to NGOs.	Iowa Code § 8.94(17)
Statute of limitations	Cannot be shorter than what is provided for under applicable Iowa law.	Iowa Code § 8.94(18)

II. State of Iowa Contracting – Security Approvals

These are not mandated by law; acceptable only with exception, notation, and approval.

Topic	Prohibited Terms
OCONUS	Data processed/stored or use of personnel located outside the continental U.S.
