



<b>Policy Number:</b>	<b>GC-4002-2020</b>
<b>Policy Title:</b>	<b>Contract Management Policy</b>
<b>Policy Owner:</b>	<b>General Counsel and Corporate Secretary</b>
<b>Effective Date:</b>	<b>February 14, 2020</b>
<b>Last Revised:</b>	<b>N/A</b>

### **1. Purpose**

The College enters into Contracts with external parties for a variety of purposes, including, but not limited to, obtaining goods and services, funding, and student placements. This Policy outlines the roles and responsibilities of those involved in the contract management process, establishes controls required to manage contractual risk, and provides procedures for the development and review of Contracts.

### **2. Application and Scope**

This Policy applies to all Contracts, Amendments and Renewals that the College enters into with external parties. Exceptions to the policy include: employment agreements and College approved templates such as Rental Agreements for College premises, Student Placement Agreements, Non-Disclosure Agreements, etc. as long as they have not been materially changed or modified.

This policy applies to all employees at the College who are involved in the initiation, administration or management of Contracts at the College.

### **3. Definitions**

**“Authorized Signing Officer”** means 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 Officer may also be referred to as ‘legal signing authority’, ‘binding signing authority’ and ‘designated signing authority’. The Authorized Signing Officer is different from the Purchasing Approval Level as defined by CS-1202-2011 *Purchasing Policy*.

**“Contract”** means an agreement, intended to be legally binding, between the College and one or more parties, made in writing, and that addresses the delivery/receipt of goods, services or benefits in exchange for financial or other consideration, subject to terms and conditions. For the purposes of this Policy, a Contract also includes certain non-binding agreements, such as Memorandum of Understanding, which are intended to describe certain commitments entered into by the College with other parties that are not intended to create a legally binding Contract.

**“Contract Amendment”** means a document used to amend a Contract.

**“Contract Designate”** refers to a person, designated by a Senior Leadership Team (SLT) member, to manage the administration of Contracts in the area in which that SLT member has jurisdiction, and who acts as the primary contact person for any Contract-related questions in that area.

**“Contract Review Process”** refers to the established process, established by this Policy, for the development, review and signature of Contracts.

**“Department Head”** means a reporting Chief, Dean, Executive Director, Registrar or equivalent that can make the business decisions for their respective department.

**“Financial Manager”** means the person that has responsibility over the financial resources of a department.

**“Monetary Contract”** means a Contract that has a specific dollar amount as consideration for goods and services or a funding award, and includes Contracts that do not have an initial dollar amount but may have a financial commitment, or a future financial commitment, such as a donation or a gift-in-kind, a revenue share or a profit participation or a risk of a monetary loss or penalty.

**“Non-Monetary Contract”** means a Contract that has no specific monetary value. Examples include standard form confidentiality agreements and most student placement agreements.

**“Pre-contractual Agreements”** means written agreements not intended to be legally binding which may include letters of intent, memorandums of understanding or other similar documents, and which may lead to a Contract.

**“Renewal”** is an extension of an existing Contract or a new Contract entered into at the completion of the term of an original or renewed Contract.

**“RFX”** is one of the most common acronyms in the strategic sourcing and procurement landscape and is a catch-all term that captures all references to Request for Information (RFI), Request for Proposal (RFP), Request for Quote (RFQ) and Request for Bid (RFB).

#### **4. Principles**

Contractual arrangements with individuals or organizations external to the College may benefit the College by increasing access to resources, enhancing the College’s public profile, and providing opportunities for employees and students.

Consequently, it is imperative to ensure the College’s contracting processes and standards are consistent, transparent and financially sound, and to provide a system of internal controls to balance efficiency with operational and financial risk.

#### **5. Accountability and Compliance**

## **5.1 Accountability Framework**

The policy has been approved by the Senior Leadership Team (SLT).

## **5.2 Compliance**

The office of the General Counsel and Corporate Secretary will be responsible for monitoring compliance with this policy and updating it as required.

