

## Contract Authority Procedures

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|-----------------------------|--|
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### Objectives

To outline the procedures for initiating, reviewing, and executing Contracts and to set out the responsibilities of BCIT employees in relation to such procedures.

### Who This Procedure Applies To

These Procedures apply to the Board of Governors and all employees of BCIT.

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### Definitions

The following definitions apply to this Policy and associated procedures.

**Annual Budget:** the annual budget approved by the Board of Governors for expenditures related to BCIT.

**Award Approval Form:** a document that summarizes a competitive bidding process managed by BCIT’s Purchasing Department pursuant to Policy 2003, Purchasing.

**BCIT Standard Terms and Conditions:** a document or set of documents created, managed, and regularly reviewed by Corporate Services.

**BCIT Standard Contract Template:** a contract template created, managed, and regularly reviewed by Corporate Services.

**Board of Governors:** refers to the BCIT Board of Governors.

**Budget:** the amount of funds allocated to a functional area such as Board of Governors approved business cases, Annual Budget as allocated by the President, and restricted funds.

**CFO:** the Chief Financial Officer and Vice-President, Administration.

**Contract Authority:** the authority to execute Contracts on behalf of BCIT. It is distinct from Spend Authority.

**Contract:** a written agreement between two or more parties creating legally enforceable obligations.

**Contract Approval Form (“CAF”):** a form that summarizes contract information for a Mandatory Reviewer and Contract Authority, used to initiate a Contract when there is no competitive process.

**Contract Dollar Amount:** the total dollar value of the Contract for the entire term of the Contract, irrespective of any splitting or segmenting of its costs.

**Contracts Manager:** the person within Corporate Services designated by the CFO to oversee Contracts Administration and having the role of Mandatory Reviewer for certain Contracts.

**Employee:** means a BCIT employee.

**Expenditure:** a payment or an obligation to pay funds on behalf of BCIT.

**Expenditure Contract:** a binding Contract between BCIT and another entity that defines how BCIT funds are expended for the provision of required goods and services.

**Mandatory Reviewer:** the BCIT personnel authorized to review a Contract.

**Purchase Order:** a type of contract issued to vendors of goods or services by the Purchasing Department.

**Purchase Requisition:** a digital form sent to Purchasing using BCIT’s Millennium software system for the acquisition of required goods, services, and equipment (typically used for Expenditure Contracts).

**Revenue Contract:** a Contract, including donation and various other contracts, between BCIT and another entity that defines the terms of service and what funds will be paid to BCIT.

**Single Transaction:** the Purchase Requisition or invoice value before applicable taxes.

**Significant Contract:** a Contract that may have a substantial impact or pose extraordinary risk to BCIT and includes Contracts that are precedent-setting, involve sensitive issues, have the potential to harm BCIT’s reputation, and any other agreements that the BCIT Board of Governors requests to review and approve.

**Spend Authority:** is the authority to approve Expenditures. It is distinct from Contract Authority.

## Procedures

BCIT has an established framework for initiating, developing, reviewing, and executing Contracts.

### Initiating and developing Contracts

Contracts are initiated and developed by a person who has the appropriate level of authority through one of the following:

1. **Purchase Requisition:**
  - a) A Purchase Requisition, a digital form sent to the Purchasing Department using BCIT’s Millennium software system for the acquisition of goods and services, is typically used to initiate expenditure contracts and is completed by the school or department requiring the goods and services.
  - b) Completion of a Purchase Requisition requires approval in the system by the appropriate Spend Authority.
  - c) Upon receipt of a Purchase Requisition, the BCIT Purchasing Department will determine the next steps in accordance with Policy 2003, Purchasing to be able to issue the Purchase Order to the vendor. This may include the requirement for a competitive

process and an Award Approval Form to be completed. The competitive process must be summarized on the Award Approval Form.

- d) BCIT Purchasing Department will negotiate any special conditions as required with the vendor and strives to issue all BCIT Purchase Orders using BCIT Standard Terms and Conditions.

2. **Business Plan:**

- a) Major capital construction projects are initiated through a business plan that is approved through the Board of Governors and Ministry of Post-Secondary Education and Future Skills.
- b) Once a project has the required approvals, Campus Planning and Facilities initiates a competitive process schedule with BCIT's Purchasing Department. This will cover all facets of the project including professional consulting, project delivery, and trade contractor services.
- c) The BCIT Purchasing Department will negotiate and establish the Contract terms from the outcome of the competitive process and complete the Award Approval Form. The competitive process must be summarized on the Award Approval Form.

