



## **POLICY 3.9 CONTRACTS**

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Department: Finance

Date Approved: April 19, 2013

Rescinds:

Board Res. No: 063/04/19/13

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### **PURPOSE:**

To establish effective policies related to the tendering and approval of contracts for major projects.


### **SCOPE:**

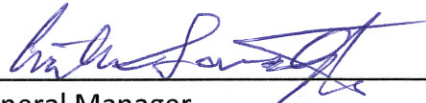
This policy shall apply to all contracts of the Peace Regional Waste Management Company.

### **POLICY:**

1. Written contracts, other than purchase orders, should be used in situations where there is a need to specify in writing the requirements for supply or continuing supply of goods or services, and the need to identify each party's degree of responsibility in the case of damage, default or loss.
2. All contracts and agreements must be in accordance with the standards established by the Board and shall include, where appropriate, a Contractor Safety Program, accreditation of contractors, and other requirements as established by the Board.
3. Routinely, the General Manager shall authorize and approve contracts based on availability of budgeted funds. Contracts in excess of ten thousand dollars (\$10,000) will, except for emergency situations, be tendered or through a request for proposal. Where the Company tenders or asks for a request for proposal subject to the availability of funds, contracts should be awarded conditional upon funds becoming available.
4. Increases in the scope of work and contract amount, and time extensions for completion, must be agreed to in a duly executed amending agreement.
5. Contract expenditures in excess of the agreed amount must be approved in writing by the appropriate expenditure officer before an overrun occurs and before work proceeds.

6. All contracts should contain a provision for holding back funds from the contractor in order to ensure total compliance with the requirements of the contract.
7. The Director of Finance should ensure the necessary amount is withheld from payment if defective work is discovered or claims from third parties are filed or creditors on a contract or sub-contract have not been paid, and that the withheld money is applied to make good the defects, claims and defaults.
8. Progress payments or invoices relating to contracts should be approved only after the person designated in the contract has certified performance of services, or receipt of goods, or confirmed the percentage of work completed.
9. A release must be obtained from the contractor and the third parties where required, to discharge all claims and obligations against the Company before payment of the holdback or return of the security deposits. All defects must be corrected before the final payment is approved and the security deposits are returned.

  
Chairman

  
General Manager