

## **PROCEDURE 9: ASSESSING AND MONITORING CONTRACTORS**

### **PURPOSE**

When the FSAB contracts with outside parties, such contracts must be monitored by the Vice President and controlled for cost, schedule, timeliness, and deliverables.

### **SCOPE**

This procedure outlines the process for the development, approval, oversight, execution of, and remuneration for, contracts between the FSAB and third parties.

### **CONTRACT TYPES**

Most contracts are likely to be for support activities such as audits, editing, software support, and administrative management, etc. These contracts are fee for service contracts and shall be billed by the performance hours used at an agreed upon rate. Some services contracts may have a finite goal (i.e., set up a website) and be executed at an agreed upon fixed cost. Other contracts may involve delivery of hardware or equipment at a fixed cost.

### **PROCEDURE**

The procedure for contracting shall be as follows:

1. All contracts must be approved by the Executive Committee prior to the acceptance of the agreement. The FSAB Board shall be notified in advance of any contract exceeding \$10,000.
2. On contracts exceeding \$10,000, a minimum of two competitive bids shall be obtained whenever possible.
  - a. Any contracts over \$10,000 shall contain a list of milestones and a schedule for achieving each milestone.
3. All contracts shall contain a list of payment dates, deliverables and a schedule for their delivery.
4. All fixed price contracts shall contain a designation of the cost of completion and a completion date.
5. For all contracts, the Vice President shall prepare a description of how the contract shall be monitored.
6. All contractors and subordinates working on the contract shall sign the *Annual Agreement and Disclosure Concerning Impartiality, Conflict of Interest, and Confidentiality for Persons Involved in FSAB Accreditation Activities* prior to starting work.
7. The status of all contracts shall be reported to the Board annually in the Management Review.

### **EVALUATION**

Upon completion of the performance of each contract, a brief satisfaction report shall be filed by the Vice President with the Treasurer and archived. The report shall specify if the work was completed satisfactorily, on time, and within budget. If any items were not satisfactory, the report shall specify the details of the deficiencies and recommend whether the contractor should be hired again in the future and/or whether corrective action should be taken.

## **FISCAL RESPONSIBILITIES**

All contract payments shall be considered as FSAB operating expenses. Payment of amounts due on contracts shall be authorized by the Treasurer after consultation with the Vice President and paid through the FSAB Administrative Manager.