

ADMINISTRATION MANUAL

SUBJECT: Contractual Services
SECTION: Governance

POLICY NUMBER: 1-080
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IMPLEMENTATION: August 30 2000
SPONSOR: Director, Finance and
Operations

APPROVAL: Board of Health
SIGNATURE:

PURPOSE

To outline the protocol for negotiating and documenting contractual agreements.

POLICY

A written contract will be negotiated with each provider or recipient of services.

The Board of Health is responsible for the approval of all contracts and agreements and may delegate this authority as specified in the [Schedule for Approval of Contracts \(Appendix A\)](#).

Board approval of contracts is done by resolution.

Unless otherwise specified, documents are to be executed (i.e., signed) by the approving authority of the non-Health Unit contractor/recipient. Documents that are to be executed by the Board of Health are to be signed by any two of the Chair, Vice-Chair or Secretary-Treasurer, unless otherwise required.

This policy applies to contracts for professional services invoiced on a fee for services basis, but does not apply to employment contracts, which are covered under [Policy 5-30: Recruitment & Hiring](#). Professional services contracts are for services that generally are not performed by union employees.

PROCEDURE

Negotiation of the Contract

- The Director/Manager or designate will be responsible for negotiating the contract with the provider/recipient. Where the content of the contract is subject to a provincial policy or standard, the Director/Manager is responsible for ensuring that such policies and standards are followed.
- The Director/Manager will call upon the expertise of Finance and Human Resources, as appropriate to assist in the development, writing and review of the draft contract for services. The Medical Officer of Health (MOH) will be consulted as appropriate.
- It is highly recommended that the draft of the contract be submitted to the Health Unit solicitor for review where there is no recent precedent for the contract or where the contract is for a substantial amount of money or involves significant liability. See [Policy 1-050: Signing Authority](#).
- A contract, with the exception of short-term contracts, may contain wording that provides for its amendment or early termination.
- All contracts should be fully executed prior to the commencement date for the provision of services.

REVISION DATES (* = major revision):
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- All original contracts will be filed with the Finance and Operations and/or Human Resources and Labour Relations Directors. A copy will be retained by the Director/Manager and by the other party/parties to the contract.

Contract Terms

All contracts will include the following:

- the term of the agreement (start and end dates);
- a description of the services to be provided;
- the rates to be paid for service and the method and frequency of payment;
- requirements for confidentiality;
- liability or consequences for failure to fulfil contract obligations;
- statement that the contracting agency or party is not an employee (and not subject to the applicable law of Ontario relating to employees), agent or partner of the health unit, and is an independent contractor;
- except with short-term contracts provisions for amending the contract or early termination and the processes and results involved;
- the required signatures (i.e. involved parties, witnesses) and the date of each signature;
- licensing and certification requirements for the contracting agency and/or qualifications, training, licensing and certification of the recipient party;
- statement that the law of Ontario is the applicable law;
- statement that the written contract is the entire agreement and any verbal agreement(s) are of no force and effect;
- statement that if any provision of contract is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue if full force and effect;
- statement regarding how and when notice in contract are to be delivered; and
- statement prohibiting the assignment of services.

A contract may also address the following terms, as appropriate:

- the conditions for the provision of service to the Health Unit, (i.e. who will provide the services, what expenses may be approved for reimbursement, required meetings);
- the nature and type of reporting to the Health Unit and procedures for recording and reporting service (e.g. quarterly reports);
- performance standards;
- conditions for liability from losses suffered as a result of the actions, negligence or any conduct of the provider/recipient;
- evidence of general liability and professional liability insurance of a specified amount;
- requirement to audit the provider/recipient's internal control records and documents;
- labour disruption (strike) clauses;
- confirmation that the contractor/recipient has no conflict of interest related to the subject matter of the contract;
- commitment to adhere to the MLHU policies, rules, regulations, procedures and guidelines;

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- outline clearly the parties' respective roles and responsibilities with respect to joint appointments under affiliation agreements;
- outline recognition of authorship, ownership and proprietary rights and give direction concerning the retention or destruction of working papers, documents, etc.;
- funding specifications (i.e., any limitations or restrictions on the use or application of funds, whether continuation of the work is dependent on funding or advances of funds that are not spent to provide services, etc.) will be returned to the Health Unit or funder, as appropriate. See [Policy 4-060: Grant Applications and Agreements](#).

Evaluation of Contracts

- Service provision under contract is evaluated informally on an ongoing basis. Periodic review of the contract and its standards, will be measured against achievements.
- Variances or discrepancies from contract requirements will be addressed in a timely manner by the Director/Manager that negotiated the terms of the contract and/or the Directors of Finance and Operations/Human Resources and Labour Relations.
- All contracts are evaluated before renewal.