

Title: Contract Management

Policy No: 9000

Effective Date: July 11, 2023

Motion Number: 23.07.375

Supersedes Policy No: 1018

Department: Procurement

Review Date: July, 2026



Legal References:

Canadian Free Trade Agreement, 2017.

Comprehensive Economic and Trade Agreement, 2017.

Freedom of Information and Protection of Privacy Act, R.S.A 2000, c.F-25.

New West Partnership Trade Agreement, 2010.

Prompt Payment and Construction Lien Act, R.S.A 2000, c.P-26.4.

Cross References:

Bylaw 22-904 "Records Retention and Disposition Bylaw"

Policy 9001 "Procurement and Purchasing"
Policy 9002 "
Policy 1042 "Access to Information"
Policy 1029 "Records Management"
Policy 1027 "Signing Authority"
Policy 1018 "Expenditure and Disbursement Policy"
Policy 09-01 "Purchasing and Procurement" '
Policy 09-03 "Expenditure Policy"
Greenview Strategic Plan

Purpose: This policy is to establish contract guidelines and controls for Greenview that enhance access, competition, fairness, and results in the best value, or if appropriate, the optimal balance of overall benefits for Greenview.

This policy will ensure that Greenview is aware of and able to mitigate financial, environmental, and social risks, and seeks to balance effective operations and risk management. This policy applies to all contracts, amendments, and renewals.

This work is driven by the following guiding principles: Greenview’s contract management is grounded in a framework that honors collaborative, respectful, responsible, transparent, consistent, and accountable practices in a manner that is aligned with Greenview’s Strategic Plan and manages associated risks.

1. DEFINITIONS

- 1.1. **Administration** means Greenview’s Chief Administrative Officer and employees of Greenview.
- 1.2. **Amendments** mean any changes to the original contract within the active contract period and may include but are not limited to amounts payable, goods, services, construction supplies, due dates, or timeline extensions.
- 1.3. **Chief Administrative Office (CAO)** means Chief Administrative Officer of Greenview, or designate.

- 1.4. **CETA** means the *Canadian – European Union Comprehensive Economic Trade Agreement*.
- 1.5. **CFTA** means the *Canadian Free Trade Agreement*.
- 1.6. **Change Order** means the work added to or deleted from the original scope of work as outlined in the contract due.
- 1.7. **Contract** means the legal relationship between two or more parties that clearly outlines the responsibilities of each party in achieving the desired outcome(s).
- 1.8. **Contract Designate** means the Greenview employee overseeing and responsible for the day-to-day monitoring and evaluation of the contract.
- 1.9. **Emergencies** mean an event that endangers Greenview elected officials, employees, clients, or the public; or has an imminent risk of disrupting workplace operations or causing catastrophic damage.
- 1.10. **Goods** means the manufactured item(s).
- 1.11. **Litigation** means filing an action in a court of law.
- 1.12. **Greenview** means the Municipal District of Greenview No. 16.
- 1.13. **NWPTA** means the *New West Partnership Trade Agreement*.
- 1.14. **Proponent, Vendor, Respondent** means an individual, business, agency, or organization that intends or puts forward a proposal or response to Greenview on procurement or purchase.
- 1.15. **Proposal, Response, and Bid** means the submitted documents provided during procurement or purchase.
- 1.16. **Renewal** means another contract issued at the completion of the original for a new period, as defined in the original contract.
- 1.17. **Service** means any work or duties performed, including any materials provided.
- 1.18. **Signing Authority** means a person to whom authority is given, per Policy 1027 “Signing Authority.”
- 1.19. **Scope of Work** defines the required work to complete a project.

2. POLICY STATEMENT

- 2.1. Greenview contracting will be conducted in the manner:
 - A) That stands the test of public scrutiny in matters of prudence and probity, facilitates access, encourages competition, and reflects fairness in the spending of public funds.
 - B) Supports long-term industrial and regional development and other appropriate municipal objectives as outlined in the Strategic Plan.

