



Contracts

Policy No.:	2501
Category:	Finance
Approving Body:	Policy Review Team
Executive Division:	Leadership Team
Department Responsible:	Supply Management
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Policy Statement

BCIT shall ensure, in all of its business dealings conducted through the use of a legally binding contractual agreement, that:

1. The agreement is properly documented in writing.
2. The parties to the contract are able to meet their obligations within the terms of the document. While this applies to all of BCIT's obligations, in recognition of the nature of BCIT's activities, BCIT will be particularly vigilant in its management of intellectual property, confidentiality, and privacy issues.
3. The appropriate level of approval has been obtained for the contract.
4. Staff are aware of the financial and non-financial benefits and obligations which result from the documented contract.
5. Staff comply with all BCIT policies, guidelines, and procedures relevant to a given transaction, including, but not limited to: purchasing policies, intellectual property requirements, indemnifications and insurance, employment standards, collective agreements, and educational policies.

Purpose of Policy

The purpose of this policy is to communicate the principles and behaviours that BCIT employees are expected to demonstrate when carrying out BCIT business transactions through legally binding contractual agreements.

Scope

This policy applies to all types of contracts with the following exceptions:

- Contracts related to employee hiring
- Student contracts which are covered by Procedure 5100-PR1 "Student Reports/Student Performance Contracts"

Table of Contents

Policy Statement	1
Purpose of Policy	1
Scope	1
Application of this Policy	2
Related Documents and Legislation	2
Definitions	2
Duties and Responsibilities	3
1. Role of Contracts Manager	3
2. Legal Advice	3
3. Contract Repository	3
4. Contract Signing Authorities	3
Procedures Associated With This Policy	7
Forms Associated With This Policy	7
Amendment History	8
Scheduled Review Date	8

Application of this Policy

This policy applies to all BCIT employees.

Related Documents and Legislation

The College and Institute Act, (RSBC 1996, c52):

Authority of Board of Governors and President

Pursuant to Section 36 of the *act*, the Board of Governors has the authority to appoint a President to exercise the authorities specified by the Board. The President may, without the prior approval of the Board, execute contractual commitments of up to \$1 million. This delegation may be changed at the discretion of the Board, and this policy will be amended to reflect any such change.

Definitions

Contract: a written agreement between two or more parties that creates obligations that are enforceable or otherwise recognizable at law.

For example, some of the most common types of contractual documents at BCIT are:

- Revenue Contracts
- Purchase Orders, and their attached documents (maintenance agreements etc.)
- Memoranda of Understanding (MOU's)
- Affiliation Agreements
- Articulation Agreements
- Non-disclosure Agreements (NDA's)
- Educational Partnerships
- Property Leases
- Intellectual Property Agreements

Revenue Contract: a contract or agreement whereby BCIT will receive funds for any reason. Examples of Revenue Contracts are Industry Service Agreements, Research Grants, Facility Access Agreements, Facility Rental Agreements, property leases, and Donation Agreements.

Research Contract: a Revenue Contract arising from dealings with specific funding agencies identified in Procedure 2501-PR1 Contract Preparation.

Expenditure Contract: a BCIT Purchase Order, with any attachments, or any other agreement whereby BCIT commits to purchase or rent or lease any goods, services, or real property.

Duties and Responsibilities

1. Role of Contracts Manager

This position provides services and guidance to the campus community in relation to the identification, qualification, and execution of external business opportunities. Duties include:

- (a) Guiding the negotiation, assessment, creation, maintenance, and management of contracts to ensure that they represent the optimal outcome for BCIT in terms of financial, educational, and strategic objectives
- (b) Review of contracts as specified by BCIT policies to ensure that no inordinate legal, financial, or operational risks are presented
- (c) Development and implementation of a contract management procedure to ensure that appropriate staff are aware of the financial and non-financial benefits and obligations in contracts so that BCIT may optimize its performance and financial return.
- (d) Providing administrative services required to expedite, manage, and report on BCIT contracts so that information is readily available for developing cost-effective and efficient strategies and procedures.

