

RESOLUTION FOR THE ESTABLISHMENT OF THE CONTRACT REVIEW COMMITTEE (CRC)

This legislation structure was initially conceptualized by Harry, a partner within the Department of Engineering, whose input was instrumental in drafting this legislation.

Proposed By:

Matthew [k], Chair

with contributions from Harry

Date:

2024-11-10

Purpose:

To create the Contract Review Committee (CRC) as a subcommittee of the Board of Governors (BoG) responsible for overseeing the intake, review, and execution of community-submitted development projects. The CRC will act as the primary body for drafting contracts, connecting development teams, and ensuring successful project delivery.

Vote Call:

Conducted on 2024-11-25

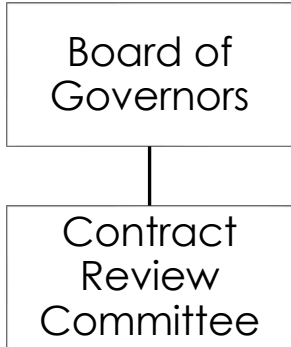
3-0-1

- Matthew [k], Chair: Yea
- NightRaven [k], Vice Chair: Yea
- Pax [k]: Yea
- Bsián: Present / No Vote

Article I. **Establishment of the CRC**

Section 1.01 The Contract Review Committee (CRC) is hereby established as a permanent subcommittee of the Board of Governors (BoG).

Section 1.02 The CRC shall operate under the authority of the BoG and in accordance with this legislation.



Article II. **Responsibilities and Authority of the CRC**

Section 2.01 The CRC is responsible for:

- (a) Managing a dedicated **job submission system** hosted on the LOC Discord server, where clients can submit requests for custom development work.
- (b) Reviewing submitted jobs to assess feasibility, including technical, financial, and logistical considerations.
- (c) Assisting with drafting contracts that outline project scope, deliverables, timelines, and payment terms.
- (d) Organizing development teams from qualified LOC community members, ensuring alignment with the project requirements.
- (e) Overseeing project milestones and deliverables, ensuring quality standards and adherence to timelines.
- (f) Mediating disputes and facilitating communication.
- (g) Handling payment processing, including deposit requirements and payouts upon milestone completion.

Section 2.02 The CRC has the authority to:

- (a) Approve contracts within thresholds defined by this legislation.
- (b) Help delegate development team members to execute a contract.
- (c) Resolve disputes and enforce contract terms.
- (d) Escalate exceptional circumstances (e.g., legal risks or reputational concerns) to the BoG for resolution.

Article III. **Job Submission and Team Formation Process**

Section 3.01 Clients may submit project requests through a dedicated channel in the LOC Discord server, following a standardized submission form.

Section 3.02 Communications and interactions between parties regarding the contract must be performed through a channel the CRC/LOC facilitates.

- (a) The CRC/LOC is not responsible for handling issues or disputes arising from not using facilitated channels.
- (b) If the CRC/LOC is made aware of unfacilitated communication prescribed in this section, the CRC reserves the right to fully terminate the contract.

Section 3.03 The CRC shall review all submissions to determine:

- (a) Feasibility of the project.
- (b) Alignment with LOC's resources and capabilities.

Section 3.04 If a project is approved, the CRC shall:

- (a) Draft a detailed contract to be signed by the client, development teams, and LOC representatives.
 - (i) Requirements elicitation shall be performed by the client, however the CRC will be responsible for ensuring proper requirements specification and validation.
- (b) Identify and recommend vetted community members with relevant skills to form the development team.
- (c) Perform regular check-ins with the dev team and client to ensure proper contract execution and satisfaction.

- (d) The CRC is involved in the planning phase of the project, however all other SDLC phases shall be between the client and dev team unless CRC intervention is requested. This includes:
 - (i) Design
 - (ii) Implementation
 - (iii) Evolution

Article IV. Composition of the CRC

Section 4.01 The CRC shall consist of the following members:

- (a) At least one representative from the Administration for the Department of Engineering appointed by the BoG.
- (b) At least one representative from the Administration for the Department of Operations appointed by the BoG.
- (c) Additional members as appointed by the BoG, not exceeding 6 members.

