

LEGISLATIVE ASSEMBLY OF BRITISH COLUMBIA
POLICY MANUAL

SECTION	Financial Management and Administration
POLICY	3105 – Contracting

Objective To establish a framework for the creation, approval, execution, and management of contracts by the Legislative Assembly Administration.

Application This policy applies to all employees of the Legislative Assembly appointed under section 39 of the *Constitution Act* (R.S.B.C. 1996, c. 66).

Authority Legislative Assembly operational policies are approved by the Clerk of the Legislative Assembly, as per *Policy 1000 – Legislative Assembly Policy Framework*.

Key Definitions “**contract**” means an agreement between parties creating mutual obligations that are enforceable or otherwise recognizable at law, including a purchase order, memorandum, and an amendment, renewal, or extension of an agreement;

“**contract signing authority**” means an employee who is authorized to commit the Legislative Assembly to a contract;

“**contractor**” means an individual or an entity other than the Legislative Assembly who is a party to a contract;

“**expense authority**” means the authority granted to an employee to approve expenditures as defined in *Policy 3000 – General Expenditure*;

“**maximum contract value**” means the cumulative monetary value of the contract over its term, including all potential extensions and renewal options, but exclusive of the Goods and Services Tax (GST);

“**monetary contract**” means a contract that has a specific dollar amount as consideration owed by the Legislative Assembly for goods or services, or a contract that may have a future financial commitment to a contractor (e.g., standing order, as and when contract).

- 1. General** .01 This policy does not apply to:
- a) an employment-related contract (e.g., offer of employment, secondment, relocation);
 - b) a contract that relates to individual travel (e.g., rental vehicle, accommodation, airfare terms and conditions);
 - c) a point-of-sale transaction, including a direct purchase made with the use of a corporate purchasing card or a sale by the Parliamentary Dining Room or Parliamentary Gift Shop; and

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d) constituency office leasing.

.02 Before entering into, amending, extending, or renewing a contract, the responsible department must:

- a) consider whether the contract is required and, in the case of a monetary contract, whether it is instead practical to use internal resources instead of a contract with an external individual or entity;
- b) ensure that there will be sufficient staff and financial resources available to meet the Legislative Assembly's obligations under the contract;
- c) ensure that the contract complies with applicable Legislative Assembly policies; and
- d) if applicable, ensure that the appropriate procurement process has been completed pursuant to *Policy 3100 – Procurement*, including inquiring if a contract already exists for the goods or services.

2. Contract Requirements

.01 Contracts must be in writing, signed, and dated by a contract signing authority in accordance with Appendix A – Contract Authority Matrix.

.02 Contracts must be entered into in the name of the Legislative Assembly of British Columbia, as represented by the Clerk of the Legislative Assembly.

For clarity, the legal entity or party to a contract is separate from the contract owner and contract signing authority; a department or individual employee of the Legislative Assembly, other than the Clerk of the Legislative Assembly, must not enter into a contract in their own name.

.03 Contracts must include the legal name of all contractors, whether an individual or entity.

.04 Contracts must use a Legislative Assembly approved contract template, unless:

- a) there is no approved template for the type of contract;
- b) a contractor requires the use of their own contract; or
- c) substantive changes to existing contract templates are required.

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- .05 Legal Services must draft or review any contract that:
- a) does not use a Legislative Assembly approved contract template; or
 - b) involves the collection, use, disclosure, or disposal of personal information; or
 - c) has a maximum contract value of \$75,001 or more for goods and services or \$100,001 or more for construction,

except for:

- a contract for a venue booking valued at \$10,000 or less; or
- a contract with a maximum contract value of \$75,001 or more for goods and services or \$100,001 or more for construction that is in the form of an approved purchase order template.

- .06 A monetary contract must specify:
- a) the delivery date or contract term, including any extension or renewal options;
 - b) the good, service, or construction to be provided;
 - c) pricing, including any fees and expenses;
 - d) a maximum contract value, unless unit prices are used, or it is an as and when required contract;
 - e) contractor deliverables; and
 - f) terms of payment.

