

CONTRACT MANAGEMENT POLICY			
Effective Date	January 25, 2022	Policy Type	Administrative
Responsibility	Vice-President, Finance and Administration	Cross-Reference	<ol style="list-style-type: none"> 1. Employee Code of Conduct Policy 2. Procurement Policy 3. Records Classification and Handling Policy 4. Financial Signing Authority Policy
Approver	Executive Council	Appendices	<ol style="list-style-type: none"> 1. Contractor/Employee Decision Tree 2. Contract Signing Authority
Review Schedule	Every 3 years		

1. Policy Statement & Scope

- 1.1 Northwestern Polytechnic (“NWP” or the Institution) enters into contracts with third- parties for a variety of academic, professional, advisory, informational and other goods and services; government and grant funding; and sale(s) of goods and services. The Institution 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.
- 1.2 This policy applies to all contracts, amendments, or renewals.
- 1.3 This policy applies to all NWP staff involved in contract initiation, administration, and management.
- 1.4 This policy will establish the guidance and structure for management, review, execution, and control relating to the contracting process.
- 1.5 This policy shall be interpreted restrictively and signing authority for contracts shall not be established by analogy or through historical practice.

2. Policy Objective

- 2.1 **As a public sector agency, NWP is required to comply with various government and trade legislation. The NWP *Procurement Policy* shall be referenced for compliance requirements.**
- 2.2 **The objective of the policy is to provide a framework to ensure all contracts undergo required institutional review and approval prior to execution.**

3. Definitions

- 3.1. “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. “Conflict of Interest” exists where a set of circumstances create a risk that professional judgement or actions on behalf of the Institution will be unduly influenced by an external interest. The NWP Employee Code of Conduct Policy shall be referenced for guidance.
- 3.3. “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 a right or obligation, receipt of an asset, memorandums of understanding or sharing of information, grants, fundraising/donor agreements for the Institution.

- 3.4. "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.
- 3.5. "Renewal" is another contract issued at the completion of the original for a new period and as defined in the original contract.
- 3.6. "Signing Authority" is a person to whom authority is given as per the Financial Signing Authority Policy.

4. General Requirements

- 4.1. The Institution's name on all Contracts must be "Northwestern Polytechnic". Contracts must not be in the name of any specific Faculty/School, academic department, administrative unit, or unincorporated entity or organization of the Institution.
- 4.2. All contracts must be made in writing.
- 4.3. Payments made by the Institution 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.
- 4.4. Any arrangement with the purpose of creating a legally binding agreement must be approved and signed by the appropriate signatory as per Appendix 2 Contract Signing Authority.
- 4.5. 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.

5. Contract Development, Review and Monitoring

- 5.1. All parties involved in the contract process should ensure that they have read, understood, and agree in principle with the contract.
- 5.2. The contract, amendment or renewal must:
 - 5.2.1. be in the best interests of the Institution;
 - 5.2.2. be consistent with the Institution's strategic plan and annual budget;
 - 5.2.3. be clear and consistent, and accurately reflect the agreed upon terms;
 - 5.2.4. be in accordance with all Institutional policies and applicable government and trade legislation.
 - 5.2.5. be within the available budget unless prior approval has been obtained from the signing authority;

- 5.2.6. include adequate indemnity, insurance and risk mitigation and appropriate consultation with the Contracts Coordinator ;
- 5.2.7. must protect the Institution's intellectual property rights with terms that conform to the Institution's policies, Handbooks/collective agreements, existing legal obligations, and section 68 of the Post-secondary Learning Act (Alberta); and
- 5.2.8. have Executive approval if it has unusual or significant risk exposure (financial reputational or otherwise), precedent-setting issues or controversial matters, or which might bring the Institution under public scrutiny, regardless of value
- 5.3. An Employee versus Contractor determination will be in accordance with Appendix 1 Contractor/Employee Decision Tree.
- 5.4. Contracts should be completed using the internal templates. Should external contract documents be used they must include the same or comparable information.
- 5.5. The 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 Institution through the Vendor approval process.
- 5.6. Once a Contract has been approved and signed, the Department is required to ensure that the Institution and the other contracting party(ies) meet their respective obligations under the Contract.

