

**TOWN OF CHESTERMERE
POLICY HANDBOOK**

EFFECTIVE DATE: September 1, 2010	SECTION: 100 600	POLICY: 144 644
APPROVED BY: Council	SUBJECT: Contract Review and Approval	
REVISED DATE:	PAGE NO.: 1 of 2	

PURPOSE AND INTENT

This policy defines appropriate channels for review and approval of formal agreements or contracts between the Town of Chestermere and another party, including the authorization to sign. "Contract" is defined as an agreement between two or more parties that is intended to have legal effect. Contracts document a common understanding between the parties as to the essential terms of their agreement, contain mutual obligations, and set forth the agreement's consideration.

POLICY

Generally, employees may not sign agreements that obligate the Town of Chestermere. Unless otherwise specified in this policy, all contracts must be submitted to Council for approval. The following employees have signature authority to enter Third Party Agreements.

Employment Contracts

Letter agreements to commit the Town to the employment of an individual are prepared and issued only by Administration, whether permanent or temporary. Council shall appoint the Chief Administrative Officer. The Chief Administrative Officer shall appoint all Department Heads or Directors. Directors shall approve all applicable staff under their direct supervision. Managers or Supervisors may approve Employment Contracts for staff under their direct supervision.

Grants and Contracts Funded by External Sources

For program contracts with funding provided by an outside agency, government or corporation, the review shall be conducted by the Finance Department and approval by the Chief Administrative Officer.

Business Contracts

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Town business contracts include, but are not limited to: agreements for the purchase, lease, or rental of goods, services, or facilities; construction and related professional service contracts; and assignment of the right of a person, group, or agency to use the Town's facilities, name, logo or other resources. In some cases, the Town of Chestermere may be the recipient of the product or service or the user of the facility; in other cases, Chestermere may be entering into an agreement to provide facilities, products or services. The procedures outlined below apply whether or not a financial consideration is incorporated in the agreement.

Initial review: Departments and staff should consult in the Finance Department at an early stage in any negotiation requiring a formal agreement between the Town and an outside party. Depending on the amount, tenor and complexity of the agreement, the Director of Finance will conduct the first review of the Agreement, consulting with the Town department requesting the contract review and others needed regarding the clarity of wording, financial implications of the contract, and legal and insurance questions. Such a review may require two weeks or more, depending upon the complexity of the agreement and the availability of key staff or outside parties.


Authority to sign: Generally, Directors and Department Heads who are officers of the Town will have authority to sign contracts that are routine activities of the Town within the purview of their department, and for which funds have been budgeted. For example, the Director of Finance has the authority to sign software licensing agreements.

Multi-year agreements and contracts requiring financial commitments beyond the current fiscal year must be reviewed by staff in the Finance Department and require the signature of the Director of Finance to be valid.

To save in each instance the staff time preparing a request for decision to Council, save Council time in deliberating items of minor nature and to expedite a reply, it is easier for the Mayor and/or CAO review and sign agreements for simple renewals of a present agreement or agreements with a very minor amendment. Examples of a renewal are amending an expiry date for a grant program, or a regular annual renewal of an agreement with the Province of Alberta.

Purchasing Policy 112 has policies and procedures related to vendor selection and other matters governing expenditures under a contractual agreement or a purchase order. Note that the non-recurring purchase of goods and services, such as conference registration fees, office supplies, publications, books, emergency supplies, or travel –related expenses that are less than \$5,000 in value may be made directly via a Corporate Credit Card, as appropriate. Please consult the staff in the Finance Department for further information about small-dollar purchases and these programs.

Adopted by Council:
Resolution No. #270-10



MAYOR



CAO