.07 A contract that involves regular communication or information sharing between the Legislative Assembly and the contractor must specify expectations for secure communication and, if applicable, secure file transfer.

.08 To ensure information and physical security, the Information Technology Department must be consulted on contracts involving software licences, hardware, cloud services, web hosting, digital building control and automation systems, or access to technology systems.

3. Contract Signing Authority

.01 The Clerk of the Legislative Assembly and members of the Clerk's Leadership Group each have contract signing authority which they may delegate to an employee. A delegation must be documented as part of an *Expense Authority Form* submitted to Financial Services in accordance with *Policy 3000 – General Expenditure*.

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- .02 Specific types of contracts may only be authorized by a specific contract signing authority; Appendix A – Contract Authority Matrix outlines the extent to which contract signing authority may be delegated for select types of contracts. If there is uncertainty concerning the appropriate contract signing authority, the member of the Clerk’s Leadership Group responsible for the department entering into the contract or the Clerk of the Legislative Assembly is the authorized signatory.
- .03 An employee is only permitted to authorize a contract if they have contract signing authority and the maximum contract value is within their expense authority.
- .04 The following contracts must be signed by the Clerk of the Legislative Assembly or a member of the Clerk’s Leadership Group with applicable expense authority:
 - a) any contract that could impact the reputation of the Legislative Assembly;
 - b) any contract that implicates a risk rated as high or extreme in the organizational or a departmental risk register; and
 - c) any contract that could otherwise have a substantive impact on the Legislative Assembly.

4. Contract Term

- .01 A contract may only be renewed or extended under pre-established renewal or extension options and if the contractor is successfully providing goods or services. Unless there are extenuating circumstances, a contract must be extended or renewed in advance of the completion of a relevant term.
- .02 If a contract term will span across 2 or more fiscal years, the department director must allocate funds for the contract in their annual department budget submission that is reviewed and approved by the Legislative Assembly Management Committee.
- .03 For any contract stemming from a procurement, the maximum duration of the contract and any option to extend or renew must comply with *Policy 3100 – Procurement*.

5. Contract Amendment

- .01 A contract amendment must be in the form of a modification agreement unless an alternative form is approved by Legal Services.
- .02 Prior to approval, Legal Services and, if applicable, the Central Procurement Team, must review:

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- a) an amendment to an approved (i.e., fully executed) contract that substantively changes the terms or scope of the contract; or
- b) an amendment that will result in the new maximum contract value for goods and services of \$75,001 or more, or for construction of \$100,001 or more.

.03 When an amendment results in a contract exceeding its original maximum contract value:

- a) **If the amendment relates to the original scope of work**, the amendment must be approved by an employee with contract signing authority and expense authority for the new maximum contract value. If the new contract value is \$75,001 or more, the amendment must be approved by the Clerk of the Legislative Assembly.
- b) **If the amendment is not directly related to the original scope of work**, the amendment is considered a direct award and must adhere to the direct award requirements outlined in *Policy 3100 – Procurement*.

6. Contract Management

.01 Immediately upon signing, as part of corporate records management, an electronic copy of the signed (i.e., fully executed) contract and any modification agreement or termination notice must be submitted to a central contract repository managed by the Central Procurement Team and Legal Services. If a physical signature is used, the contract signing authority is responsible for retaining the physical copy of the contract for the applicable retention period.

.02 Departments are responsible for the management of contracts. As applicable for the contract type, management includes:

- a) ensuring the requirements of this policy are met;
- b) assigning an employee as a contract manager and a qualified receiver for the contract;
- c) maintaining all supporting documents during the term of the contract;
- d) verifying contractor invoices are in accordance with the terms and conditions of the contract prior to processing;
- e) processing invoices in a timely manner and tracking payments made towards the contract and departmental budget for the contract;

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f) where practical, evaluating the contract at the end of the contract term to create a record of the contractor's performance to assist in future contracting activities and, if applicable, sharing the evaluation or any concerns relating to the contract with the Central Procurement Team.

.03 Except in the case of an unforeseen emergency, a contract manager must ensure that no work is performed by a contractor or potential contractor before a contract relating to that work is entered into.

