
Contracts

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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"

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Application of this Policy

This policy applies to all BCIT employees.

Related Documents and Legislation

Legislation

College and Institute Act, RSBC 1996, c 52:

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 and up to \$3 million for capital construction related contracts. This delegation may be changed at the discretion of the Board, and this policy will be amended to reflect any such change.

BCIT Policies

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, Gift Acceptance
 Policy 7002, Corporate Sponsorship
 Policy 6700, Freedom of Information and Protection of Privacy and associated Procedures
 Policy 6701, Records Management and associated Procedures
 Policy 7002, Corporate Sponsorship
 Policy 6701, Records Management
 Policy 7506, Use of Materials Protected by Copyright and associated Procedures
 Policy 5050, International Education
 Policy 6500, Research Ethics for Human Participants and associated Procedures

Policy 6600, Integrity in Research
Policy 6601, Intellectual Property and associated Procedures
Policy 7150, Occupational Health and Safety and associated Procedures

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, Administration & CFO, 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 (with the exception of Property Leases) 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 Admin. & CFO	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 Admin. & CFO
Up to \$500,000	Initiating Dean/Director	Contracts Manager (Finance)	1. VP Admin. & CFO 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

* 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.

** 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.

Property Leases

Property lease approval, for campuses with an Audit and Finance Committee approved leasing strategy, are authorized as follows:

Lease Terms	Recommend contract for signature	Mandatory review	Sign contractual document
Greater than 10,000 square feet	Director, Corporate Services	Contracts Manager, Corporate Services & Financial Services	Board of Governors*
<ul style="list-style-type: none"> Market competitive Maximum 10-year term (may include a 1 to 5 year renewal option) covenant review financial viability; market competitive rate and terms up to 10,000 sq. ft. 	Director, Corporate Services	Contracts Manager, Corporate Services & Financial Services	1. Director, Corporate Services 2. VP Admin. & CFO

* The Board of Governors must approve all contracts over 10,000 sq. ft. Upon approval by the Board of Governors, the President and VP Admin. & CFO may sign the contractual document.

** Leasing offers exceeding 10,000 sq. ft. will be referred to the Board of Governors for approval.

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 Admin. & CFO	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 Admin. & CFO
Up to \$500,000	Initiating Dean/Director	VP Education Contracts Manager (Finance)	1. VP Admin. & CFO 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 Admin. & CFO
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.		

Capital Construction Contracts

Defined as, expenditure contracts related to the construction, renewal, renovation, restoration and replacement of building structure and other physical infrastructure and any parts thereof. This includes related contracts for professional consulting, project delivery and trade contractor services.

Capital Construction Contracts are authorized as follows:

Dollar Value	Recommend for Signature	Mandatory Review	Sign Contractual Document
Over \$3,000,000	VP Admin & CFO	President Dir., Corp. Services Sr. Dir., FCD	Board of Governors*
Up to \$3,000,000	Sr. Dir., FCD	Dir., Corp. Services Director, Finance	President and VP Admin & CFO
Up to \$1,500,000	Sr. Dir., FCD	Dir., Corp. Services	VP Admin & CFO And 1 of the following: Dir. Corp. Services; Dir. Finance; or
Up to \$500,000	Dir., Projects Asst. Dir., Corp. Services (Purchasing)	Asst. Dir., Corp. Services (Purchasing)	Sr. Dir., FCD and Dir., Corp. Services
Up to \$250,000	Buyer Project Manager	Asst. Dir., Corp. Services (Purchasing)	Dir., Projects and Asst. Dir., Corp. Services (Purchasing)

Purchasing Protocols for Construction Consultant Related Contracts > \$3 Million

Negotiated Request for Proposal ("NRFP") processes will use a defined award criteria for professional consulting and project delivery services.

Award criteria for professional services design services will include, but not be limited to, categories such as project preplanning, project work plan, project team with a suggested minimum of 30 percent for fees/overall cost.

Award criteria for project delivery services (Construction Management) will include, but not be limited to, categories such as company history, team experience, and approach/schedule with a minimum of 30% for fees/overall cost.

NRFP and ITT processes will comply with BCIT Purchasing Policy 2003, Provincial/Federal legislation, trade treaties and applicable guidelines, recognizing BCIT's obligations as a public sector entity to engage in fair and transparent procurement processes.

The Board of Governors will authorize all contracts over \$3,000,000. Upon approval by the Board of Governors, the President (or designate) and VP Admin & CFO (or designate) may sign the contractual document.

