

## 5.16 CONTRACT POLICY

### **Purpose**

To ensure that funds for contracted goods and services are expended appropriately and for the purpose intended.

To ensure that BACI manages risks and receives maximum benefit from contracts entered into.

To ensure consistency and accountability in contracting practice.

To contribute to good relationships, and minimize problems and misunderstandings with organizations and individuals who provide goods and services to BACI.

### **Policy**

BACI engages in sound contracting practice. Employees use a signed "General Goods and Services Contract" to obtain goods, services, or materials required to conduct BACI business and support effective and efficient service delivery, where such contracting is not restricted by the Collective Agreement or funding agreements.

Contracts are entered into and managed prudently, ensuring maximum benefit to BACI, protection of the organization's good name and reputation, and compliance with Policies and applicable laws, regulations, and standards.

Contracts for goods or services are authorized in accordance with financial approval levels and made according to established procedures, ensuring sound internal control and record keeping.

Contracts provide an essential reference point from which to discuss and negotiate desirable outcomes and deliverables BACI, and any changing circumstances that could affect organizational requirements and/or the contractor's capability.

Employees exercise sound judgement and caution because contracting involves a financial commitment on the part of BACI. BACI may be held responsible for contracts, both written and oral. BACI does not purchase goods or services where there is a known or suspected breach of law.

BACI is not a party to contracts made by persons served unless a contract involves BACI funds or significant sponsorship.

### **Note: Key Terms to Consider for Contract Development and Implementation:**

**Amendment** is a written change to the General Goods and Services contract. The Amendment must be signed and dated by the Organization contract representative and the Contractor.

**Contractor** is an individual, company or organization that enters into a contract with BACI.

**Employee/Employer relationship** exists where a person providing a service is deemed, for Revenue Canada purposes, to be an employee of the Society and the Society is required by law to provide statutory benefits and make specific source deductions from payments. For additional information refer to <http://www.labour.gov.bc.ca/esb/facshts/pdfs/employee-or-contractor.pdf>

**Fee for service** is a contract based on a set fee for a specific service to be provided. An example is a contract to deliver a training workshop for BACI.

**Request for proposal** is a contract based on proposal submitted by a contractor to BACI to provide goods or services. An example is a proposal to re-develop a property according to BACI specifications.

**Hourly service fee** is a set hourly rate for each hour it takes to deliver the services. It is important to know approximately how many hours will be required at the hourly service fee. An example is a computer technician or a mechanic to do vehicle maintenance.

**Fixed price contract** is a set amount for a contract for the goods or services promised. In this case, the amount of time the contractor spends on the contract is not a factor. An example is a contract to provide landscaping maintenance.

**Maximum price contract** is an agreement where the contractor will invoice for goods or services delivered up to a maximum amount provided for in the contract. An example is purchasing personal care supplies annually.

**Purchase of Goods and Services Contract** is a written agreement between BACI and an outside Organization or individual to provide specific services.

### **Linking Policies**

- 1.11 Risk Management Policy
- 1.12 Corporate Responsibility Policy
- 5.1 Financial Governance Policy
- 5.2 Financial Records Policy
- 5.3 Financial Statements & Reporting Policy
- 5.4 Annual Budget Policy
- 5.5 Financial Authorization Policy
- 5.6 Program Financial Reporting Policy
- 5.14 Signing Authority Policy
- 5.15 Capital Expenditures Policy