2.2. Ethics in Contracting:

- A) Greenview Council establishes a policy for consistent, open, fair, and transparent contracting practices which ensures efficient resource allocation and mitigation strategies. Council prioritizes its duty and responsibility to residents to maximize the value of tax revenue when purchasing goods and services.
- B) The overall responsibility for implementing and monitoring the annual budget rests with the CAO. Greenview department managers have the overall responsibility for budget reporting, and to ensure that all expenditures are a legitimate claim against Greenview. Department managers must also ensure expenditures are within established authorities and have been authorized in the annual budget or approved by resolution of Council.

2.3. Confidentiality

- A) The collection, storage, and release of all information pertaining to contracts are subject to the *Freedom of Information and Protection of Privacy Act*, Greenview Policy 1029 "Records Management," and 1042 "Access to Information."

3. CONTRACTS

- 3.1. Greenview Council is the sole authority to award or not award a contract for any competitive procurement process as outlined in Policy 9001 "Procurement and Purchasing."
- 3.2. Expenditure Officers are authorized to commit Greenview for all contracts and purchases per their designated financial expenditure authority as outlined in Policy 9002 "Expenditure Officer," 1027 "Signing authority," and other relevant policies.
- 3.3. All Contract documents must be documented on the appropriate record management registry and filed in accordance with Policy 1029 "Records Management."

4. SECURITIES

4.1. Performance Security or Bonds:

- A) Performance security and bonds guarantee that the bonded contractor will perform its obligations under the contract in accordance with the contract terms and conditions. This may also include extended warranty protection against defective workmanship and materials. Greenview requires a performance bond of 50% of the contract's total value, as determined in the tender document.
- B) Greenview will accept bonds from a recognized bank or insurance firm in an amount determined by the tender.
- C) Greenview will accept performance securities in the following formats:
 - i. Certified Cheque;
 - ii. Bank Draft; or
 - iii. Standby Letter of credit.
- D) All Securities and bonds (excluding bid bonds) must be held for the duration of the contract, including any potential holdback period as defined in the *Prompt Payment and Construction Lien Act*.

4.2. Labour and Material Payment Bonds:

- A) Labour and material bonds guarantee that a bonded contractor will pay all claimants for goods or services provided for the contracted project under the contract. Greenview requires a labour and material bond of 50% of the contract's total value, as determined in the tender document.

4.3. Holdback Percentages:

A) When in the best interest of Greenview, a holdback percentage of a minimum of 10% or as deemed appropriate, must be withheld from progress payments where there is a holdback charge to compensate for any potential defective work or claims from third parties. The holdback on progress payments must be withheld for the contract duration, including any applicable lien period times, as defined in the *Prompt Payment and Construction Lien Act*.

4.4 Statutory Declaration:

A) The prime contractor must sign a statutory declaration, confirming all defects have been corrected, and all sub-contractors, and, or third parties have been paid. Confirmation that all defects have been corrected and all sub-contractors and third parties have been paid prior to final payment, along with any holdbacks and security deposits are released.

5. MONITORING

5.1. It is the responsibility of the Contract Designate to oversee and work with contractors to ensure due diligence, effective stewardship of public funds, and contract outcomes are being achieved in a timely manner, as can reasonably be expected.

5.2. Whenever the satisfactory fulfillment of a contract is jeopardized, the contracting authorities shall take the necessary steps to serve and protect Greenview's interests in meeting the contract's terms. A secondary consideration shall be to protect the interests of other parties involved in the contract, where appropriate.

6. EXEMPTIONS

6.1. This policy does not apply to employee contracts, non-binding memorandums, or purchases made in accordance with Policy 9001 "Procurement and Purchasing" and Policy 1013 "Credit Card" unless a contract is a direct result of such purchase.

7. COUNCIL RESPONSIBILITIES

7.1 Greenview Council is responsible for all competitive procurement contracts which they award.

8. ADMINISTRATION RESPONSIBILITIES

8.1. In alignment with this policy, Administration will ensure risk mitigation and accountability of both parties throughout the lifespan of the contract.