6. Contract Signing Authority

- 6.1 **All transactions shall be authorized according to sound management practices and in compliance with the Financial Signing Authority Policy. The signing Authority must ensure that:**
 - 6.1.1. subordinates are not approving transactions for their superiors, regardless of the authority level;
 - 6.1.2. segregation of duties are applied to ensure effective internal controls to reduce the risk of both erroneous and inappropriate actions.
 - 6.1.3. individuals can not be in a position to initiate and approve same action;
 - 6.1.4. 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;
 - 6.1.5. specific contract types follow the alternative signing requirements as listed in Appendix 2

7. Contract Management

- 7.1 **All contracts must be submitted through the established contract process that is managed by the Contracts Coordinator.**
- 7.2 **The Contracts Coordinator is responsible for obtaining all signatures on a contract. Departments entering into a contractual arrangement are not permitted to obtain either parties' signatures.**

- 7.3. The original signed contract shall be retained with the Contracts Coordinator.
- 7.4. All executed contracts must be retained in accordance with the *Records Classification and Handling Policy*.

8. Policy Compliance

- 8.1. Contracts made in violation of this policy are voidable and may be voided at the discretion of the President and/or appropriate Executive Officer.
- 8.2. 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.

9. Roles and Responsibilities

STAKEHOLDER	RESPONSIBILITIES
Executive Council	<ul style="list-style-type: none"> • Approve and formally support this policy
Vice-President, Finance and Administration	<ul style="list-style-type: none"> • Oversee the implementation of this policy
Contracts Coordinator	<ul style="list-style-type: none"> • Coordinate the contract process • Provides review and support • Ensure compliance with this policy •
Departments	<ul style="list-style-type: none"> • Prepare and submit contracts • Ensure compliance of policy throughout contract process • Monitor performance of third-party contractors
Legal Counsel	<ul style="list-style-type: none"> • Complete legal review as required

10. Exceptions to the Policy

- 10.1. Exceptions to the guiding principles in this policy must be documented and formally approved by the Vice-President, Finance and Administration prior to full execution of the contract.
- 10.2. Policy exceptions must describe:
 - 10.2.1. The nature of the exception
 - 10.2.2. A reasonable explanation for why the policy exceptions are required
 - 10.2.3. Any risks created by the exceptions to this policy
 - 10.2.4. Evidence of approval by the Vice-President, Finance and Administration.
- 10.3. All exception approvals must be retained with the original contract

