

CONTRACT MANAGEMENT - PROCEDURES

Risk Services should be contacted for all proposals for contracted work and will guide the Contract Administrator through the contract management process. These procedures are applicable to new contracts as well as amendments, changes, extensions to, or renewals of, existing contracts.

1. A contract is any legally enforceable and binding agreement and includes, but is not limited to: letters of agreement, property leases, license agreements, affiliation agreements, educational partnerships, contracts for the procurement of goods and services, consultant agreements, and terms and conditions attached to transactions.
2. **Service Contracts**
 - 2.1 If the proposed contract is for the procurement of goods or services, the Purchasing Department will determine whether it needs to be tendered in accordance with provincial requirements.
 - 2.2 If the proposed contract is with an individual, the College must first establish whether the service provider should be engaged as an independent contractor or as an employee by completion of a *Application for Independent Contractor Status* (based on the Canada Revenue Agency four-point test). If it is established that the individual is to be engaged as an employee, HR will prepare an employment contract (a process not covered by these procedures). If the individual is to be engaged as an independent contractor, Risk Services will prepare a standard *Service Contract* based on the Province's General Service Agreement.
 - 2.3 If the proposed contract is with a business entity, Risk Services will prepare a standard *Service Contract* based on the Province's General Service Agreement.
3. **Initial Review by the Contract Administrator**
 - 3.1. The contract should be reviewed from an operational business perspective. Consideration should be given to the following:
 - Is the contract with Langara College? Individual departments do not have the capacity to contract in their own right.
 - Does the contract accurately reflect the deal you negotiated? Are the contract terms and conditions, including duties of the parties, clear, consistent, and acceptable to the department?
 - Are there any additional oral explanations or promises that are not included in the contract?
 - Does the department have the necessary funds and resources for the contract? If a contract spans more than one year will those funds be available in subsequent years?
 - Are the services to be provided the most feasible for the College in terms of quality and cost?
 - 3.2. The contract together with the Contract Review checklist and a purchase requisition should then be submitted to:
 - Budget holder for approval of actual expenditure.
 - Appropriate Dean or Director to determine whether the contract supports department and/or program goals and objectives.
 - Records Management and Privacy for approval of the language and procedures used with regard to privacy.
 - Director responsible for Information Technology for approval of IT requirements.
 - Director responsible for Facilities (if the contract is in the form of a lease).
 - 3.3. Once the above reviews have been completed, the contract and checklist (and Purchase Requisition as applicable) should be submitted to Risk Services.
4. **Review by Risk Services**
 - 4.1. Risk Services will review the contract and advise on contract risk and liability.
 - 4.2. The College is required by the Province of British Columbia to have any contract with an indemnity clause approved by the Risk Management Branch (RM) of the Ministry of Finance. An indemnity is a legal obligation to fully reimburse the other party for any costs, claims or damages arising from the contract. A contract will not be signed without such approval. Review by RM can take up to 7 working days.
 - 4.3. Risk Services will advise the Contract Administrator of any terms and conditions that are not acceptable and will assist with negotiations if required. Negotiations are not always straightforward and can be lengthy.
 - 4.4. Risk Services will determine when legal advice is required and will liaise with the College's legal counsel in such cases.
5. Risk Services will obtain the College representative's signature on the contract once approved. In accordance with the College & Institutes Act and College Policy only a designated signatory may sign any document that legally binds or commits the College in any way. The appropriate signatory is dependent upon the type of contract and its value.
6. The Contract Administrator is responsible for obtaining the other party's signature and submitting the original, or if executed electronically, a scanned copy of the contract to Risk Services.
7. Risk Services will retain the College's original copy of the executed contract in accordance with College policy on Records and Information Management.