3. **Contract Approval Form (CAF):**

- a) A CAF is used to initiate a contract when there is no Purchase Requisition or competitive process and can be used for Revenue and Specialty/Non-monetary Contracts. They are managed and regularly reviewed by the Corporate Services contract group.
- b) Upon completing the CAF, the initiating school or department should utilize BCIT Standard Contract Templates. These include templates for industry services, general services, memoranda of understanding, non-disclosure agreements, research, affiliation, student practicum, and curriculum licensing. Standard contract templates should be used whenever possible.
- c) The Contracts Manager will provide guidance and support to those involved through the development of Contracts and should be consulted during the Contract development phase. The completed CAF along with the Contract should be sent to the Contracts Manager for their review.
- d) Any contract terms that deviate from the BCIT Standard Contract Templates or are provided by an outside agency need to be reviewed and discussed with the Contracts Manager.

**Reviewing Contracts**

All Contracts **must be reviewed** by the designated Mandatory Reviewer as set out in Schedule A to Policy 2502, Signing Authority.

The Mandatory Reviewer will review all Contract terms and supporting documentation and assess the following before recommending the Contract for execution by the specified Contract Authority:

1. The Contract is properly documented in writing (preferably on a BCIT Standard Contract Template).
2. The financial and non-financial risk, benefits, and obligations are assessed and presented to the Contract Authority.

3. The parties to the Contract can reasonably meet all obligations set out in the Contract.
4. The Contract complies with all required licensing, certification, applicable legislation, government approvals, BCIT policies and procedures.
5. Contract terms related to privacy, intellectual property, indemnification, and insurance requirements are assessed in accordance with applicable policy, procedure, and legislation and cover BCIT interests.
6. The appropriate level of approval is obtained including Spend Authority for all Expenditure Contracts.
7. The Contract is reviewed in accordance with this Policy and Procedure; and
8. Where applicable, the Contract complies with Policy 2003, Purchasing.

All proposed contract terms that originate from outside BCIT must be submitted to and discussed with the Contracts Manager prior to being sent to the Mandatory Reviewer.

**Request for Proposal submissions to outside Agencies** – request for proposal submissions can create legal obligations that may bind BCIT to a subsequent contract. The Contracts Manager will act as Mandatory Reviewer before BCIT submits a response to any competitive proposal (service, training, or funding opportunity). All proposal submissions on behalf of BCIT must also be reviewed and approved by the CFO and the Vice President overseeing the functional department.

**Review by Legal Counsel** - the Mandatory Reviewer, in consultation with the Contracts Manager, will determine if additional legal review is required. All requests for Contract reviews by legal counsel require approval of the Director, Corporate Services or the CFO.

### **Executing Contracts**

1. The *College and Institute Act* provides specific authority through the Board of Governors to certain employees. Those employees may execute contractual commitments up to a specified dollar value set out in Schedule A, to Policy 2502, Signing Authority. This delegation may be changed at the discretion of the Board of Governors.
2. Contract Authority is identified by position title for each contract category, based on specific Contract attributes and associated dollar value. This is set out in Schedule A to Policy 2502, Signing Authority.
3. Prior to executing the Contract, the Contract Authority shall review the Contract, Purchase Requisition, CAF, and Award Approval Form, and evaluate all information provided by the Mandatory Reviewer. The Contract Authority will exercise sound business judgment, and consult and coordinate with other BCIT officers, faculty, and staff to ensure Contract terms are accurately presented and in the best interest of BCIT.
4. The Contract Authority must also ensure the following items are completed before executing the Contract:
  - a. the Mandatory Reviewer has completed and presented their review pursuant to these Procedures;
  - b. the appropriate level of internal review and approval has been obtained for the Contract, including from the appropriate Spend Authority; and,

- c. where applicable, the CAF or Award Approval has been properly completed, reviewed, and approved by the required signatories as set out in Schedule A, to Policy 2502, Signing Authority.
- 5. **No person may sign any document** that creates a binding legal obligation or undertaking on behalf of BCIT **unless that individual has Contract Authority** in accordance with the Policy and these Procedures.
- 6. Contract Authorities may not sign any document in which they have a potential or perceived conflict of interest, including conferring a benefit on themselves, their family members, or related parties. If there is uncertainty regarding whether a conflict of interest exists, it should be assumed to exist unless otherwise resolved in accordance with Policy 1500, Code of Conduct.
- 7. In cases where more than one Contract Authority signatory is required and one person holds more than one role, the person is able to sign in more than one capacity.
- 8. An executed copy of all Contracts will be retained in the BCIT Contract Repository and Contract Management Database maintained by Corporate Services.