2. Legal Advice

Staff wishing to seek legal advice pertaining to contracts require the approval of the initiating Vice President and the Vice President, Finance and Administration, prior to contacting any legal advisors.

3. Contract Repository

The originals of all executed contractual documents are to be retained by the Contracts Manager in the BCIT Contract Repository (vault), and electronically inventoried in both the BCIT Records Management System and the Contract Management Database.

4. Contract Signing Authorities

Delegation of Authority

Employees authorized to sign contractual commitments may delegate their signing authority, in their absence and for a specified period of time, to responsible nominees subject to the following restrictions:

- The delegated authority must be formally documented by e-mail or in written form.
- The authorized dollar limits shall not exceed the normal limits set out for the original signing officers.

Revenue Contracts

Revenue contracts must be authorized as follows:

Dollar Amount	Recommend contract for signature	Mandatory review	Sign contractual document
Over \$1,000,000	1. Initiating VP 2. VP Finance and Admin.	Contracts Manager (Finance)	1. Board of Governors* 2. President
Up to \$1,000,000	1. Initiating Dean/Director 2. Initiating VP	Contracts Manager (Finance)	1. President 2. VP-Finance & Admin.
Up to \$500,000	Initiating Dean/Director	Contracts Manager (Finance)	1. VP-Finance & Admin. 2. Initiating VP
Up to \$50,000	Initiating Associate Dean/Director	Contracts Manager (Finance)	Initiating Associate Dean/Director
Up to \$5,000	n/a	Not required**	Initiating Associate Dean/Director
<p>* The Board of Governors must approve all contracts over \$1,000,000. Upon written approval by the Board of Governors, the President may sign the contractual document.</p> <p>** Contracts under \$5,000 do not require review by the Contracts Manager if they contain BCIT standard terms and conditions with no modifications or additions.</p>			

Research Contracts

Research contracts must be authorized as follows:

Dollar Amount	Recommend contract for signature	Mandatory review	Sign contractual document
Over \$1,000,000	1. Initiating VP 2. VP Finance and Admin.	VP-Education Contracts Manager (Finance)	1. Board of Governors 2. President
Up to \$1,000,000	1. Initiating Dean/Director 2. Initiating VP	VP- Education Contracts Manager (Finance)	1. President 2. VP-Finance & Admin.
Up to \$500,000	Initiating Dean/Director	VP- Education Contracts Manager (Finance)	1. VP-Finance & Admin. 2. VP-Research
Up to \$50,000	Initiating Associate Dean/Director	VP- Education Contracts Manager (Finance)	Initiating Associate Dean/Director

Expenditure Contracts

Expenditure Contracts must be authorized as follows:

Dollar Amount	Mandatory Review **	Required Signature
Over \$1,000,000	Contracts Manager (Finance)	Board of Governors *
Up to \$1,000,000	Contracts Manager (Finance)	President
Up to \$500,000	Contracts Manager (Finance)	VP Finance and Admin.
Up to \$250,000	Contracts Manager (Finance)	Director Supply Mgmt or Assistant Director Supply Mgmt
Up to \$75,000	Contracts Manager (Finance)	Senior Buyer
Up to \$50,000	Contracts Manager (Finance)	Buyer

Purchase Orders must only be issued after a Purchase Requisition (PR) has been prepared and approved pursuant to relevant Purchasing policies and procedures.

* The Board of Governors must approve all contracts over \$1,000,000. Upon written approval by the Board of Governors, the President may sign the contractual document.

** Expenditure Contracts do not require review by the Contracts Manager if they contain only BCIT standard terms and conditions with no modifications or additions.

