

Purpose

- To ensure that contractual arrangements are conducted in a manner that encourages transparency, fairness, clear accountability and results in the best value for Cambrian College (the 'College').
- To provide a framework to ensure all Contracts undergo required institutional review and approval prior to execution and establish who has the authority to sign Contracts on behalf of the College. The intention is to safeguard College resources, manage contractual risk and ensure compliance with applicable laws, regulations, and rules governing contracting processes and standards.

Definitions

Amendments: 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.

Authorized Signing Authority: A representative of the College, appointed by the Board of Governors, with the power to commit the College to binding agreements and sign Contracts on behalf of the College. An Authorized Signing Authority may also be referred to as 'legal signing authority', 'binding signing authority' and 'designated signing authority'.

Conflict of Interest: A set of circumstances that creates a risk that professional judgement or actions regarding the College will be unduly influenced by an external interest.

Contract: Any document, or other evidence, of an intention to establish a binding legal relationship between the College and one or more third parties. This includes creating an obligation, receipt of an asset, memorandums of understanding or sharing of information for the College.

Contract Administration: A term used to describe the functions that are performed after the parties have signed the Contract. Contract Administration activities include monitoring of progress/performance, inspection and acceptance, quality assurance, modifications, negotiations, Contract closeout, and payment.

Contract Administrator: A College administrator who is responsible for the proper adherence to all Contract terms and conditions.

Contract Management: The set of activities required to properly manage contractual commitments to and from third parties and includes the management of pre-Contract diligence, negotiation, and implementation activities. The intent of this set of activities is to maximize operational and financial performance at an organization, all while reducing risk.

Renewal: An extension of an existing Contract or a new Contract entered into at the completion of the term of an original or renewed Contract.

Responsibility Centre: The department that oversees the particular contract type in their respective

areas.

RFX: One of the most common acronyms in the strategic sourcing and procurement landscape that captures all references to Request for Information (RFI), Request for Proposal (RFP), Request for Quote (RFQ) and Request for Bid (RFB).

Application/ Scope

This policy applies to all Contracts, amendments or renewals. This policy also applies to all College staff involved in Contract initiation, administration and management.

Policy Statements

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

1. Contract Initiation

- a. Contracts are developed in accordance with the following conditions:
 - i. Return on Investment: through gains in efficiency across the entire business as well as within individual departments that are involved in the Contracting process
 - ii. Appropriate: the Contract is consistent with the College's strategic plan, annual budget, and supports the College's mandate
 - iii. Risk and liabilities: the Contract is operationally feasible and it is fiscally responsible to enter into the Contract
 - iv. Conflict of Interest: Contract Administrators must not engage in any activity that may create, or appear to create, a Conflict of Interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

2. Contract Negotiation

- a. The Responsibility Centre negotiates with external parties as required.

3. Contract Preparation

- a. All Contracts entered into on behalf of the College must be made in writing.
- b. Contracts must go through the RFX process in accordance with the Purchasing Policy.
- c. All Contracts must be developed using a College approved template, or be otherwise legally reviewed.

4. Administrative Review

The Administration Review Process must have the following due diligence completed:

- a. All documents referred to in the Contract are attached (e.g., original agreement, previous Renewals, schedules, appendixes, etc.).
- b. Finance has been contacted prior to routing if the Contract has any budgetary or financial implications.
- c. Information Technology (“IT”) has been consulted where there are IT implications.
- d. Facilities has been contacted where there are building modifications.
- e. The Contract complies with the requirements of Section 28 of *the Financial Administration Act* (Ontario) and directives of the Ministry of Training, Colleges and Universities relating to that legislation.

5. Legal Review

- a. Legal review is undertaken as required.

6. Contract Execution/Approvals

- a. Only a person who is assigned the authority to bind the College contractually may sign the Contract.
- b. Individuals not authorized to bind the College, and who enter into an agreement intended to bind the College to financial and other commitments, are in violation of College policy. Individuals may be subject to the imposition of discipline and may be held personally liable for any indebtedness that is ultimately held to be owed to the other contracting party.
- c. Amendments or Renewals to Contracts shall be approved in the same manner as the original Contract.

