

CONTRACT REVIEW AND PROJECT APPROVAL POLICY

Prepared By: _____
Approved By: _____
Revision Date: _____
Effective Date: _____

PURPOSE

The purpose of this policy is to enable the City to (1) track the intake of new contracts or internal projects, (2) conduct a review and approval process associated with said contracts or projects in order to properly identify risk and all relevant issues and (3) serve as a supplemental historical record to City Clerks Official record for the City of Jonesboro's significant transactions.

This policy requires the City of Jonesboro and all departments and affiliates to operate under a formal and disciplined approach for evaluating, negotiating, and executing documentation relating to contracts and internal and external projects with legal and/or financial implications.

SCOPE

This policy applies to City of Jonesboro, its departments and its affiliates (the "City of Jonesboro"), including its employees, agents or independent contractors that could create a legal obligation on the part of the City of Jonesboro.

This policy applies to all contracts regarding financial or physical assets or personnel of the City of Jonesboro. Additionally, this policy applies not only to projects that are directly related to services being rendered to taxpayers, but also to those which could have significant legal and/or financial implications for the City of Jonesboro.

This policy is not intended to apply to miscellaneous contracts which are ordinary in nature or which do not impact the central business of the City of Jonesboro. Examples of excluded contracts include but are not limited to:

- computer or office equipment **leases** and related service and maintenance contracts;
- utilities contracts; asphalt yearly bids, etc
- standard form contracts using City of Jonesboro or other approved forms which require no negotiation; and
- matters of a recurring nature involving suppliers or vendors with whom the City of Jonesboro has previously done business using master service agreements, City of Jonesboro purchase orders or standard terms and conditions which have been previously approved.

It is important to note, however, that all executive officers and management should always strive to seek assistance from the City Attorney as it pertains to all legal aspects of their decision making. In the event of doubt regarding the applicability of this policy, the City Attorney shall make the determination.

DEFINITIONS

Contracts: Includes tenders, subcontracts, merger & acquisitions, sales, purchases, joint ventures, letter of credits, and memoranda of understanding.

Projects: Includes Municipal or Departmental construction projects, Bids over A.C.A Limit, Property Procurement for drainage etc, Professional Services of any type, entry into new jurisdictions, and extraordinary inter-City of Jonesboro transactions.

Senior Management: Includes Mayor, Mayor's Assistant, Finance Director, General Counsel, City Clerk, and Department Heads

Project Leader: The individual that has been assigned the overall responsibility and coordination duties of the Contract/Project.

Multidisciplinary: The functions or departments responsible for reviewing and approving the Contracts/Projects. These include finance, human resources, information technology, legal, clerk, operations, tax, treasury, and outside consultants/advisors as needed and applicable.

Operations: When referenced Includes the following departments; Engineering, Streets, Sanitation, Inspections, Code Enforcement, and Planning.

GENERAL

All contracts, projects or other significant financial or legal commitments entered into by the City of Jonesboro shall include an applicable multidisciplinary review prior to executive approval. Executive approval will be made in accordance within proper City guidelines, ordinances and resolutions.

All executives, management and employees of the City of Jonesboro involved in coordinating, reviewing or approving Contracts or Projects shall at **ALL** times observe and adhere to a structured process for the intake, dissemination, review and approval of contracts and projects:

CONTRACT/PROJECT REVIEW

All contracts, projects or other significant financial or legal commitments will be reviewed and approved as follows:

- Following initial contact and discussions between the City of Jonesboro representative and the client or third party, a "Project Leader" will be assigned the overall responsibility to coordinate all aspects of the Contract/Project. In the event of internal projects, the Project Leader will be assigned after the initial "kickoff" meeting. The Project Leader may originate from the executive group, operations, finance, human resources, information technology or legal department.

- The Project Leader will be the single point of contact internally and externally for coordination of the Contract/ Project **review** process.
- The Project Leader will be responsible for calling a meeting of the multidisciplinary group to discuss the proposed Contract/Project. Representatives from the various disciplines that are determined in the meeting to be needed in the contract/project review process will be referred to as the Project Team.
- The Project Leader will be responsible for timely soliciting review and counsel from the Project Team for the particular contract/project, including holding periodic Project Team meetings discussing the status of the contract/project. Throughout the review and approval process, the Project Leader will be responsible for circulating a Project Approval Sheet (see Annex B) to all members of the Project Team for signature approval.
- Following full review and negotiations, as applicable, by the Project Team, the Project Leader will seek senior management and/or Committee and Council level approval on the Contract/Project in accordance with the standard City of Jonesboro procedures.
- Upon approval, the Project Leader will ensure execution of applicable documentation.
- The Project Leader will ensure (through verification with the Legal Department) that only authorized City of Jonesboro representatives (i.e., an officer or legal representative) shall execute applicable documentation in accordance with the City Council's authorization.
- Following execution of all relevant documentation, the Project Leader will circulate copies of final documentation to the City Clerk and notify Finance of the existence of signed documents.
- Finally, completed Project Approval Sheets will be circulated to all applicable departments, including the City Clerk for historical records. Clerk is to be final repository for Completed Final Documentation per law.

