

Montana Municipal Interlocal Authority

Policy Manual

Document Name:	Contracts Policy		
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Policy Statement:

MMIA's policy is to conduct business affairs in a responsible manner, engaging business partners in a fair and equitable manner while at the same time being fiscally prudent and ensuring that the MMIA and its members' interests are appropriately addressed and protected.

I. Purpose/Outcomes

The purpose of this policy is to set forth the authority of the Chief Executive Officer ("CEO") to enter into contracts on behalf of the MMIA, the limitations on such authority, and the principles which the CEO shall apply with respect to the negotiation, execution, administration and termination of contracts relating to MMIA operations.

II. Applicable Contracting Principles

The CEO, in addition to utilizing MMIA staff, is responsible for identifying the need for outside resources to complement and supplement the work of the staff in fulfilling the organizational mission of the MMIA and translating the organizational values into reality. In fulfilling this responsibility, the CEO will apply the following principles in the course of engaging any third party contractors:

1. Assess the need for service and cost benefit in relation to the organizational mission and values prior to engaging the services of outside vendors.
2. Ensure that resources necessary to obtain outside services are addressed and included in program budgets adopted by the Board.
3. Ensure that all contracts approved by the Board are reviewed by legal counsel and approved as to form and content prior to execution.
4. Ensure that contracts are written in a fair and equitable manner taking into consideration the services provided, the needs and best interests of the MMIA, and the legitimate concerns of the service provider.
5. Provide a reasonable level of due diligence to determine that service providers engaged by the MMIA are reputable, responsible and responsive providers.
6. Administer all contracts and agreements to ensure that service providers are meeting obligations in a satisfactory manner and remedy situations where obligations are not being met.
7. If termination of a contract or agreement is determined to be necessary, ensure compliance with all contract provisions relating to termination prior to taking action.

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III. Limitations on Authority

It is the Board's intent that the CEO has the authority to negotiate, execute, administer and terminate contracts necessary to carry out MMIA operations. This authority is delegated to the CEO by the Board and the Board shall hold the CEO accountable for his exercise of this authority pursuant to the contracting principles expressed in this policy. This authority is delegated to the CEO by the Board and is absolute and unequivocal, provided however that the following limitations shall apply to the exercise of such authority:

1. The Board shall be informed and have final authority on execution and termination of any contract relating to general legal services, accounting services, or actuarial services for the Authority. Renewal of legal service, accounting service and actuarial service contracts shall fall within the CEO's authority unless terms, price, or conditions substantially change.
2. The Board shall be informed and have final authority on execution and termination of all Employee Benefits consulting and service provider contracts. Renewal of Employee Benefits consulting and service provider contracts shall fall within the CEO's authority unless terms, price or conditions substantially change .
3. The Board shall be informed and have final authority on execution and termination of all interlocal agreements, program agreements and coverage agreements with the members. Renewal of these member contracts shall fall within the CEO's authority unless terms and conditions substantially change.
4. The Board shall be informed and have final authority on execution and termination of all contracts relating to the MMIA providing services to outside entities. Renewal of these contracts shall fall within the CEO's discretion unless terms and conditions substantially change.
5. Any other contract or agreement obligating the MMIA in excess of \$50,000 per year shall be approved by the Board prior to finalization either through the normal budgeting process or, if needed, by an amendment to the then-current budget.

IV. Monitoring

This policy will be reviewed biannually by the CEO and Board of Directors.