Section 4.02 Members shall be appointed by Simple Legislation or via a Governance Order and shall serve for a term of 3 months, with eligibility for reappointment.

Section 4.03 A **Commissioner** for the CRC shall be appointed by the Vice Chair of the Board of Governors from the pool of CRC members and shall serve at the pleasure of the Vice Chair.

- (a) Serve as the primary point of contact for the CRC.
- (b) Oversee CRC operations and ensure compliance with LOC policies.
- (c) Represent the CRC in communications with the BoG.

Article V. Operational Guidelines

Section 5.01 The CRC shall establish and maintain internal procedures, including but not limited to:

- (a) Criteria for project feasibility reviews.
- (b) Processes for team formation and contract drafting.
- (c) Dispute resolution and mediation protocols.

Section 5.02 The CRC shall meet as necessary to fulfill its responsibilities.

Section 5.03 Overview the contract process:

- (a) Review internally ongoing contracts to ensure quality and continuation with the organization's mission.
- (b) Step in if needed to handle managerial or operational issues within contract teams that may compromise the contract.

Section 5.04 Decisions within the CRC shall be made by majority vote unless otherwise specified by this legislation or CRC procedures.

- (a) Decisions or action by the CRC shall be deemed *Committee Actions* and must be documented in writing and submitted to the Board of Governors and applicable parties.
- (b) Internal CRC operational procedures may dictate how voting or executive orders of sorts occurs internally; however, this legislation requires a majority vote for "committee actions".

Section 5.05 Any facilitation that is required between the CRC and the organization must be conducted and approved by the Board of Governors.

Article VI. Financial Thresholds and Reporting

Section 6.01 The CRC shall have the authority to approve contracts up to \$250 without requiring additional BoG approval.

Section 6.02 Contracts exceeding \$250 or involving exceptional risks shall be escalated to the BoG for final approval.

Section 6.03 Cost of Doing Business:

- (a) LOC shall be entitled to take some form of cut from the contract as a cost of doing business and providing the platform.
- (b) The CRC shall dictate internal policies and procedures for implementing the cut for contracts, however the general recommendation is 10%-20%.
- (c) The CRC is authorized to levy the cost of doing business fee as they wish, however for levying a cost of doing business fee lower than 5.1% or removing it completely must receive approval via petition to the Board of Governors.
- (d) The CRC may petition the Board of Governors to approve pro-bono or sponsored contracts, where the organization may cover the entire cost for contracts or cover some of the cost of contracts depending on negotiations.

Section 6.04 Distribution and Payments:

- (a) All distributions and payouts which may involve the organization's Stripe account must only be performed by the Board of Governors, as authorization and execution of situations involving funds or the Stripe account shall only be performed by the Chair or Vice Chair of the Board, or other authorized managerial partners they appoint. The CRC shall submit various requests in writing to the Board of Governors for these actions to take place. Which may include:
 - (i) Onboarding of client and the development team,
 - (ii) Processing payment for initial deposits,
 - (iii) Processing payment for final contract payment,
 - (iv) Processing any distributions,
 - (v) Processing anything related to the Stripe account.
- (b) An initial deposit for contracts must be submitted to the CRC of 30%-50%, as determined by the CRC, of the contract's face value before the contract may be executed.
- (c) After contract execution, the rest of the contract payment must be received before the CRC signs over the project to the client.
- (d) The CRC shall hold onto the funds until the sign-over and contract finalization is complete and both parties are satisfied.
- (e) Distributions shall be handled through the organization's Stripe account.
- (f) The final distribution (from the CRC to the dev team) must receive explicit approval from the CRC Commissioner.
- (g) When a distribution is performed, a receipt of the distribution as well as cost details must be submitted immediately to the Board of Governors.

Section 6.05 The CRC shall submit a quarterly report to the BoG detailing:

- (a) Projects submitted, approved, and executed.
- (b) Financial expenditures and revenue generated.
- (c) Any disputes or issues resolved during the reporting period.

Article VII. **Oversight and Amendments**

Section 7.01 The BoG retains oversight of the CRC and may review its actions and decisions as necessary.

Section 7.02 This legislation may be amended by a two-thirds majority vote of the BoG.

Article VIII. **Effective Date**

Section 8.01 This legislation shall take effect immediately upon its approval by the BoG.