RESPONSIBILITIES OF SENIOR MANAGEMENT

Senior management is responsible for keeping itself informed of the general nature of ongoing Contracts/Projects and their status. Mayor and each Department Head of the City of Jonesboro shall (personally or through a proxy), on at least a monthly basis, organize a formal meeting and presentation regarding the status of new, open and ongoing, and closed contracts and projects.

Mayor and Department Heads may enlist the aid of the City of Jonesboro City Attorney to track open and ongoing Contracts/Projects and assist in the monthly reviews, or may alternatively enlist the aid of Finance Director for such purpose.

TOOLS/REFERENCES

- Purchasing Manual
- Project Staff Review Form – Annex A attached that will be used to provided synopsis of project
- Project Approval Sheet – Annex B attached that will be used to track the life of a new Contract or Project.
- Tracking tools and systems in order to facilitate the periodic status review of ongoing Contracts/Projects.
Examples of these approved tools include:
 - Individual Contract Term Summary Sheets generated by the department head/finance.
 - Aggregate Open Tenders Summary Sheet generated by the department head.

RESPONSIBILITY

This policy shall be administered by the Mayor.

Annex A

City of Jonesboro
Staff Review Form
City Council Agenda Items
Or
Contracts

City Council Meeting Date

Submitted by

Division

Department

Action Required

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\$ _____
Cost of this Request

\$ _____
Project Budget

Program Category/Project Name

Account Number

\$ _____
Funds Used to Date

Program/Project Category Name

Project Number

\$ _____
Remaining Balance

Fund Name

Budgeted Item _____
Yes or No

Department Director/Head

Date _____

Previous Ordinance or Resolution # _____

Original Contract Date:_____

City Attorney

Date _____

Original Contract Number _____

Finance Director

Date _____

Clerk

Date Rec.

Mayor

Date _____

Recd Mayors office

Date _____

Comments:

ANNEX B

CONTRACT/PROJECT APPROVAL SHEET

PART I – CONTRACT/PROJECT OVERVIEW AND PROJECT TEAM

Prepared by (does not have to be the Project Leader):

Name: _____

Title: _____

Description of Project: _____

Department (s) Involved: _____

COJ Contract Entity/Department: _____

Counterparty: _____

*Project Development Team (specify Project Leader)

PROJECT LEADER: -

Administration: _____

Finance: _____

Legal: _____

Clerk: _____

Purchasing: _____

Operations: _____

Human Resources: _____

Council Member(s): **If desired** _____

IT: _____

Building Maintenance: _____

Outside Consultants/Agencies: _____

PART II (PROJECT CHECKLIST)

Documents received/Project Initiated **Y/N** Date: _____

Received by: _____

Department: _____

Internal Comments received from *PDT **Y/N** Date: _____

Specification(s) Fully Negotiated **Y/N** Date: _____

Resolution/Ordinance Draft **Y/N** By: _____

Project approved by Mayor/ **Y/N** Date: _____

Department head By: _____

Contract Approved by City Attorney **Y/N** Date: _____

As to Form

LEGISTAR for Committee Agenda **Y/N** **By:** _____

Contract approved by Committee: **Y/N** Date: _____

Sub Committee _____ By: _____

Contract approved by Finance - **Y/N** Date: _____

Committee By: _____

LEGISTAR for Council Agenda **Y/N** **By:** _____

Contracts Fully Negotiated **Y/N** By: _____

Contract approved by City Council **Y/N** Date: _____

By: _____

(As Applicable:)

Bid(s) Submitted **Y/N** Date: _____

Bid/Contracts Distributed **Y/N** Date: _____

Submission confirmed by counterparty **Y/N** Date: _____

Contract signed (Both Parties) **Y/N** Date: _____

Copies of final, executed documents delivered to:

Clerk **Y/N** **Date:** _____

Finance **Y/N** Sent to: _____

Date: _____

Mayor's Office **Y/N** Sent to: _____

Date: _____

Reminder – CLERK IS LEGAL/FINAL REPOSITORY FOR CONTRACTS & CHANGE ORDERS

Each department may keep a copy of contracts for their records BUT Clerk copy is legal basis for any and all lawsuits, actions etc. NOT THE COPY IN ANY OTHER OFFICE!