

# CONTRACT MANAGEMENT POLICY



CONTRACT MANAGEMENT POLICY			
<b>Effective Date</b>	December 19, 2017	<b>Policy Type</b>	Administrative
<b>Responsibility</b>	Vice-President, Administration	<b>Cross-Reference</b>	<ol style="list-style-type: none"> <li>1. Conflict of Interest Policy</li> <li>2. Procurement Policy</li> <li>3. Records Classification and Handling Policy</li> <li>4. Financial Signing Authority Policy</li> </ol>
<b>Approver</b>	Executive Council	<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Contractor/Employee Decision Tree</li> <li>2. Contract Signing Authority</li> </ol>
<b>Review Schedule</b>	Every 3 years		

## 1. Policy Statement

- 1.1 Grande Prairie Regional College (“GPRC” or the College) enters into contracts with third-parties for a variety of academic, professional, advisory, informational and other goods and services, as well as government funding, other grant funding and sale(s) of goods and services. The College is committed to ensuring its contracting processes and standards are consistent, transparent, promote sound financial stewardship, provide a robust system of internal controls, and balance efficiency of operations with operational and financial risk.

## 2. Background

- 2.1 As a public sector agency, GPRC is required to comply with various legislation, including but not limited to: Trade, Investment and Labour Mobility Agreement, Agreement on Internal Trade, New West Partnership Trade Agreement, Post-Secondary Learning Act, and Canada Revenue Agency Rules and Regulations.

## 3. Policy Objective

- 3.1 The objective of the policy is to ensure that contractual arrangements are conducted in a manner that encourages transparency, fairness, clear accountability and results in best value for the College. This policy will provide a framework to ensure all contracts undergo required institutional review and approval prior to execution and establishes who has the authority to sign contracts on behalf of the College. The intention is to safeguard College resources and ensure compliance with applicable laws, regulations, and rules governing contracting.

## 4. Scope

- 4.1 This policy applies to all contracts, amendments, or renewals.

This policy applies to all GPRC staff involved in contract initiation, administration and management.

This policy will establish the framework for the management, review, execution and controls relating to the contracting process.

This policy establishes who has the authority to sign a contract on behalf of the College, but the Financial Signing Authority Policy identifies the level of approval authority required to authorize the expenditure/release of College funds within the College’s approved budget.

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This policy shall be interpreted restrictively and signing authority for contracts shall not be established by analogy or through historical practice.

## 5. Definitions

- 5.1. "Amendments" are changes to the original contract, within the period of the active contract and may include but are not limited to amounts payable, goods, services and construction supplied, due dates or timeline extensions.
- 5.2. "Conflict of Interest" exists when an individual has a significant interest, financial or otherwise, that could directly and considerably impact his/her conduct at the College. Generally, this may occur when the external interest provides some motivation or incentive that may impact the individual's conduct, and when the individual has opportunity to make alternate decisions as a result. In short, a conflict of interest is a set of circumstances that creates a risk that professional judgement or actions regarding the College will be unduly influenced by an external interest. See *Conflict of Interest Policy*.
- 5.3. "Contract" means a legal, written agreement between two or more parties to complete specific deliverables and outcomes which can involve certain services or provide goods in exchange for money or other remuneration. This includes creating an obligation, receipt of an asset, memorandums of understanding or sharing of information for the College.
- 5.4. "Procurement" means buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any good, service, or construction. It also includes all activities pertaining to procurement including determination of procurement requirements (e.g. business needs), method of procurement, preparation and award of a contract and all phases of contract administration.
- 5.5. "Renewal" is another contract issued at the completion of the original for a new period and as defined in the original contract.
- 5.6. "Signing Authority" is a person to whom authority to sign a Contract on behalf of the College has been delegated.

## 6. General Requirements

- 6.1. The College's name on all Contracts must be "Grande Prairie Regional College". Contracts must not be in the name of any specific Faculty/School, academic department, administrative unit, or unincorporated entity or organization of the College.
- 6.2. All contracts entered into on behalf of the College must be made in writing.
- 6.3. Payments made by the College to third parties in accordance with the terms of a Contract shall take place only when a Contract has been fully executed and is in effect.
- 6.4. Subject to section 6.5, prior to the release of any payment for a contractual commitment, the payments must be authorized in accordance with the *Financial Signing Authority Policy*.