## **6. Roles and Responsibilities**

### **6.1 The Department Head**

The Department Head is responsible for:

- Initiating the development and review of all new and existing Contracts;
- Informing SLT and Mohawk Executive Group of intentions to enter into Contracts with external parties and securing approval prior to the submitting the Contract through the Contract Review Process;
- Ensuring that all Contracts are implemented according to internal policies and procedures and Ministry requirements, as applicable (see Due Diligence, section 8.2.2);
- Reviewing all Contract provisions and ensuring that they are in the best interests of the College and negotiating with external parties as required;
- Periodically reviewing existing Contracts to ensure that the relationship is still in the best interests of the College and that the College and/or external parties are in compliance with terms; and
- Resolving contractual disputes (with assistance, where necessary or appropriate, from the General Counsel).

### **6.2 The Contract Designate**

The Contract Designate is responsible for:

- Acting as the primary point of contact for departmental Contract inquiries and requests by liaising with the Department Head and others as necessary;
- Initiating the Contract Review Process in accordance with direction from the Department Head;
- Completing the Contract Review Form and attaching the Contract and all appropriate documentation (see Due Diligence, section 8.2.2);
- Working with the Contract Administrator, Advising Legal Counsel, Finance Department and Department Head to implement any required changes;
- Facilitating the signing of the Contract;
- Requesting certificates of insurance from the Contract Administrator, if required; and
- Completing records retention and tracking requirements.

### **6.3 Contract Administrator**

The Contract Administrator is responsible for:

- Determining if, with respect to a Contract, there are existing Contracts with the same external party on the same subject matter that may remain in effect;
- Coordinating review for Contracts that are pre-routed;

- Reviewing all Contracts submitted through the Contract Review Process;
- Developing and reviewing College Contract templates and ensuring that terms are in the best interests of the College;
- Advising Contract Designates and Department Heads on the Contract Review Process and all Contract related inquiries;
- Maintaining the inventory of Contracts and requesting updates according to an established schedule; and
- Collaborating with the Department Head, Contract Designate and Advising Legal Counsel to develop new Contracts where templates are not applicable.

#### **6.4 Advising Legal Counsel**

The Advising Legal Counsel is responsible for:

- Providing legal advice on complex Contract matters;
- Reviewing Contracts for compliance with applicable law; and
- Assessing risk where a Contract departs materially from standard provisions, is over \$100,000 in value, is over one year in length, or relates to a College strategic priority.

#### **6.5 Finance**

Finance is responsible for reviewing monetary Contracts for:

- Budget implications;
- Funding source;
- Accounting implications;
- Embedded derivatives;
- Tax receipting; and
- Credit risk.

#### **6.6 The Chief Financial Officer**

The Chief Financial Officer is responsible for:

- Confirming that all of the above Finance responsibilities were completed;
- Ensuring that the *Purchasing Policy* is followed;
- Ensuring that there is budget available for the Contract;
- Ensuring that the CIO is aware of any IT-related Contracts;
- Keeping track of any financial reporting requirements;
- Checking that funding agreements are for the expected amount; and
- Performing a final review of a Contract before the Authorized Signing Officer signs.

#### **6.7 Authorized Signing Officer**

An Authorized Signing Officer is responsible for:

- Confirming that the relationship is in the best interests of the College prior to the Department Head initiating the Contract Review Process;
- Working with the Department Head as required to review and revise contractual terms;
- Signing all monetary Contracts on behalf of the College except where Board of Governors approval is required;

- Bringing Contract-related legal issues to the attention of the General Counsel, or escalating Contract-related issues to the President, as appropriate; and
- Overall performance of the Contract.

Only Authorized Signing Officers legally empowered to sign on behalf of the College can commit the College by Contract unless their authority has been properly delegated in writing, or a Dean or Chief is authorized to sign a Non-Monetary Contract.

