
SECTION 13

**CONTRACT SERVICES,
CONDITIONAL GRANTS
AND FUNDING AGREEMENTS**

13.07 ELEMENTS OF PROFESSIONAL SERVICES CONTRACT

AUTHORITY: DEPARTMENT OF FINANCE
TREASURY BOARD SECRETARIAT

ADMINISTRATION: DEPARTMENT OF FINANCE
TREASURY BOARD SECRETARIAT

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13.07 ELEMENTS OF PROFESSIONAL SERVICES CONTRACT

(1) PURPOSE

In its most basic sense, a contract must include:

- (a) an offer;
- (b) acceptance; and
- (c) consideration (e.g., payment).

It is the intent of this policy that all contractual arrangements be documented and that such contracts/agreements be legally-enforceable between two or more parties.

(2) APPLICATION

The application of this policy is referenced to the schedules of the *Financial Administration Act* (FAA) and applies as follows:

- Schedule “A” - Departments except the Legislative Assembly
- Schedule “B” - Crown corporations
- Schedule “C” - Education Authorities
- Schedule “D” - Commissions

except to the extent that their enabling legislation may incorporate alternate requirements such as Ministerial or Board Authority.

While this policy **does not apply** to the Legislative Assembly or to Reporting Entities subject to alternate legislation, the **spirit and intent** of the policy should serve as a **guideline** for these entities in developing their own policies. Reporting Entities that develop policies differing from Treasury Board policy require approval of Treasury Board.

(3) CONTRACT FORMAT

Attachments 13.07-I and 13.07-II appended to this policy are guidelines and a Sample Contract for services which sets out the basic contract format and the contract clauses that are normally required. In most cases, this format will meet the requirements; however, it is the Department’s responsibility to appraise all the circumstances and, if necessary, amend the contract to adequately address the situation. **The sample contract is not designed to eliminate the use of Legal Services**, but rather to assist departmental managers in the preparation of contracts.

(4) MINIMUM REQUIREMENTS

While certain types of clauses in the sample contract are optional, there are several basic pieces of information which contracts/agreements (under normal circumstances) must include. Attachment 13.07-II sets out some of the basic requirements and guidelines to assist in the preparation of contracts.

(5) INTERPRETATION

In cases where an interpretation is required, such should be referred to the Secretary to Treasury Board, or their delegated officer, who will make the interpretation or refer the matter to Treasury Board, if a Board decision is deemed necessary.