Contract Management 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 suitability 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;
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- 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
Nil

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
Nil