

TOWN OF ST. STEPHEN

BY-LAW NO. A-15

**A BY-LAW TO AUTHORIZE THE DELEGATION OF CERTAIN POWERS TO THE CHIEF ADMINISTRATIVE OFFICER**

**BE IT ENACTED** by the Council of the Town of St. Stephen, under the authority vested in it by the *Local Governance Act*, SNB 2017, C-18 as follows:

**1. PREAMBLE:**

Pursuant to the *Local Governance Act*, no contract, instrument or other document to which a local government is a party has any force or effect unless it is sealed with the corporate seal of the local government and signed by the Mayor and Clerk.

Further, pursuant to Section 9 of the *Local Governance Act*, a council may, by by-law, delegate any of its powers, duties or functions to an officer of the local government.

As the Town of St. Stephen enters into many contracts each year, for a wide range of goods and services, including small operational items (e.g., cellular phones) and large capital projects. Generally speaking, it is recognized that a municipality may only act through its council. However, it is also recognized that some contracts are of such a routine, day to day nature, and fall within spending authorities approved by Council, that approval to enter into such contracts should not require the attention and approval of Council.

Through this by-law, the Town of St. Stephen Council wishes to delegate some power to approve certain contracts to the Chief Administrative Officer, who may delegate such authority as he/she deems appropriate. This policy further serves to clarify the proper approvals and authorities required to enter into a contract on behalf of the Town of St. Stephen.

**2. PURPOSE:**

The purpose of this policy is to:

- Specify the signing authority required for various types of contracts which may be entered into on behalf of the Town;
- Specify which types of contracts require approval of Council; and
- Specify which types of contracts require legal review prior to execution.

**3. APPLICATION:**

This policy applies to all contracts to which the Town is a party including, but not limited to, contracts involving the Town's departments, operating units, and/or unincorporated entities.

This policy shall not apply to:

- Cheques and other banking instruments;
- Applications for funding or other in-kind assistance from other levels of government or other organizations;

**4. DEFINITIONS:**

In this by-law,

"Contract" means any written agreement, deed or other document which creates an obligation or which may be binding upon the Town of St. Stephen;

"Council" means the duly elected Council for the Town of St. Stephen;

"Signing Authority" means an individual with authority to execute a contract on behalf of the Town of St. Stephen.

**5. AUTHORITIES:**

No member of Town administration is authorized to enter into any contract on behalf of the Town unless authority to do so has been provided for in this policy, in another policy or by-law, or by resolution of Council.

**1) Execution of Contracts**

- a) All contracts shall be sealed with the corporate seal of the Town, and signed by the Mayor and Clerk.
- b) "The Town of St. Stephen" is the legal entity which must be listed as a party on all contracts entered into on behalf of the Town. Internal departments (St. Stephen Fire Department, Garcelon Civic Center, etc.) are not permitted to enter into contracts in their own names.

**2) Council Approval of Contracts**

- a) Subject to (b), approval to enter into a contract on behalf of the Town shall require authorization of Council.
  
- b) Council hereby delegates approval of the following types of contracts to the Chief Administrative Officer, who may sub-delegate such approval authority as deemed appropriate at his/her sole discretion:
  - i) Facility rental agreements;
  
  - ii) Awarding of contracts for the purchase of goods or services through any procurement method, within the spending authorities below the level Council has established under the Town's Purchasing Policy, and provided that such purchases are in compliance with the Purchasing Policy; and
  
  - iii) Lease or rental agreements for equipment or vehicles.
  
- c) Despite (b),
  - i) Any agreement for the acquisition or disposition of land shall always require Council authorization via by-law or resolution, regardless of value;
  
  - ii) Any contract may be brought forward to Council for approval when deemed by the Chief Administrative Officer to be in the best interests of the Town; and
  
  - iii) Any contract prescribed by legislation to be made by Council shall only be approved by Council.

**3) Legal Review**

- a) The Chief Administrative Officer shall establish administrative protocols which establish criteria which will determine whether a contract requires review. In establishing such administrative protocols, the Chief Administrative Officer shall take into consideration:
  - i) Financial obligations on the Town;
  - ii) Level of risk to the Town;
  - iii) Whether the contract is of a routine nature;

- iv) Whether the contract is in a standard form previously reviewed by legal counsel;
  - v) Public interest/stakeholders involved.
- b) In all circumstances, client departments shall be responsible for ensuring that the business terms of the contract accurately reflect what has been agreed to between the client department and the other party to the contract, and that the contract does not conflict with any other existing Town obligations or agreements.


**IN WITNESS WHEREOF** the Town of St. Stephen has caused the corporate seal of the said Town to be affixed to this By-Law the 22<sup>nd</sup> day of June, 2020.

First Reading: March 23, 2020

Second Reading: May 25, 2020

Third Reading and Enacted: June 22, 2020

  
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Mayor

  
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Town Clerk