.04 A contract manager must regularly monitor the contractor's progress and performance in accordance with the terms and conditions of the contract. Concerns must be documented in writing by the contract manager and addressed with the contractor as soon as possible.

If the contract manager recommends terminating a contract early, the contract manager must notify the Central Procurement Team and Legal Services in advance of communicating termination to the contractor. Advance notice to the Central Procurement Team and Legal Services is not required for the early termination of subscription or consumption-based contracts when terminating prior to automatic renewal.

.05 The contract manager must ensure that any access to Legislative Assembly information systems (e.g., email, file systems, applications) under or in relation to a contract is terminated on the contract end date. If a contract will be renewed, extended, or terminated early, the contract manager must notify the Information Technology Department to ensure any temporary Legislative Assembly accounts or access related to the contract are appropriately extended or deleted.

.06 If a contractor requests to:

- a) refer to the Legislative Assembly as a customer or as having entered into a contract with the Legislative Assembly;
- b) use the Legislative Assembly's name, logo, or other intellectual property; or
- c) make a public announcement relating to the contract,

the member of the Clerk's Leadership Group responsible for the department managing the contract may, after consultation with the Clerk of the Legislative Assembly, provide written approval to the contractor if they deem it appropriate to do so.

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- .07 If a contractor requests a reference from the Legislative Assembly, an employee that has worked with a contractor in the course of their employment with the Legislative Assembly may provide a reference. If the reference will be part of a public record, such as a testimonial, the employee must receive approval by the member of the Clerk’s Leadership Group responsible for their department prior to providing the reference.

Contact	Questions regarding this policy may be directed to the Central Procurement Team at procurement@leg.bc.ca .
Procedures	<i>Expense Authority Form</i>
References	<i>Policy 3000 – General Expenditure</i> <i>Policy 3100 – Procurement</i>



 Approved and authorized by
 Kate Ryan-Lloyd, Clerk of the Legislative Assembly

December 1, 2023

 Date

POLICY HISTORY	
Version 1	December 1, 2023

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APPENDIX A – CONTRACT AUTHORITY MATRIX

This appendix outlines the extent to which contract signing authority may be delegated for specific types of contracts. Per section 3 of this policy, an employee must have contract signing authority and may only authorize contracts with a maximum contract value within their expense authority.

Type of Contract	Extent to which contract signing authority may be delegated
Acquisition, Loan or Donation Any acquisition, bequest, donation, or loan of art, a collection, historical item, or monetary funds	Clerk's Leadership Group Member
Advertising Any contract that advertises or promotes the Legislative Assembly and involves the Legislative Assembly's name, logo, or images	Manager
Employee Benefits Any contract to obtain benefits or pension on behalf of Legislative Assembly employees, Members, and employees of Members	Director, Human Resource Operations
Lease of external space Temporary lease or rental of space outside of the Legislative Precinct (i.e., venue rental for a conference or team building activity, or storage rental)	Director
Legislative Precinct Space – Long-Term Any lease or long-term use of Legislative Precinct space (i.e., 30 days or longer)	N/A (Clerk of the Legislative Assembly)
Legislative Precinct Space – Short-Term Any contracts that result from approved requests under policies 6015 – Public Use of Grounds, 6040 – Filming, and 6050 – Exhibit and Display	Manager within Parliamentary Education Office
Non-Monetary Non-monetary for which a department is responsible	Director
Physical Infrastructure Any renovation or construction to the Legislative Precinct	Director, Precinct Services
Reputational Impact or Risk Assessment Any contract that could impact the reputation of, or have a substantive impact on the Legislative Assembly, or a contract where risks would be rated as high or extreme in the organizational and departmental risk registers	Clerk's Leadership Group Member
Settlement Any contract that settles a potential or filed legal or regulatory claim against the Legislative Assembly	Clerk's Leadership Group Member
Technology Software licences, hardware, cloud services, web hosting, or technology involving digital building control and automation systems	Director
Utilities and Precinct Maintenance Utilities and regular maintenance, including without limitation, gas, electricity, water, waste, shredding, recycling, groundskeeping, painting, cleaning, and repair	Manager within Precinct Services