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- 6.5. Any arrangement with the purpose of creating a legally binding agreement must be approved and signed by the Signing Authority authorized to enter into a Contract of that type.
- 6.6. Under no circumstances shall any single Contract be divided into multiple Contracts or be reduced in term or scope with the intent or unintended result of altering the commitment level or the positions which have authority to sign the Contract.

### 7. Contract Development, Review and Monitoring

- 7.1. Prior to entering into a Contract or presenting a Contract for signature, the Signing Authority for the Responsible Department must ensure that the Contract has been read and its terms are understood (including all referenced schedules/appendices or other documents), and the Contract has been reviewed and approved as set out in this policy.
- 7.2. Before signing a Contract, the Signing Authority must ensure that:
  - 7.2.1. the Contract is in the best interests of the College;
  - 7.2.2. the Contract is consistent with the College's strategic plan, and annual budget, and supports the College's mandate;
  - 7.2.3. the Contract is required as there are no internal resources available to be used;
  - 7.2.4. the Contract language is clear and consistent, and accurately reflects the negotiations;
  - 7.2.5. wherever there may be a potential or perceived conflict of interest, the Signing Authority does not sign the Contract and instead refers the matter to their immediate supervisor in accordance with the Conflict of Interest Policy;
  - 7.2.6. there are sufficient human, physical and financial resources to meet the College's obligations under the Contract;
  - 7.2.7. there is existing approved budget to meet the contractual commitment;
  - 7.2.8. if the contractual commitment will exceed the existing approved project/expense budget, prior approval from the appropriate Executive Officer has been obtained;
  - 7.2.9. the Contract is operationally feasible and it is fiscally responsible to enter into the Contract;
  - 7.2.10. provision has been made for adequate indemnity, insurance and risk mitigation plans and appropriate consultation with the Contract Facilitator has occurred with respect to Contracts that are not on a template that has been reviewed by the legal Counsel;
  - 7.2.11. the negotiation of all procurement-related Contracts complies with the Procurement Policy, applicable College policies, procedures and guidelines, and applicable trade agreements;
  - 7.2.12. the Contract is not in violation of any legislative or regulatory requirements, College policies or guidelines, GPRC collective agreements or other obligations of the College;
  - 7.2.13. the Contract protects the College's intellectual property rights with terms that conform to the College's policies, Handbooks/collective agreements, existing legal obligations and section 68 of the Post-secondary Learning Act (Alberta); and
  - 7.2.14. Contracts involving unusual or significant risk exposure (financial reputational or otherwise) to the College, precedent-setting issues or controversial matters, or which might bring the College under public scrutiny, regardless of value, are

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brought to the attention of the Signing Authority's supervisor, who will forward the matter to the appropriate Executive Officer.

- 7.3. Procurement of goods and / or services through the contracting process must be completed in accordance with the *Procurement Policy and the Conflict of Interest Policy*. All contracts must comply with applicable provincial and federal legislation, interprovincial trade agreements, municipal bylaws and College policies and procedures.
- 7.4. The type of contract GPRC will enter into shall be in accordance with Appendix 1 Contractor/Employee Decision Tree.
- 7.5. Contract documents
  - 7.5.1. Internal templates, as reviewed and approved by legal counsel, should be used as the basis for drafting all contracts and can be found at a designated site.
  - 7.5.2. External Contracts must include printed names, titles and dates of all individuals in addition to signature
- 7.6. Each contracting Department is responsible for vendor / contractor screening and selection to ensure contracts are entered into with parties that are suitable, credible and have the capacity to deliver the contract services to the College.
- 7.7. The originating Department will monitor the performance of the contracted third party throughout the contract term to ensure: 1) compliance with contractual terms and conditions; and 2) the goods/services are delivered to the satisfaction of the Department.
- 7.8. Once a Contract has been approved and signed, the Responsible Department is required to ensure that the College and the other contracting party(ies) meet their respective obligations under the Contract.

## 8. Contract Signing Authority

- 8.1. All transactions shall be authorized according to sound management practices. The signing Authority must ensure that:
  - 8.1.1. subordinates are not approving transactions for their superiors, regardless of the authority level;
  - 8.1.2. segregation of duties are applied to ensure effective internal controls to reduce the risk of both erroneous and inappropriate actions.
  - 8.1.3. Individuals can not be in a position to initiate and approve same action;
  - 8.1.4. processes and control procedures are implemented, to the extent feasible, to segregate duties among employees and that include effective oversight of activities and transactions. Departments with very few staff that are unable to segregate duties require the department head to attest to the implementation of alternate compensatory internal controls;
  - 8.1.5. Appendix 2 Contract Signing Authority sets out the current delegation of signing authority for all contracts entered into by the College.

