

## Contracting with State Entities

The following provisions are applicable to State offices, agencies, departments boards, bureaus, commissions, institutions, agencies, boards, commissions and firms. Please be advised that State Entities are unable to agree to certain provisions.

**6. Requirements that the Department pay taxes, interest, penalty fees or cancellation charges, litigation costs, or attorney's fees.**

- **ATTORNEY'S FEES/COSTS.** State Entities will not agree to pay attorney's fees or costs. The rationale is that such a payment would pledge the credit of the state in violation of Ga. Const. Art. VII, § IV, ¶ VIII and would be a violation of the gratuities clause of the Georgia Constitution. [See Ga. Const. Art. III, § VI, ¶ VI.](#)
- **DAMAGES.** The inclusion of indirect, consequential, or incidental damages payable by a State Entity are generally not acceptable.
-

**11. Contractual clauses that require a State Entity to purchase insurance policies.**

State law provides for the Department of Administrative Services to procure insurance for State entities. State Entities are covered by the Tort Claims Act and the State of Georgia Broad Form Insurance that is administered by the De



