

CONTRACTED SERVICES

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INTENT

To ensure sound business practices and fair procurement process when contracting services from third party individuals and organizations.

POLICY

From time to time, SCCSS contracts for services or goods. Contracted services must be documented, meet the test of an independent contractor, and not contravene requirements of the Collective Agreement. All contracts must be reviewed and approved by the Executive Director.

PROCEDURE

1. Determine whether contracting with an independent contractor is in the best interests of SCCSS. Some of the situations that may require independent contracting are:
 - Need for external expertise;
 - Short term need;
 - Lack of internal human resources available;
 - Previous internal efforts were unsuccessful;
 - Need for objective perspective; and/or
 - Requirement of a funding contract.
2. Before contracting, make sure you are familiar with the rules and tests regarding independent contractors. The following four key points are used by Canada Revenue Agency to measure whether the individual is an employee or a contractor:
 - *Control*: an independent contractor is responsible for planning the work to be done, choosing the hours of work, and/or setting the standards to be met,
 - *Ownership of Tools*: independent contractors provide their own tools (e.g. computer) and workspace.
 - *Chance of Profit, Risk of Loss*: independent contractors are responsible for fulfilling contract deliverables even if it results in a loss for them.
 - *Integration*: independent contractors generally have multiple clients for whom they provide services and do not exclusively work for one client.
3. Ask for a written proposal from all potential contractors. Require proposals to include work to be completed (deliverables), fees, expenses, payment schedule, completion dates, requirements for cancellation and amendments, names of those who will actually do the work, and if they have WCB or other insurance coverage.
4. Write a contract based on the work agreed and within your financial authority. Two copies of the contract must be signed by two authorized signers, including the Executive Director. One copy goes to the Finance Department, and the other to the contractor.

BEST PRACTICES

- Help the contractor understand the organization’s priorities and requirements.
- Appoint one person in SCCSS to be the main contact for the contractor.
- Arrange for regular checkpoints to monitor how the work is progressing.
- Consult Conflict of Interest policy if you have any concerns about the relationship between the contractor and SCCSS.
- Document your decisions regarding awarding of contracts.

Reference

- Employment Standards Fact Sheet on Independent Contractors
- “Employed or Self-Employed” (Canada Customs and Revenue Agency)
- Conflict of Interest Policy
- Collective Agreement
- Governance 3.2.1 Asset Protection

EFFECTIVE: December 1, 2015	APPROVED BY: Executive Director	
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