11. Inquiries

11.1. Inquiries regarding this policy can be directed to the Contracts Coordinator.

12. Amendments (Revision History)

12.1. Amendments to this policy will be published from time to time and circulated to the community of the Institution.

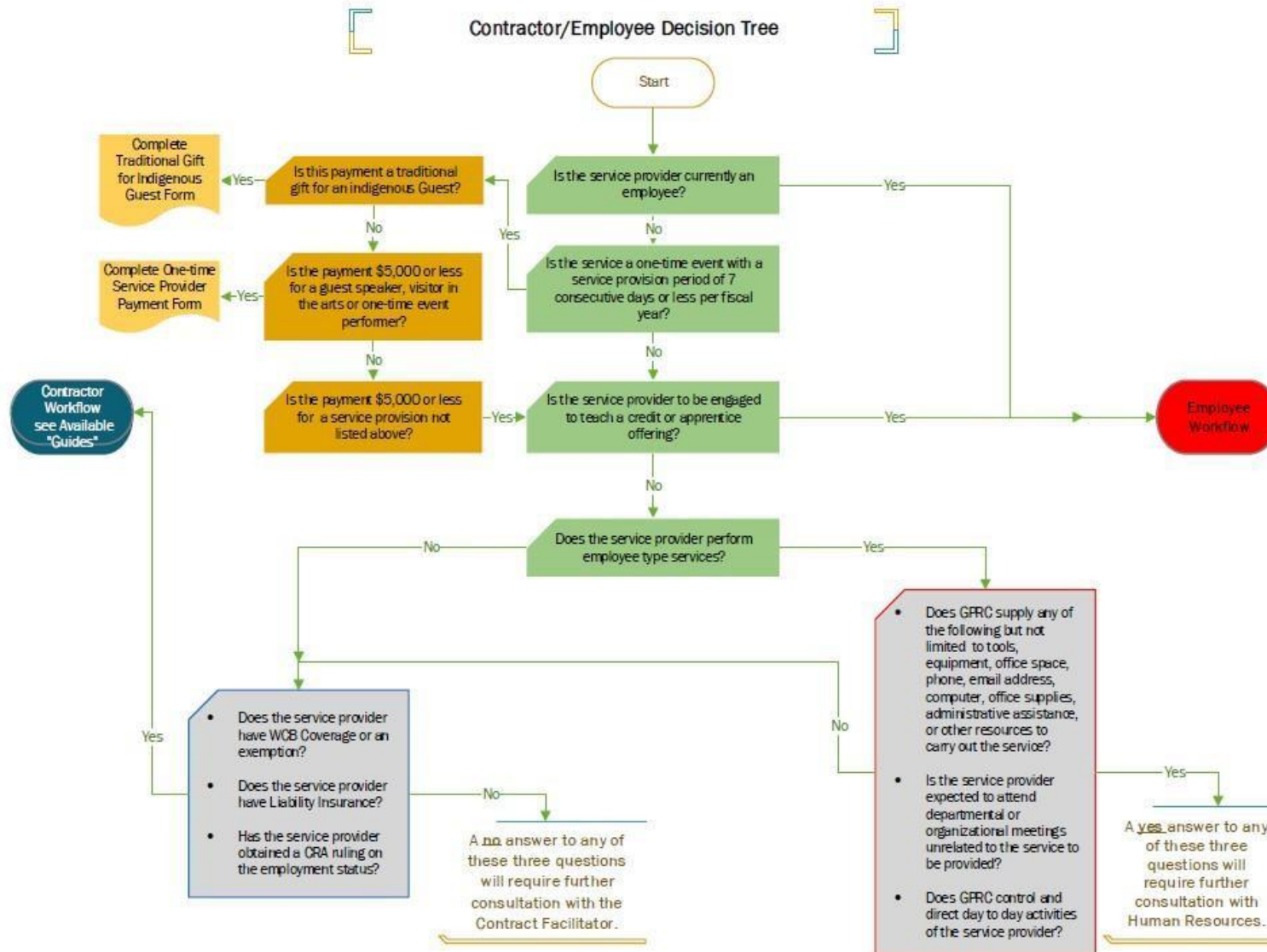
12.1.1 Appendix 2 Revised and approved 26-Feb-18.

12.1.2 Appendix 2 Revised 7-Dec-18.

12.1.3 Policy revised January 25, 2022.

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Appendix 1 – Contractor/Employee Decision Tree



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 & Vice President, Finance and Administration (with prior approval from the Board of Governors)
General Services Agreements, Capital contracts, Grant and funding agreements, sponsorships, sales contracts, etc.	Over \$100,000	President
	Up to \$100,000	Vice President (of related area)
	Up to \$75,000	Director, Facilities & Maintenance
	Up to \$25,000	Dean/Director
One-time Service Providers	Up to \$5,000	Dean/Director
Traditional gift for Indigenous Guest	Up to \$2,000	Dean/Director
Facility lease agreements – lasting more than one year and less than five years.	Over \$100,000	President & Vice President, Finance and Administration
	Up to \$100,000	Vice President (of related area) & Vice President, Finance and Administration
	Up to \$25,000	Dean/Director & Vice President, Finance and Administration
Facility Lease Agreements – lasting five years or more.		President & Vice President, Finance and Administration (with prior approval from the Board of Governors)

Document	Authority Limit	Signing Authority*
Endowment Agreements		President & Vice President, External Relations
MOU's and letters of agreement – less than 5 years		Vice President (of related area)
MOU's and letters of agreement – 5 years or more		President & Vice President (of related area)
Clinical Placements / Work Experiences		Dean/Director

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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)