### **Forms Associated with This Procedure**

[Contract Approval Form](#)

### **Amendment History**

|          |                              | <u>Approval Date</u> | <u>Status</u> |
|----------|------------------------------|----------------------|---------------|
| Created: | Procedure 2502-PR1 version 1 | 2023 Dec 05          | In Force      |

### **Scheduled Review Date**

2026 Dec 05

**Contract Authority Limits**

**Contract Type**

Contracts are designated in four categories: Expenditure, Revenue, Specialty/Non-Monetary, and Significant. Where a Contract is not in one of the categories above, the Contract will be sent to the Contracts Manager, who will be the Mandatory Reviewer, and the CFO or President will be the Contract Authority.

**1. Expenditure Contracts**

A Contract between BCIT and another entity that defines how BCIT funds are expended for the provision of required goods, services, or equipment. There are two categories: general expenditure and Capital Construction.

a) Expenditure Contracts/Purchase Orders

An expenditure contract, which in most cases takes the form of a Purchase Order, is a Contract between BCIT and another entity that defines conditions for the provision of required goods and services.

| Expenditure Contracts   |  |  |
|---|--|--|
| Contract Dollar Amount  | Mandatory Reviewer   | Contract Authority   |
| Over \$1,000,000  | CFO, and<br>Initiating Vice-President, and<br>Director, Corporate Services     | Board of Governors*, and<br>President  |
| Up to \$1,000,000   | CFO, and<br>Director, Corporate Services                                       | President  |
| Up to \$500,000   | Director, Corporate Services, and<br>Associate Director, Strategic Procurement | CFO  |
| Up to \$250,000   | Manager, Strategic Procurement   | Director, Corporate Services, or<br>Associate Director, Strategic<br>Procurement |
| Up to \$75,000  | Senior Buyer   | Manager, Strategic Procurement   |
| 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. |  |  |

b) Capital Construction Contracts

A Capital Construction Contract is an Expenditure Contract related to the construction, renewal, renovation, restoration, and replacement of building structures and other physical infrastructure, and any parts thereof. This includes related contracts for professional consulting, project delivery, and trade contractor services.

| <b>Capital Construction and Development Contracts</b> |  |  |
|---|--|--|
| <b>Contract Dollar Amount</b>                         | <b>Mandatory Reviewer</b>  | <b>Contract Authority</b>                          |
| Over \$3,000,000                                      | CFO, and<br>Associate Vice-President, CPF                          | Board of Governors*, and<br>President              |
| Up to \$3,000,000                                     | Associate Vice-President, CPF, and<br>Director, Corporate Services | President, and<br>CFO                              |
| Up to \$1,500,000                                     | Associate Director, Strategic Procurement                          | CFO, and<br>Director, Corporate Services           |
| Up to \$500,000                                       | Associate Director, Strategic Procurement                          | Director, CPF, and<br>Director, Corporate Services |
| Up to \$250,000                                       | Manager, Strategic Procurement                                     | Associate Director, Strategic<br>Procurement       |

\* The Board of Governors must approve all Contracts over \$3,000,000. Upon written approval by the Board of Governors, the President may sign the contractual document.

## 2. Revenue Contracts

A Contract between BCIT and another entity that defines the terms of service and what funds will be paid to BCIT. There are four categories of revenue contracts: General Revenue Contract, BCIT Foundation Contribution Agreements, Research Contracts and Property Leases.

### a) General Revenue Contract

| <b>Revenue Contracts**</b>    |   |   |
|-------------------------------|---|---|
| <b>Contract Dollar Amount</b> | <b>Mandatory Reviewer</b>                                     | <b>Contract Authority</b>                                     |
| Over \$1,000,000              | CFO, and<br>Director, Corporate Services                      | Board of Governors*, and<br>President                         |
| Up to \$1,000,000             | Director, Corporate Services, and<br>Initiating Dean/Director | President, and<br>CFO   |
| Up to \$500,000               | Director, Corporate Services, and<br>Contracts Manager        | CFO, and<br>Initiating Vice-President                         |
| Up to \$250,000               | Contracts Manager   | Director, Corporate Services, and<br>Initiating Dean/Director |
| Up to \$50,000                | Contracts Manager   | 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 Standard BCIT Terms and Conditions with no modifications or additions.

