

Summer Village of South Baptiste

Legal Review of Supplier Contracts Policy - #2026-001

1. Purpose

The purpose of this policy is to establish clear guidelines for when supplier contracts must be submitted for legal review prior to execution, in order to ensure compliance with the *Municipal Government Act (Alberta)*, protect the interests of the Summer Village of South Baptiste, and minimize legal, financial, and operational risks.

2. Authority

This policy is established pursuant to the authority of Council under the *Municipal Government Act (MGA)*, including but not limited to sections related to contracts, procurement, financial management, and risk management.

3. Scope

This policy applies to all supplier contracts, agreements, memoranda of understanding, and similar legal instruments entered into by the Summer Village of South Baptiste, whether initiated by Council or Administration.

4. Policy Statement

The Summer Village of South Baptiste is committed to exercising due diligence in its contractual relationships. Legal review shall be obtained for supplier contracts where the nature, value, duration, or risk exposure of the agreement may create legal, financial, or operational liability for the municipality, or where compliance with the MGA or other applicable legislation must be confirmed.

5. Contracts Requiring Legal Review

Legal review **must** be obtained prior to signing any supplier contract that meets one or more of the following criteria:

a) Financial Threshold

- Contracts with a total value exceeding **\$5,000** (or another amount as set by Council resolution), including extensions and renewals.

b) Duration

- Contracts with a term exceeding **one (1) year**, including any optional renewal periods.

c) Non-Standard Terms

- Contracts that are not based on a standard template previously approved by legal counsel.
- Contracts supplied by a vendor that include complex or unfamiliar terms and conditions.

d) Liability and Risk Exposure

- Contracts that include indemnification, limitation of liability, insurance requirements, or hold harmless clauses.

- Contracts involving construction, public works, infrastructure, environmental services, or activities with potential safety risks.

e) Regulatory or Legislative Compliance

- Contracts where compliance with the *Municipal Government Act*, other provincial or federal legislation, or regulatory requirements must be verified.

f) Land, Assets, or Intellectual Property

- Contracts involving the use, lease, sale, or encumbrance of municipal land or assets.
- Contracts involving intellectual property, data sharing, or privacy considerations.

g) Unusual or High-Risk Circumstances

- Any contract that Administration and/or Council reasonably believes may expose the municipality to increased legal or reputational risk.

6. Contracts That May Not Require Legal Review

Legal review may be waived for the following, provided they use standard, previously approved templates and do not meet any criteria in Section 5:

- Routine, low-value purchases or services.
- Short-term service agreements of limited scope and risk.
- Contracts expressly approved by Council with confirmation that legal review is not required.

Administration shall retain documentation supporting the decision not to seek legal review.

7. Roles and Responsibilities

Council

- Approves this policy and any amendments.
- May direct that legal review be obtained for any contract at its discretion.

Chief Administrative Officer (CAO) / Administration

- Determines when contracts require legal review in accordance with this policy.
- Coordinates submission of contracts to legal counsel.
- Ensures contracts are executed only after required approvals and reviews are completed.

Legal Counsel

- Reviews contracts for legal compliance, risk exposure, and alignment with applicable legislation.
- Provides recommendations for revisions or risk mitigation where necessary.

8. Execution of Contracts

No supplier contract requiring legal review under this policy shall be signed until:

- Legal counsel has completed its review, and
- Any recommended changes have been addressed or formally accepted by Council.

9. Exceptions

In urgent or time-sensitive situations, Council may authorize execution of a contract without prior legal review by resolution, provided the rationale is documented and legal review is obtained as soon as practicable thereafter.

10. Policy Review

This policy shall be reviewed by Council at least once every **four (4) years**, or sooner if legislative changes or operational needs warrant.

Adopted by Council on: April 21, 2026

Signed: Mayor *Wendy Appleby*
Wendy Appleby (Apr 25, 2026 18:15:17 MDT)

Chief Administrative Officer *Linda Roland*