EnergyTrust of Oregon, Inc.

# Board Decision
# Amending Contract Execution Policy

February 13, 2008

## Summary

Clarify the contract execution policy that the board amended in October.

## Background

The contract execution policy allows the Executive Director, General Counsel or other officer designated by the Executive Director to execute "personnel contracts and agreements" without Board review or approval of basic terms. This is basically a normal part of the hiring process.

Board members thought the policy's language should be clarified to make clear that it addresses only hiring of staff and in-house contractors, not consultant or other third-party contracts.

## Analysis

The language shown below in redline would delete "personnel contracts and agreements" and substitute "staff and in-house contractors," to clarify that the personnel addressed by this paragraph are only in-house personnel.

## Recommendation

Amend the contract policy by adopting resolution number 465. The proposed amendment was favorably reviewed by the Policy Committee in November, 2007.

**RESOLUTION #465**

**APPROVING AMENDMENTS TO THE ENERGY TRUST CONTRACT EXECUTION POLICY**

**WHEREAS:**

1. **The Energy Trust Board of Directors has delegated to the executive director authority to execute all contracts on behalf of the organization consistent with the bylaws, PUC grant agreement, governing law and board policy.**
2. **The board last amended the contract execution policy in October, 2007. The board now wishes to clarify that section 6 of the policy authorizes the executive director or her designee to sign staff or in-house contractor**

**employment agreements, not agreements for other types of professional services.**

**It is therefore RESOLVED that the board of directors of Energy Trust of Oregon, Inc.: amends the Energy Trust contract execution policy as follows:**

# 5.05.009-P Contract Execution and Oversight Policy

| History | | | |
|---|---|---|---|
| Source | Date | Action/Notes | Next Review Date |
| Board Decision | September 8, 2004 | | September 2007 |
| Board Decision | February 13, 2008 | Amended (R465) | February 2011 |

***Purpose**: The Energy Trust Board of Directors has delegated to the Executive Director authority to execute all contracts on behalf of the organization consistent with the bylaws, PUC grant agreement and governing law. This policy regulates the implementation of this authority.*

***Policy:***

1. All contracts shall be consistent with the bylaws, PUC grant agreement and governing law.

2. The Energy Trust legal department shall review as to form all contracts before submitting them to the Executive Director.

3. Contracts over the amount of $500,000:
   - No contract will be executed unless the Board of Directors has first reviewed and approved its basic terms.
   - When it approves basic contract terms, the Board may instruct the Executive Director to bring a final contract back to the Board for review and approval before the contract is executed.
   - The Executive Director shall not execute contract amendments that make major changes in contract terms (e.g., more than 10% change in funds obligated, more than 20% change in energy saved or produced, time by which savings will be achieved) unless the Board of Directors has first reviewed and approved the basic terms of the change.

4. Contracts under $500,000: The Executive Director or, if the Executive Director is unavailable, the General Counsel or corporate officer designated by the Executive Director, is authorized to execute contracts involving less than $500,000 without Board review or approval of basic terms.

5. For programs managed directly by Energy Trust staff, incentive agreements that involve less than $500,000, and are processed in accordance with standardized program forms and procedures that have been reviewed by the legal department may be approved by the relevant department director or management-level staff designated by the department director.

6. Staff and in-house contractor employment agreements: The Executive Director or, if the Executive Director is unavailable, the General Counsel or corporate officer designated by the Executive Director, may execute staff and in-house contractor employment agreements without Board review or approval of basic terms.

7. Contracts not involving a dollar expenditure may be signed by the relevant director or his/her designated manager(s).

8. The Executive Director shall maintain contract records required for an independent audit.

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]