CONTRACT MANAGEMENT PROCEDURE

This procedure is governed by its parent policy. Questions regarding this procedure are to be directed to the identified Procedure Administrator.

Functional Category: Finance
Parent Policy: Procurement Policy
Approval Date: November 3, 2021
Effective Date: November 3, 2021
Procedure Owner: Vice President, Administration and Chief Financial Officer
Procedure Administrator: Director, Facilities and Supply Chain

Overview:
NorQuest College (college) may enter into contracts to provide service, acquire goods and services, and for other purposes. This procedure specifies the conditions for when a contract is required and the actions associated with creating contracts.

Authority to establish this procedure is derived from the NorQuest College Board of Governor's Policy No. 5 which delegates authority to the President and CEO to establish policies and procedures for the college’s management and operation.

General Conditions
- Contracts and agreements shall not be signed until reviewed as outlined within this procedure.
- Services to be performed under any contract shall not commence and payment shall not be provided until the contract is approved and fully executed in accordance with this procedure.
- All contracts shall comply with provincial and applicable federal legislation, interprovincial trade agreements, municipal bylaws and college policies and procedures. In certain cases, the Canadian Free Trade Agreement and the New West Partnership Trade Agreement govern the procedures for bidding, bid selection, and Competitive Bid Exceptions (sole sourcing). This may include public posting of opportunities, sole sourcing and results selection.
- All expenditure, revenue and non-monetary contracts shall be submitted as a request through the NorQuest Contract Management System (CMS). Submissions shall be reviewed for approval by Supply Chain Management and approved only when all policies and procedures have been met.
- Contract amendments shall be used to formalize changes to the original contract, which may include but are not limited to amounts payable, goods and services supplied, revised terms and conditions, and due dates or extensions. Contract amendments shall not to be used to circumvent Policy, Procedure, or the need for Public/Formal tendering.
- Contracts, amendments and change orders shall be approved based on the financial value (in Canadian Dollars) and contractual term set out in the Signing Authority Policy, with a few exceptions. Please refer to the exceptions section of this procedure.
- Supply Chain Management shall be consulted prior to executing any contract amendments.
- The Code of Conduct Policy requires that employees declare any actual or potential conflict of interest as described in the Code of Conduct Policy and excuse themselves from recommending purchases or approval of purchases where a conflict or potential conflict of interest situation exists.
• All purchase value thresholds identified in this procedure exclude GST and other applicable taxes.

Exceptions
Contracts are approved based on the financial and contractual limits set out in the Signing Authority Policy, however, a few exceptions exist for the following:
• Intergovernmental agreements – President and CEO or Vice President approval.
• Leases of Real Property – CFO and Vice President of Academic approval
• Acquisition, disposition and development of land – Board of Governors approval.
• The standard review and approval process may be bypassed when Executives deem contracts to be sensitive or confidential.
• Emergencies, refer to Emergency Procedure in the Goods and Services Procurement Procedure.

<table>
<thead>
<tr>
<th>Sale of Goods or Services - Thresholds</th>
<th>Required Actions</th>
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<tbody>
<tr>
<td>Service of any value</td>
<td>Contract is required</td>
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| Purchase of Goods/Services - Thresholds | |
|-----------------------------------------| Refer to Goods and Services Procurement Procedure |

Roles and Responsibilities

Contract Request

Contract Lead
• Obtains quotes or bids as necessary. If quotes approach formal tender thresholds, contact the Supply Chain Management department for directions.
• Submits a Contract Request using the Contract Management System (CMS).
• Where appropriate, prepares and submits Contract Determination Form to the Talent unit for Fee for Service Contracts and Extension Agreements. This form is required to clarify the Employee-Employer relationship between NorQuest and the other party.
• Ensures that all stakeholder reviews have been completed and approvals are attached to the Contract Request page within the Contract Management System. Refer to the Goods and Services Procurement Procedure for more information on Stakeholder reviews.
• Attaches all supporting documentation to the Contract Request form (quotes, Approved Competitive Bid Exception Form (if required), Contract Determination Form, insurance certificates, WCB). These documents shall comply with college policies and procedures, and Federal, Provincial, and local laws and regulations, including FOIP.