Non-Monetary Contracts

Non-Monetary Contracts must be authorized as follows:

	Type of Agreement	Recommend contract for signature	Mandatory Review *	Sign Contractual Document
1	Non-Disclosure Agreements	Initiating Dean/Director	Contracts Manager (Finance)	Initiating Dean/Director
2	Affiliation Agreements	Initiating Dean/Director	Contracts Manager (Finance)	Initiating Dean/Director
3	Memoranda of Understanding (MOU's)	Initiating Dean/Director	Contracts Manager (Finance)	Initiating Dean/Director
4	International Memoranda of Understanding (MOU's)	Initiating Dean/Director	Contracts Manager (Finance)	Vice President-Education
5	Letters of Intent	Initiating Dean/Director	Contracts Manager (Finance)	Initiating Dean/Director
6	Articulation Agreements	Initiating Dean/Director	Contracts Manager (Finance)	Initiating Dean/Director
7	Educational Partnerships	Initiating Dean/Director	Contracts Manager (Finance)	Vice President-Education or President
8	Sponsorship Agreements (non-monetary)	Initiating Dean/Director	Contracts Manager (Finance)	Vice President-Education or President
9	Significant Agreements **	Initiating Dean/Director VP Finance and Admin.	Contracts Manager (Finance)	President

Non-Monetary Contracts – Notes

*** Mandatory Review**

- (a) The Contracts Manager must review and approve all documents that deviate from approved templates.
- (b) The Contracts Manager’s approval is not required for documents prepared from approved BCIT templates with no modifications.

**** Significant Agreements**

These are agreements that may pose extraordinary risks or have a substantial impact on BCIT. Examples of significant agreements are listed below.

The list reflects some areas of particular concern that call for diligence by everyone within BCIT involved with the transaction. Before BCIT enters into any significant agreement, there must be appropriate documented review and approval of the proposed transaction, including reference to BCIT external legal counsel wherever applicable.

Compliance with these guidelines requires prudent professional judgment in the context of risk management obligations. Note that the dollar value of a contract is not necessarily an accurate measure of the risk associated with it.

Examples of significant agreements include:

1. Agreements with respect to the acquisition and disposal of real property or other substantial assets of BCIT.
2. Agreements in regard to the licensing, sale, or other disposition of BCIT technology or intellectual property.
3. Agency agreements for activities in other countries. Such activities can have an impact not only on BCIT but also on the BC or Canadian governments due to legislative requirements and political sensitivities.
4. Agreements that have statutory, regulatory, certification, or export control implications.
5. Agreements or arrangements that can in any way be interpreted as limiting competition or restraining trade, according to competition legislation (Agreement on Internal Trade [AIT], North American Free Trade Agreement [NAFTA], or the General Agreement on Tariffs and Trade [GATT]).
6. Agreements that by their nature require review by specialized groups such as Tax, Finance, Risk Management, Insurance, or Industrial Relations.
7. Agreements where BCIT is entering into a joint venture, partnership, or similar legal relationship with another institution or private company, particularly if the other entity is outside Canada.
8. Agreements entered into by BCIT where, as a marketing strategy, there is reference to a significant BCIT partner or the BC government, thereby possibly exposing either or both to liability.

Procedures Associated With This Policy

Procedure 2501-PR1, Contract Preparation
Procedure 5100 –PR1, Student Reports/Student Performance Contracts
Policy 2002, General Expenditures
Policy 2003, Purchase of Operating Goods or Services
Policy 2004, Capital Asset Expenditures
Policy 2020, Current Restricted funds
Policy 3007, Major Capital Projects
Policy 7000, Gifts-in-kind/ Donated Equipment
Policy 7002, Corporate sponsorship
Policy 6700, Freedom of Information and Protection of Privacy and associated Procedures
Policy 6701, Records Management and associated Procedures
Policy 7506, Corporate Sponsorship
Policy 6701, Records Management
Policy 7506, Copyright Compliance and associated Procedures
Policy 5050, International Education
Policy 6500, Research Ethics for Human Subjects and associated Procedures
Policy 6600, Integrity in research
Policy 6601, Intellectual Property and associated Procedures
Policy 7512, Occupational Health and Safety and associated Procedures

Forms Associated With This Policy

Refer to Procedure 2501-PR1, Contract Preparation

Amendment History

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|---------------|-------------|
| 1. Created | 1989 Feb 15 |
| 2. Revision 1 | 1998 Mar 02 |
| 3. Revision 2 | 2009 Nov 09 |

Scheduled Review Date

2014 Nov 09