

Document Name	Document Version Number	Review Date
Contract Management Policy	1.0.0	December 2018
Date Adopted	Minute Number	Status
21 December 2016	4577	New Policy

Purpose

To implement a defined policy and procedure that identifies the key responsibilities associated with the management of Council contracts.

The application of this policy and procedure will commence at the completion of the procurement process (post award) and is designed to assist Council Officers in managing and monitoring contracts and to ensure all contractual objectives are realised.

Scope

The policy applies to all Council Officers responsible for the management of contracts on behalf of Council.

This policy applies to contracts if they meet one or more of the following criteria:

- The procurement activity is high risk
- The contract value is greater than \$150,000 (including GST) or a lesser amount if tenders are called.
- The term of the contract exceeds 12 months.

Definitions

Contract means any contract, agreement or lease entered into by Council with a third party.

Contract Manager – is the Council staff member responsible for the management and oversight of the contract.

Policy Content

Council is responsible for the management of a diverse range of contracts including service, supply, building and construction-based contracts. To effectively manage these contracts Council Officers must apply the following key principles of effective contract management:

- Contracts are to be administered in accordance with Council's policies and procedures, local government regulations and relevant NSW State and Commonwealth legislation;
- A Contract Management Plan must be developed prior to the commencement of the contract;
- Contract Managers must be suitably qualified and experienced;
- At contract start-up the key objectives of the contract must be confirmed with the contractor;
- During the contract term effective communication and open and collaborative business relationships are to be established and maintained with contractors and all stakeholders;
- Contracts must be monitored regularly and their performance assessed against Performance Measurement Indicators;
- All risks must be reviewed annually and where applicable, risk management plans updated;
- All contract variations must be managed in accordance with the conditions of the contract;
- Contract variations exceeding 5% of the original contract value or a cumulative total of 10% or greater must be approved by the General Manager;
- All contract term extensions greater than 30 working days in any one occurrence or for a cumulative period greater than 60 days, must be authorised by a the relevant Director;
- Disputes are to be managed in accordance with the Resolution of Disputes clause in the contract;

- Management reporting must be carried out in accordance with the contract specifications;
- At the completion of a contract a formal review process must be undertaken by the Contract Superintendent.
- The application of this policy and the attached Contract Management Procedure may be considered for shorter term (less than 12 months) procurement/contracts less than \$150,000 (including GST).

Links to Policy

Procurement Policy

Statement of Business Ethics

Links to Procedure

Contract Management Plan and Procedure

Procurement Procedures

Links to Forms

Contract Management Checklist

Contract Variation Form

References

Responsibility

All Staff involvement in managements of contracts

Document Author

General Manager

Relevant Legislation

Local Government Act 1993

Local Government (General) Regulation 2005

Associated Records