Contract Review Checklist

MUNICIPAL INSURANCE ASSOCIATION OF BRITISH COLUMBIA

The Contract Review Checklist was developed as a risk management tool to assist local governments in reviewing key provisions in contracts before their execution. This checklist does not constitute legal advice. We recommend that all contracts be reviewed by your local government's municipal solicitor or in accordance with your local government's procurement and contract review policy. The purpose is not to check "yes" to every item on this checklist, but to consider these key provisions and make an informed decision as to whether these provisions should be included in the written contract. If you have any questions about the Contract Review Checklist, please contact the MIABC's Member Services Department.

Service Provider / Vendor: _____

Department: _____

MANAGEMENT REVIEW

This section of the checklist should be completed by the manager of the department in which the contract is being negotiated.

Person conducting review:

Date of review:

CLAUSE	REQUIREMENTS	YES/NO/NA	IF N/A, EXPLAIN
Identification of Parties	Are all of the parties to the contract identified?		
	Are all of the parties proper legal entities?		
	Have you conducted a corporate registry search?		
	Is the appropriate local government entity named as a party to the contract?		
Definitions	Are capitalized words defined at the outset of the contract?		
Term	Is the length of the contract specified? (commencement and expiry)		
	Are the renewal terms (if applicable) clearly defined?		
Amount and Payment Terms	Is the contract amount and value specified and correct?		

	Has the finance department reviewed and approved the payment terms?		
Termination	Are termination provisions specified?		
	Does the local government have the ability to terminate the contract with notice?		
Performance Measures	Is there a full description of each party's obligations and responsibilities?		
	Are the obligations and responsibilities measurable? Attainable?		
Signatories	Are the names, titles and signatures of the appropriate parties recorded on the signature page?		
Appendixes and Schedules	Are any appendixes and/or schedules referred to in the contract attached?		

FINANCE REVIEW

This section of the checklist should be completed by the Finance Department.

Person conducting review: _____

Date of review: _____

CLAUSE	REQUIREMENTS	YES/NO/NA	IF N/A, EXPLAIN
Amount and Payment Terms	Is the contract amount and value specified?		
	Has the contract been approved in accordance with the local government's procurement policy?		
	Are the rate and payment terms acceptable considering the local government's internal policies and procedures?		

LEGAL REVIEW

This section of the checklist should be completed by the municipal solicitor / legal department.

Person conducting review: _____

Date of review: _____

CLAUSE	REQUIREMENTS	YES/NO/NA	IF N/A, EXPLAIN
Identification of Parties	Are all of the parties to the contract identified?		
	Are all of the parties proper legal entities?		
	Has a corporate registry search been completed?		
Insurance requirements	Are the requirements for insurance specified?		
	Does the contract specify who is to be covered by the service provider's insurance?		
	Is the appropriate local government entity required to be named as an additional insured? If not, why not?		
	Are the insurance requirements appropriate for the risks associated with the contract?		
	Does the contract require the local government to be notified of a material change or cancellation of any required insurance policy?		
	Does the service provider/vendor handle personal or sensitive information? If so, does the contract require the service provider/vendor to carry data/cyber breach protection insurance to a limit commensurate with risk?		

	Is the service provider required to provide evidence of insurance annually?		
Limitations of Liability	Do limitations of liability exist in the contract?		
	Are the limitations of liability reasonable in the context of the agreement? Note: The minimum limit of liability should be the limits of the service provider/vendor's insurance policy.		
Indemnification/Hold Harmless	Is there an indemnity and a hold harmless provision within the contract? If so, does the indemnity extend beyond the expiry/termination of the contract?		
	If so, are the parties assuming responsibility only for their own acts?		
	Is the service provider/vendor required to indemnify the local government entity for any losses caused by its subcontractors?		
Changes to Contract	Does the contract specify that any changes must be made in writing and signed by all parties?		
Jurisdiction	Is the Province of BC specified as the jurisdiction for governing law?		
Assignment	Does the contract prohibit assignment to another party without the written approval of the local government entity?		

Subcontractors	Does the contract require all subcontractors to be approved by the local government entity in advance?		
	Are any subcontractors clearly bound by all the same terms and conditions as the primary contractor?		
Agency	Does the contract specify whether the service provider/ vendor is authorized to act as an agent of the local government?		
Confidentiality	Are confidentiality issues addressed within the contract?		
	Is the contractor required to comply with FOIPPA?		
Dispute Resolution	Are dispute resolution processes specified in the event of any disagreements?		
	Are any provisions for formal dispute resolution (arbitration etc) based in BC?		