

## Contract Completion and Financial Closeout

This procedure falls under the Contract Management Administrative Directive, A1205A.

**Date of Approval:** January 16, 2019

**Next Scheduled Review:** January 16, 2022

### **Purpose**

The purpose of this procedure is to prescribe how to complete a contract and ensure that the financial process is closed out.

### **Definitions**

All definitions contained in the Contract Management Administrative Directive apply to this procedure.

### **Processes**

#### **1** *Verify Contract Completion*

- 1.1 Prior to the termination, completion, or expiry of a contract, the contract manager must verify the completion or delivery of the goods, services, construction, and intellectual property rights that are required under the contract. As described in the contract or contract management plan, this may include, but is not limited to, confirming receipt of training, warranties, operating and maintenance manuals, record documents, and spare parts.
- 1.2 The contract manager will complete all required contract close out tasks, which may include:
  - final acceptance certificate;
  - final test report;
  - final inspection report;
  - commissioning report;
  - delivery slips; and
  - any other documentation identified in the contract and the contract management plan.

#### **2** *Contract Closure*

- 2.1 The contract manager will provide all necessary documentation to Accounts Payable to complete final payment(s) to the supplier.
- 2.2 If required by the contract or the contract management plan, the contract manager will close the contract, confirming that:
  - the required goods, services, construction, or intellectual property rights have been received by the City from the supplier;
  - the supplier has received all payments required under the contract; and
  - no further goods, services, construction, or intellectual property rights will be accepted by the City following the date identified in the notice, and no further payments will be made by the City to the supplier under the contract.
- 2.3 The contract manager will notify all employees using or benefitting from the contract of the closure of the contract, and request feedback and information about the supplier's performance and the

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- City's satisfaction with delivered goods, services, construction, and intellectual property rights.
- 2.4 The contract manager will ensure that any contract securities, such as bonds, certified cheques, or letters of credit, are returned to the supplier.
  - 2.5 The contract manager will arrange for the contract and all related records to be retained in accordance with the applicable City records retention schedule.

### 3 *Warranties*

- 3.1 If the contract includes warranties provided by the supplier, the contract manager will provide a summary of the warranty provisions and any relevant documentation to the employee that will assume responsibility for ongoing warranty management. If no other employee assumes this responsibility, the contract manager must continue to manage all warranties.

### **Additional Resources**

The Branch Manager, Corporate Procurement and Supply Services may, after review by the City Solicitor, approve process flows, guidelines, and forms to support or provide further detail to the above processes, however any amendments to the processes contained in this procedure must be approved by the City Manager.