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## 9. Contract Management

- 9.1. The responsibility of obtaining all signatures on a contract will be the contract facilitator's. Individuals entering into a contractual arrangement are not permitted to obtain either parties signatures.
- 9.2. The original signed contract shall be retained with the Contract Facilitator.
- 9.3. All executed contracts must be retained in accordance with the *Records Classification and Handling Policy*.

## 10. Policy Compliance

- 10.1. Contracts made in violation of this policy are voidable and may be voided at the discretion of the President and/or appropriate Executive Officer.
- 10.2. Non-compliance with this policy may result in disciplinary action up to and including dismissal or termination of employment contract. Further, should any claims, damages or other consequences arise from non-compliance with this policy, the Board may seek indemnification from the individual involved.

## 11. Roles and Responsibilities

STAKEHOLDER	RESPONSIBILITIES
<b>Executive Council</b>	<ul style="list-style-type: none"><li>• Approve and formally support this policy</li></ul>
<b>Vice-President, Administration</b>	<ul style="list-style-type: none"><li>• Oversee the implementation of this policy</li></ul>
<b>Financial Services/Contract Facilitator</b>	<ul style="list-style-type: none"><li>• Provide reviews and management</li><li>• Available for questions and support</li></ul>
<b>Departments</b>	<ul style="list-style-type: none"><li>• Prepare initial drafts of contract</li><li>• Ensure compliance of policy throughout contract process</li><li>• Monitor performance of third party contractors</li></ul>
<b>Legal Counsel</b>	<ul style="list-style-type: none"><li>• Complete legal review as required</li></ul>

## 12. Exceptions to the Policy

- 12.1. Exceptions to the guiding principles in this policy must be documented and formally approved by the Vice-President, Administration prior to full execution of the contract.
- 12.2. Policy exceptions must describe:
  - 12.2.1. The nature of the exception
  - 12.2.2. A reasonable explanation for why the policy exceptions are required
  - 12.2.3. Any risks created by the exceptions to this policy
  - 12.2.4. Evidence of approval by the Vice-President Administration.
- 12.3. All exception approvals must be retained with the original contract

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### **13. Inquiries**

13.1. Inquiries regarding this policy can be directed to the Contract Facilitator.

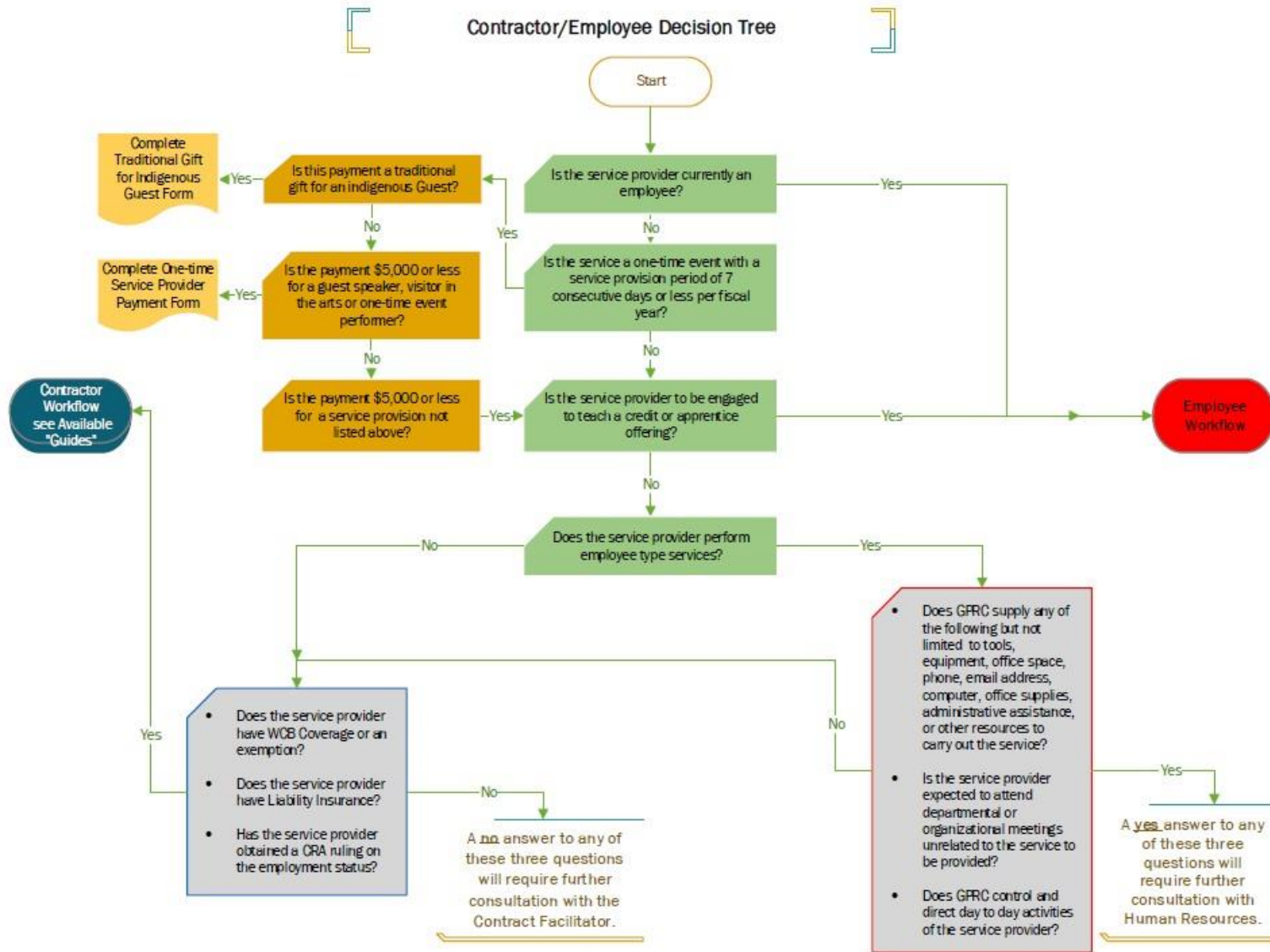
### **14. Amendments (Revision History)**