7. Contract Performance Management

- a. Throughout the lifecycle of the Contract, the Contract Administrator must:
 - i. Monitor the performance of the Contract from formation to close.
 - ii. Identify the associated risks and establish Contract goals to manage the risks for each Contract.
 - iii. Proactively deal with disputes as they arise. If resolution is not possible and a dispute is likely to escalate, Purchasing Services, in conjunction with the Director, Financial Services, will issue deficiency notices where appropriate.
 - Relevant senior college executive must be advised without delay.
 - iv. If the Contract must be terminated for non-performance or any other reason, Purchasing Services will issue deficiency notices where appropriate and take measures to avoid or reduce any risk to the College.

8. Contract Closeout

- a. Once the Contract is complete, the Contract Administrator is responsible for performing Contract close-out duties, which include:
 - Reporting;
 - Reviewing administrative issues;
 - Ensuring payments of invoice(s)/receipt of payment;

- Ensuring all the deliverables have been received or delivered;
- Ensuring all property has been turned over to the College; and,
- Ensuring that the Contract file is complete.

9. Confidentiality

- a. Cambrian College employees involved in the Contract Management process must maintain confidentiality and not disclose proprietary information.
- b. Contract Administrators must secure Contracts and related materials within their department.

10. Audit and Records Retention

- a. Original contractual agreements and all supporting documentation, as well as any other relevant information for reporting and auditing purposes, must be maintained in accordance with the College's Records Retention Policy and associated Records Retention Schedule.

Responsibilities and Accountability

Authorized Signing Authority is responsible for:

- Reviewing and approving Contracts within their delegated approval levels.
- Attesting to the following:
 - The College is able to meet its obligations within the terms of the Contract and that the Contractor(s) can reasonably meet the obligations
 - The Contract complies with the relevant legislation, collective agreements, and College policies and procedures
 - The College has sought and obtained the necessary government approvals, when required
 - The financial and other benefits to, or liabilities of, the College as a result of the Contract have been considered and are reasonable
 - The risks and liabilities presented by the Contract have been addressed
 - Insurance requirements have been addressed and proof has been obtained
 - The required legal review has been sought in accordance with this policy

Contract Administrator is responsible for:

- Managing and documenting contractor performance and any performance issues that must be addressed
- Managing Contracts responsibly
- Managing disputes with contractors throughout the life of the Contract
- Retaining appropriate records as per the College's Records Retention Policy

Responsibility Centre is responsible for:

- Acting as the primary point of contact for departmental Contract inquiries and requests by liaising with the department and others as necessary
- Initiating the development and review of all new and existing Contracts
- Reviewing all Contract provisions and ensuring that they are in the best interests of the College and negotiating with external parties as required
- Resolving contractual disputes (with assistance, where necessary or appropriate, from the

Contract Administrator and legal counsel)

- Working with the Contract Administrator, advising legal counsel, Finance Department and End User Department to implement any required changes
- Facilitating the signing of the Contract
- Requesting certificates of insurance from the Contract Administrator, if required
- Completing records retention and tracking requirements

Finance is responsible for:

- Reviewing monetary Contracts for:
 - Budget implications
 - Funding source
 - Accounting implications
 - Embedded derivatives
 - Tax receipting
 - Credit risk

Director, Financial Services is responsible for:

- Ensuring adherence to this policy and its procedures
- Approving Contract templates and ensuring that terms are in the best interests of the College
- Overseeing the Contract Management process
- Advising with regards to insurance and risk considerations

Related Policies / Directives / Regulations

Internal Policies

- Conflict of Interest Policy
- Procurement Policy
- Travel, Meal & Hospitality Policy
- Records Retention Policy
- Internal Privacy Policy
- Approval Authority Schedule
- Enterprise Risk Management Policy

Government Binding Directives

- Ministry of Training, Colleges and Universities – Minister’s Binding Policy Directive: Governance and Accountability Framework
- Ministry of Government and Consumer Services’ Broader Public Sector Procurement Directive, issued by the Management Board of Cabinet

Statutes/Regulations

- Financial Administration Act
- Sale of Goods Act
- Broader Public Sector Accountability Act
- Freedom of Information and Protection of Privacy Act
- Accessibility for Ontarians with Disabilities Act, 2005

Trade Agreements:

- Canadian Free Trade Agreement (CFTA)
- Ontario-Quebec Trade and Cooperation Agreement (OQTCA)
- Comprehensive Economic and Trade Agreement (CETA)

Related Procedures

- Procurement Procedures
- Contract Management Procedures
- Records Retention Schedule

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