b) BCIT Foundation Contribution Agreements

BCIT Foundation Contribution Agreements are Contracts with outside entities who donate funding or gifts-in-kind to the BCIT Foundation

| <b>BCIT Foundation Contribution Agreements**</b>  |   |                                       |
|---|---|---------------------------------------|
| <b>Contract Dollar Amount</b>   | <b>Mandatory Reviewer</b>   | <b>Contract Authority</b>             |
| Over \$3,000,000  | CFO, and<br>Vice-President, External and<br>Director Corporate Services | Board of Governors*, and<br>President |
| Up to \$3,000,000   | Executive Director, Advancement and<br>Director, Corporate Services     | Vice-President, External and<br>CFO   |
| Up to \$1,000,000   | Contracts Manager   | Executive Director, BCIT Foundation   |
| Up to \$250,000   | Contracts Manager   | Associate Director, Development       |
| <p>*The Board of Governors must approve all BCIT Foundation Contribution Agreements over \$3,000,000. Upon written approval by the Board of Governors, the President may sign the contractual document.</p> <p>**Contribution under \$10,000 that do not create a special obligation of BCIT (such as naming rights) do not require a contractual document.</p> |   |                                       |

c) Research Contracts

Research Contracts are Revenue Contracts to fund research at BCIT.

| <b>Research Contracts</b>  |  |                                       |
|--|--|---------------------------------------|
| <b>Contract Dollar Amount</b>  | <b>Mandatory Reviewer</b>  | <b>Contract Authority</b>             |
| Over \$1,000,000   | CFO, and<br>Director, Corporate Services, and<br>Initiating Vice-President | Board of Governors*, and<br>President |
| Up to \$1,000,000  | Initiating Dean/Director, and<br>Contracts Manager                         | President, and<br>CFO                 |
| Up to \$500,000  | Director, Corporate Services and<br>Contracts Manager                      | CFO, and<br>Initiating Vice-President |
| Up to \$50,000   | Contracts Manager  | Initiating Associate Dean/Director    |
| <p>* 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.</p> |  |                                       |

## d) Property Leases

A Property Lease is a Revenue Contract where an external party leases BCIT property.

| Property Leases   |  |  |
|---|--|--|
| Size of Leased Property   | Mandatory Reviewer                         | Contract Authority                       |
| Over 10,000 sq ft.  | CFO, and<br>Director, Corporate Services   | Board of Governors*, and<br>President    |
| Max 10-year term<br>Covenant/Financial Review<br>Market Competitive rate<br>Over 10,000 sq ft.  | Director, Finance and<br>Contracts Manager | CFO, and<br>Director, Corporate Services |
| *The Board of Governors must approve all property leases over 10,000 sq ft. Upon written approval by the Board of Governors, the President may sign the contractual document. |  |  |

## 3. Specialty/Non-monetary Contracts

A Contract that falls under various categories as listed below. These contracts are typically non-monetary in nature.

| Specialty/Non-monetary Contracts     |  |                                      |
|--------------------------------------|--|--------------------------------------|
| Specialty Contract                   | Mandatory Reviewer   | Contract Authority                   |
| Non-Disclosure Agreements            | Contracts Manager  | Initiating Dean/Director             |
| Workplace Education Agreements       | Contracts Manager  | Initiating Dean/Director             |
| Memorandum of Understanding (MoU)    | Contracts Manager  | Initiating Dean/Director             |
| Letters of Intent                    | Contracts Manager  | Initiating Dean/Director             |
| Articulation Agreements              | Contracts Manager, and<br>Registrar, and<br>Dean of Academic Planning and<br>Quality Assurance | Provost and Vice-President, Academic |
| Educational Affiliation Agreements   | Contracts Manager, and<br>Registrar, and<br>Dean of Academic Planning and<br>Quality Assurance | Provost and Vice-President, Academic |
| Education Affiliation Agreements MoU | Contracts Manager, and<br>Registrar, and<br>Dean of Academic Planning and<br>Quality Assurance | Provost and Vice-President, Academic |

**4. Significant Contracts**

For all Significant Contracts, the CFO, and President are the Mandatory Reviewer, supported by the Contracts Manager, and the Board of Governors is the Contract Authority. Upon written approval by the Board of Governors, the President may sign the contractual document.

A Significant Contract may have a substantial impact or pose extraordinary risk to BCIT and includes Contracts that are precedent-setting, involve sensitive issues, have the potential to harm BCIT's reputation, and any other agreements that the BCIT Board of Governors requests to review and approve, such as:

- Agency agreements for activities in other countries.
- Agreements where BCIT is entering into a joint venture, partnership or similar relationship with another institution or private company (outside of Canada) that presents additional risk.
- Agreements related to licensing, sale, purchase, or disposition of BCIT real property, technology, or intellectual property.