A. Projects Greater than \$10,000,000

For overall construction projects with total budget estimates exceeding \$10,000,000, the Audit and Finance Committee (AFC) will review and recommend to the Board of Governors in the following manner.

Step 1: Authorization of contracts related to Design and Construction documentation

Prior to initial project review by the Audit and Finance Committee:

1. Staff must present a Class D estimate for the project that is within the value of the Ministry Certificate of Approval (COA) received for the project and,
2. The designated BCIT Project Steering Committee must provide a recommendation to proceed with the project.

Audit and Finance Committee will consider authorizing for staff to proceed with an appropriate competitive procurement process related to design and construction documentation pursuant to Purchasing Policy 2003 and award of a contract pursuant to such procurement.

Staff will provide updates related to project scope, schedule, and budget, including Class C and B estimates to the AFC at regularly scheduled meetings and/or to a special AFC meeting if there is a material matter to consider.

Step 2: Authorization of contracts, estimated to be more than \$3,000,000, related to Construction

Prior to authorization to proceed with a competitive procurement process related to the construction of the project by the Audit and Finance Committee:

1. Staff must present a Class A estimate for the project that is within the value of the Ministry Certificate of Approval (COA) received for the project,
2. The designated BCIT Project Steering Committee must provide a recommendation to proceed with such a procurement and the project's construction and,
3. Staff must confirm that the Ministry's approval to commence procurement of a construction contractor has been received.

Audit and Finance Committee will consider authorizing for staff to proceed with an appropriate competitive procurement process related to construction pursuant to Purchasing Policy 2003 and award of a contract pursuant to such procurement up to the value of the COA and Class A estimate.

Staff will provide updates related to project scope, schedule, and budget to the AFC at regularly scheduled meetings and/or to a special AFC meeting if there is a material matter to consider.

B. Projects Less Than \$10,000,000

For overall construction projects with total budget estimates less than \$10,000,000, the Audit and Finance Committee (AFC) will review and recommend to the Board of Governors in the following manner.

Step 1: Authorization of contracts related to Design and Construction documentation

Prior to staff proceeding with a competitive procurement process related to design and construction documentation, they will:

1. Prepare a Class D estimate for the project.

Staff will proceed with an appropriate competitive procurement process related to design and construction documentation pursuant to Purchasing Policy 2003 and award of a contract pursuant to such procurement.

Step 2: Authorization of contracts, estimated to be more than \$3,000,000, related to Construction

Prior to authorization to proceed with a competitive procurement process related to the construction of the project by the Audit and Finance Committee, the CFO or delegate must:

1. present a Class A estimate for the project and,
2. provide a recommendation to proceed with such a procurement and the project’s construction.

Audit and Finance Committee will consider authorizing for staff to proceed with an appropriate competitive procurement process related to construction pursuant to Purchasing Policy 2003 and award of a contract pursuant to such procurement up to the value of the Class A estimate.

Staff will provide updates related to project scope, schedule, and budget to the AFC at regularly scheduled meetings and/or to a special AFC meeting if there is a material matter to consider.

Non-Monetary Contracts

Non-Monetary Contracts must be authorized as follows:

	Type of Agreement	Recommend contract for signature	Mandatory Review *	Sign Contractual Docum
1	Non-Disclosure Agreements	Initiating Dean/Director	Contracts Manager (Finance)	Initiating Dean/Director
2	Workplace Education 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 or Educational Affiliation Memoranda of Understanding (MOU's)	Initiating Dean/Director	Contracts Manager (Finance)	Vice President-Academic
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 Affiliation Agreements	Initiating Dean/Director	Contracts Manager (Finance)	Vice President-Academic
8	Sponsorship Agreements (non-monetary)	Initiating Dean/Director	Contracts Manager (Finance)	Vice President-Academic
9	Significant Agreements **	Initiating Dean/Director VP Admin. & CFO	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

Forms Associated With This Policy

Refer to Procedure 2501-PR1, Contract Preparation

Amendment History

		<u>Approval Date</u>	<u>Status</u>
1.	New: Policy 2501 version 1	1989 Feb 15	Replaced
2.	Revision: Policy 2501 version 2	1998 Mar 02	Replaced
3.	Revision: Policy 2501 version 3	2009 Nov 09	Replaced
4.	Revision: Policy 2501 version 4	2016 Apr 28	Replaced
5.	Revision: Policy 2501 version 5	2019 Jun 25	Replaced
6.	Revision: Policy 2501 version 6	2020 May 26	In Force

Scheduled Review Date

2025 May 26