14.1. Amendments to this policy will be published from time to time and circulated to the College community.

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## Appendix 1 – Contractor/Employee Decision Tree



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## Appendix 2 – Contact Signing Authority

Document	Authority Limit	Signing Authority*
Contracts/agreements related to land, borrowing of funds, share transactions (outside of normal investment policy/practices) or those deemed to have significant legal, financial or strategic risk.		President (with prior approval from the Board of Governors)
General Services Agreements – one year or less	Over \$100,000	President
	Up to \$100,000	VP (of related area) with President's approval
	Up to \$25,000	VP (of related area)
	Up to \$7,500	Dean/Director
General Services Agreements – lasting more than one year		President
One-time Service Providers	Up to \$5,000	Dean/Director
Traditional gift for Indigenous Guest	Up to \$2,000	Dean/Director
Facility lease agreements – one year or less	Over \$100,000	President
	Up to \$100,000	VP (of related area) with President's approval
	Up to \$25,000	VP (of related area)
	Up to \$7,500	Dean/Director
Facility Lease Agreements – lasting more than one year and less than five years.		President
Facility Lease Agreements – lasting five years or more.		President (with prior approval from the Board of Governors)
Capital contracts	Over \$100,000	President
	Up to \$100,000	VP Administration
	Up to \$75,000	Directors, Facilities and Maintenance
	Up to \$25,000	Capital Manager
Grant and funding agreements, sponsorships, sales contracts, etc.	Over \$100,000	President



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Document	Authority Limit	Signing Authority*
	Up to \$100,000	VP (of related area) with President's approval
	Up to \$25,000	VP (of related area)
	Up to \$7,500	Dean/Director
Endowment Agreements		President
MOU's and letters of agreement – less than 5 years		VP of related area
MOU's and letters of agreement – 5 years or more		President
Clinical Placements / Work Experiences		Dean/Director

Delegation – In the situation where a VP has delegated signing authority (acting) to a Dean/Director involved with the contract, signing authority must go to another Executive member.

\*Signing Authority meaning those permitted to sign the related document listed. In all cases, the level designated should not execute a contract of any type without all parties involved having read, understood and agreed to the document being executed. (i.e. – the President can execute a General Services Agreement over \$100,000 when all levels; Dean/Director and VP of related area have read, understood and agreed to the document)

\*\* Certain Funding Agreements require designated sign off on all transactions, including the contracts related to their specific funding agreements. In this case the required sign-offs specified by the funder must be done in addition to the authorities outlined in this appendix. (i.e. – principal investigator in research projects will sign off on the contract followed by internal authorized signing authority)