Review Contract
Supply Chain Management, or Payroll Department for Extension Agreements.
• Reviews contracts and supporting documents for compliance with college policies, procedures, trade agreements and insurance requirements.
• Approves for compliance and issues for required legal review.
Talent

- Where appropriate, reviews for employee-employer relationships, confirmation of appropriate contract type, contract review and staffing impact.

Legal Review

- To ensure that the college’s interests are protected, a legal review is required in the following circumstances and where otherwise deemed appropriate:
  - NorQuest contract template has been significantly modified,
  - A non-standard or third-party contract template is used;
  - The first industry-wide approved template goes for legal review, and all subsequent uses of that template do not go forward for legal review; or,
  - Real estate matters.
- Exceptions for legal review:
  - Contracts that are non-binding and do not have a dollar value associated with them. This includes Memorandums of Understanding (MOU) and Letters of Intent (LOI). A non-binding clause is mandatory for these types of agreements.
  - Contracts on government templates
  - Contract amendments on a third-party template where a legal review was completed in the original contract, and no changes are being made to the contract terms and conditions.
- The college’s Corporate Counsel, the President and CEO, Vice President, or an Associate Vice President may, at their discretion, choose to waive legal review. An email attachment or note in CMS is required to waive legal review.

Contract Signature

- Supply chain management will send the contract through CMS for electronic signature to both internal and external parties as per the Signing Authority Policy.
  - The initiating party should sign last. If the college creates the contract, a college appropriate Signing Authority will sign the contract after the other party.
- Once signed by both parties, a digital copy of the contract shall be saved within CMS and automatically sent to both signatories. This authorizes the commencement of work.
- While Supply Chain Management is the official custodian of contract files regardless of the monetary exchange, the Contract Lead shall be responsible to maintain accurate financial records for the duration of the contract term.

Payment Processing

- Invoices shall be sent directly to Accounts Payables at: Accountspayables@norquest.ca. The contract number shall be referenced on the invoice or Cheque Request and the invoice or Cheque Request is sent to Accounts Payable in a timely manner.
- When the withholding of funds is appropriate, the Contract Lead shall be responsible to communicate the amount to be withheld to Accounts Payables.
- When requesting a final contract payment, the Contract Lead shall note on the invoice or Cheque Request that such payment is a “Final Payment”.
- Contract Leads shall track invoices against value of the contract, and ensure that contract value or target agreement pricing is not exceeded.
Definitions:

**Canadian Free Trade Agreement**: Canada’s internal trade framework for the flow of goods and services, investment and labour mobility. It requires all bids and awards for Goods and or Services of $100,000 or more and Construction contracts of $250,000 to be publicly posted to the Alberta Purchasing Connection.

**Contract**: a legally binding agreement for a party to provide goods or services to the other party, in exchange for payment or other form of consideration, subject to terms and conditions.

**Contract Amendment**: a document used to amend or make changes to the original contract.

**Contract Lead**: the individual responsible to document and execute contract in compliance with College Policies and Procedures, monitor contract performance and associated budget spend. Contract Leads shall ensure that all college obligations are met as specified in the contract terms.

**Contract Management System**: an electronic system that automates the creation, tracking, signing, and monitoring of contracts and agreements.

**New West Partnership Trade Agreement**: An agreement between the Alberta, British Columbia, and Saskatchewan governments guaranteeing access to each other’s market. It requires publicly posted competitive processes for purchases of goods or services of $75,000 or more, and construction contracts of $200,000 or more.

**Senior College Official**: includes members of the NorQuest College Board of Governors, President and CEO, Vice Presidents, and Chiefs.

Related NorQuest College Information:
- Code of Conduct Policy
- Competitive Bid Exception (CBE) Form (Contact Supply Chain Management)
- Continuing Education Agreement Control Form
- Contract Control Form
- Contract Determination Form
- Contract Management Framework
- Goods and Services Procurement Procedure
- Procurement Policy
- Signing Authority Policy

Related External Information:
- Canadian Free Trade Agreement
- New West Partnership Trade Agreement

Next Review Date: May 2025

Revision History:
- February 2014: New
- March 2014: updated requirements for construction quotes
- November 2014: update for document links
- July 2015: update document standards, document links and next review date
- June 2018: reviewed as per the Policy and Procedure. Updated for changes to Extension Agreements process as well as threshold re-alignments
- November 2019: updated for threshold re-alignments and CFTA requirements
- August 2019: Compliance Office template & reorganization update
October 2021: updated document to incorporate the new Contract Management System