## **7. General Contractual Requirements**

All new and existing Contracts must adhere to the following:

- a) the College's name and the other parties' name must be the full legal name;
- b) the College is the first party to sign the Contract;
- c) only the Contract Designate can initiate the Contract Review Process;
- d) the Contract must be in the best interests of the College;
- e) all Contracts entered into must be made in writing;
- f) Contracts over \$25,000 or for Consultants must go through the RFX process in accordance with the *Purchasing Policy*;
- g) where possible, College approved templates, as reviewed and approved by the Office of the General Counsel and Corporate Secretary, should be used as the basis for drafting all Contracts and can be found at a designated site and accessible via the Contract Designate;
- h) ensure the Contract complies with the requirements of Section 28 of the Financial Administration Act (Ontario) and directives of the Ministry of Colleges and Universities relating to that legislation; and
- i) every effort should be made to ensure that no payments are made by the College to external parties in accordance with the terms of a Contract until the Contract is signed by all parties to the Contract.

## **8. Contract Review**

### **8.1 Pre-Routing**

New or proposed external Contracts must be provided to the Contract Administrator by e-mail prior to entering the review process.

If the Department Head or Contract Designate is concerned about any of the terms of the Contract, or requires a specific clause or language, it may be provided to the Contract Administrator for input and review.

### **8.2 Contract Review Process**

Before the Contract enters into the Contract Review Process, the Contract Designate should determine how to route the Contract by referring to Attachment 1 - Contract Review Process Flowchart.

The following steps are aligned with the requirements indicated on the Contract Review Form.

#### 8.2.1 Stage 1: Contract Review Initiation

Prior to entering into a Contract or presenting a Contract for review, the Department Head must ensure that the Contract has been read and its terms are understood (including all referenced schedules/appendices or other documents) and the Contract has been reviewed and approved as set out in this Policy.

The review process should be initiated well in advance of the Contract term to accommodate review, potential consultations and other approval processes before services are rendered.

Before initiating the Contract Review Process, the Department Head must ensure that:

- a) the Contract is consistent with the College's strategic plan, annual budget, and supports the College's mandate;
- b) the Contract is operationally feasible and it is fiscally responsible to enter into the Contract;
- c) the Contract is required and there are no existing internal resources available to address Contract need;
- d) Contract language is clear and consistent and accurately reflects the intent, business proposition, terms and discussions;
- e) the Contract is in a final form including all required information;
- f) all Contract terms have been agreed upon by all parties;
- g) there are sufficient human, physical and financial resources to meet the College's obligations under the Contract;
- h) the Contract is not in violation of any College policies or guidelines, including the *Purchasing Policy*, Collective Agreements or other obligations of the College;
- i) any arrangement with the purpose of creating a legally binding Contract must be approved and signed by the Authorized Signing Officer authorized to enter into a Contract of that type; and
- j) Contracts involving unusual or significant risk exposure (financial, reputational or otherwise) to the College, precedent-setting issues or controversial matters, or which might bring the College under public scrutiny, regardless of value, must be brought to the attention of the MEG member, as appropriate.

Once the above conditions are satisfied by the Department Head, the Contract Designate will complete the Contract Review Form and submit the Contract and applicable documents to the Contract Administrator.

### 8.2.2 Stage 2: Due Diligence

Contracts that enter the Contract Review Process must have the following due diligence completed:

- a) ensure that all documents referred to in the Contract are attached (i.e. original agreement, previous renewals, schedules, appendixes, etc.);

- b) ensure Purchasing has been consulted if the Contract is over \$25,000 or an consultant agreement;
- c) ensure the IT governance group has been consulted if there are any IT implications;
- d) ensure the Contract complies with any applicable College policies and procedures;
- e) ensure the Contract complies with the requirements of Section 28 of the Financial Administration Act (Ontario) and directives of the Ministry of Colleges and Universities relating to that legislation;
- f) ensure that Finance has been contacted prior to routing if the Contract has any budgetary or financial implications.

### 8.2.3 Stage 3: Approvals

Contracts that enter the Contract Review Process must be reviewed and approved by the Contract Administrator, Advising Legal Counsel and Finance Department. Once reviewed and approved, the Contract will be submitted to the Authorized Signing Officer for final review and signature of the Contract.

