

Contract Management Policy

Responsible Division	Business Services
Responsible Business Unit	Procurement
Responsible Officer	Manager Business Services
Affected Business Units	All Branches
ECM Document Set ID	3698743

Purpose

To support the City's Procurement Policy

Policy Statement

This policy provides guidance on the central recording of the City's contracts and the performance review of the City's contractors, including prior to any extension or renewal action, to ensure that contract outcomes are achieved.

The objective of this policy is to govern the execution and management of contracts entered into by the City and minimise the exposure to financial and reputational risk. This Policy is to be read in conjunction with the City's Procurement Policy and other relevant Management Guidelines.

The Manager Business Services is responsible for reviewing and updating this Policy every two years or as required.

Policy Details

1. Council supports an active and ongoing contractor management system which:
 - seeks opportunities for improvements in service delivery;
 - is based on contemporary risk management principles; and
 - promotes positive working relationships between contractors and the City.
2. To achieve these outcomes, the City will ensure that performance reviews of contracts are conducted no less than at annually, and performance reviews will also be conducted prior to any extension or renewal action. The detailed requirements will be set out in the Management Practice.
3. As a business rule, all City contracts above the value of \$25,000.00 that address the requirements for contract variations and exercising of extension options will be recorded and centrally registered within the City's contract management database. The contract value shall be determined inclusive of any extension options or variation provisions.

4. The Manager Business Services will ensure that information in the City's Contract Management database will be maintained to ensure that it remains current.
5. All City contracts nearing expiry will undergo a final review and renewal in a timely manner (no less than three months prior to the contract expiry). Reviews should be consultative and clearly communicated with contractors. The outcomes of such reviews shall be recorded in the City's record keeping system and used to inform corrective actions and guide future contracting decisions.
6. Financial capacity to complete major new projects will be a consideration when appointing contractors, and detailed guidance for assessment will be set out in a Management Practice.
7. The Policy does not apply to employment contracts, non-binding Memorandums of Understanding or partnering agreements with other agencies.

Scope

This policy applies to procurement-related activities including recording of contracts and managing contractor relationships including assessing contractor's financial capacity for completing major projects and measuring of performance against the City's requirements.

Definitions

Contracts

A contract is a legally binding agreement that sets out the rights and duties of the parties involved. Typical contracts entered into by the City include the provision of building maintenance, construction of civil works, supply of goods and materials and consultancy services on issues such as engineering design, industrial relations, town planning, local enforcement and community engagement.

Related Legislation

Local Government tendering is subject to the requirements of s.3.57 of the Local Government Act 1995 and r. 11 - 24 of the Local Government Act (Functions and General) Regulations 1996.

Local government record keeping (including procurement-related matters) is subject to the requirements of the State Records Act 2000.

Related Documentation

Procurement Policy.

Management Practice – *Contract Performance Reviews*

Management Practice – *Contractor financial capacity*

Document details

Relevant Delegations

Risk Evaluation	High (2 yearly review cycle)
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Council Adoption	14 May 2019
Review/Modified	23 June 2020
Review/Modified	31 January 2023
Next review due	Quarter 1, 2025