Wherever possible, Contracts should be signed by a College Authorized Signing Officer prior to being submitted for the external party's signature. As such, once a Contract is signed by a College Authorized Signing Officer, the Contract Designate or Department Head must submit to the external party(ies) for signature.

## **9. Contract Completion**

Once the Contract has been signed by all the parties to the Contract, the Contract Designate will do the following:

- a) save the Contract on the departmental shared drive;
- b) if the Contract stipulates that a certificate of insurance is required, the Contract Designate will request a certificate of insurance from the Contract Administrator and save the certificate of insurance to their respective shared drive; and
- c) track any renewals, extensions or further obligations of the Contract.

The Department Head is required to ensure that the College and the other contracting party(ies) meet their respective obligations under the Contract.

## **10. Policy Revision Date**

### **10.1 Revision Date**

February 2025

### **10.2 Responsibility**

The General Counsel and Corporate Secretary is responsible for reviewing this policy every five years, or earlier as required.

## **11. Attachments**

Attachment 1 – Contract Review Process Flowchart

Attachment 2 – Contract Review Form

## **12. Specific Links**

CS-1006-2007 Donations

CS-1104-2016 Approval and Authority for Routine Facility Maintenance Projects

CS-1202-2011 Purchasing

CS-1306-1979 Conflict of Interest

AS-2100-2013 Ethical Conduct for Research Involving Humans

AS-2107-2007 Administration of Research Grants and Contracts

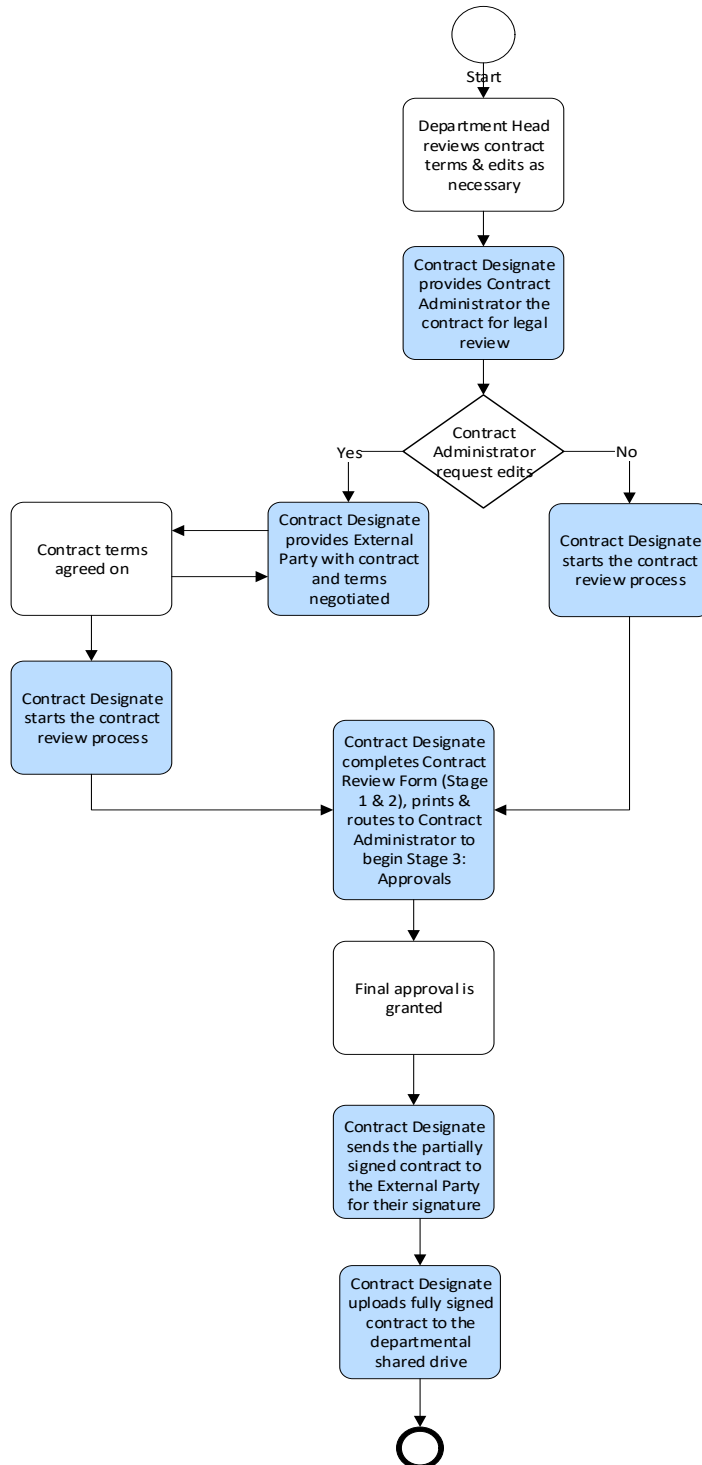
CS-1701-1972 Third Party Use of College Facilities

GC-4100-2013 Intellectual Property

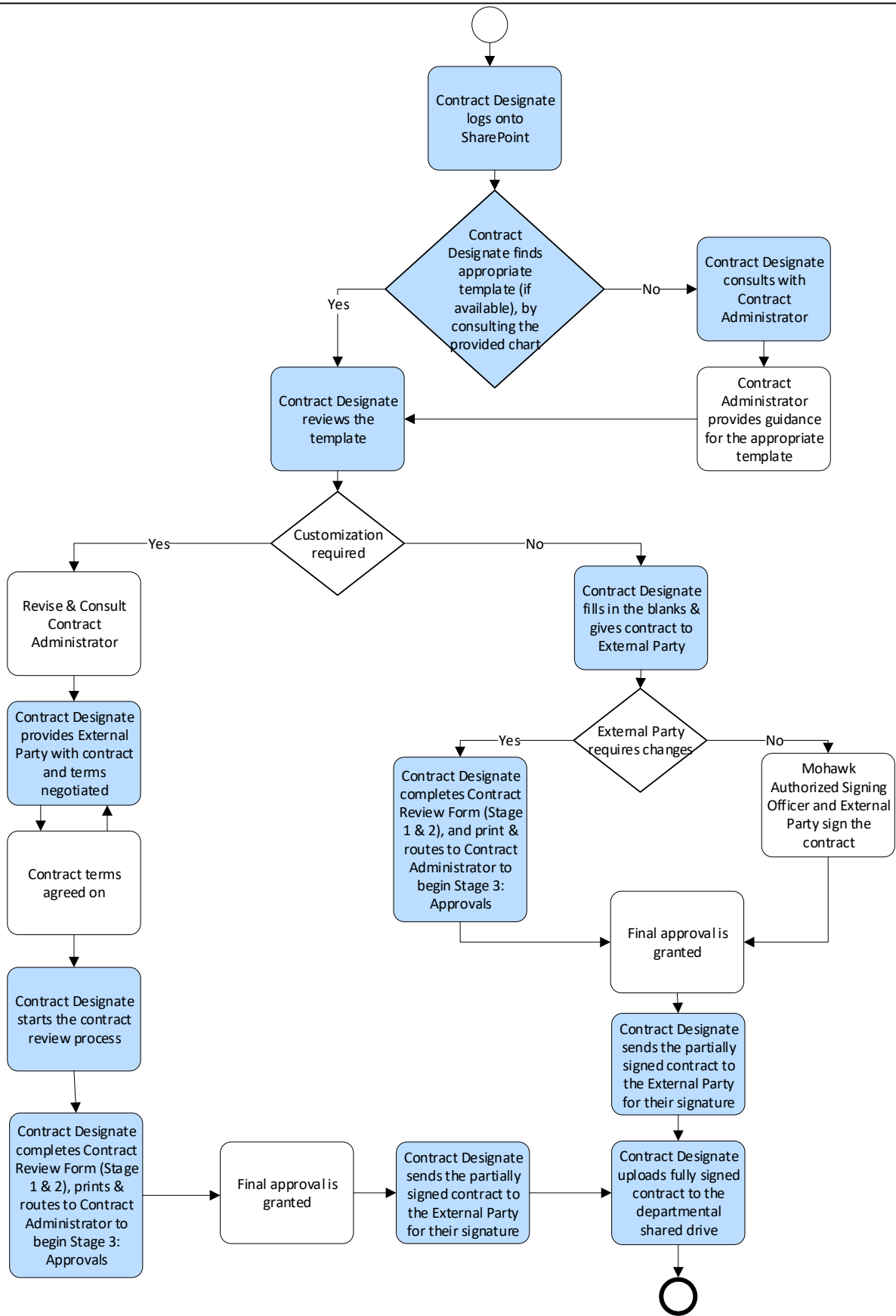


## Attachment 1 Contract Review Process Flowchart

### New External Contract



# New Contract using Mohawk Template

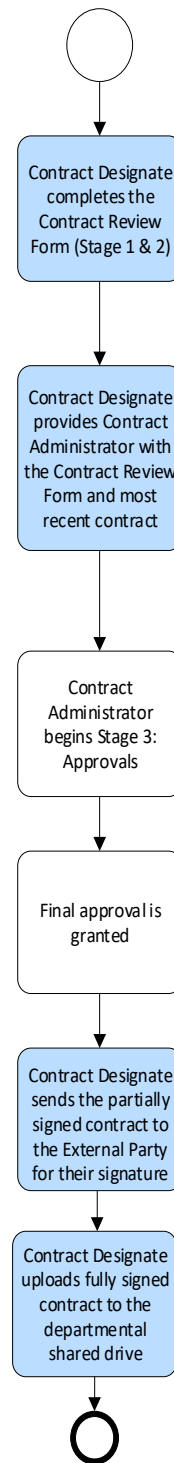


# Existing Contracts

## Amendment



## Renewal





# MOHAWK

**Attachment 2**  
**Contract Review Form**

**Contract/Agreement Review Form**

Date Requested:	Date Final Signature Required By:
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**Stage 1: Contract Review Initiation**

Requesting Department:	
Contract Designate:	Ext:
Financial Manager:	Signature:
Department Head:	Signature:
MEG Member:	Signature:

**Stage 2: Due Diligence**

Contract Name:		
Contract Origin:		
External Party Name:		
Monetary Contract:	\$ Amount:	
Funding Source (FOAPAL):		
Term Start Date:	Term End Date or Term Length:	
Description / Background:		
Is this a RUSH, if yes provide explanation for routing urgency. MEG member initials required to authorize RUSH designation:	MEG Initials:	
<b>Due Diligence Questions:</b>	Yes	No
Is this an amendment of an existing agreement? If yes, attach original agreement and prior amendments.		
Is this a renewal of an existing agreement? If yes, attach most recent renewal (Master Service Agreement if applicable).		
Is this a contract for services/goods over \$30,000 or a consultant agreement? If yes, please consult with Purchasing and attach any relevant documentation.		
Does this contract have an IT implication? If yes, consult with IT governance committee or CIO.		

**Note: Monetary Contracts and Agreements must not be signed by College employees other than the Authorized Signing Officer. Doing so may result in the personal liability of the employee signing.**

**Stage 3: Approvals**

	Comments	Initials	Date
1.	Contract Administrator		

		To Finance (Monetary contract)	To Reporting MEG member (Non-Monetary contract)			
2.	Advising Legal Counsel	Have Section 28 requirements been met?				
3.	Finance	Finance review monetary Contracts for: Budget implications, Funding Source, Account implication, Embedded derivatives, Tax receipting, Credit risk				
4.	Chief Financial Officer					
5.	Authorized Signing Officer					

**FOR CONTRACT DESIGNATE USE ONLY:**

- Once fully signed, request Certificate of Insurance (if required), and upload the Certificate of Insurance to the shared drive.
- Upload Fully Signed Contract/Agreement to departmental shared drive.