

2.54 Contract Management

POLICY TITLE: CONTRACT MANAGEMENT

FILE REF: SC67

REVIEW DATE: JULY 2025

OBJECTIVE

The aim of this Policy is to ensure that:

- 1) Lockhart Shire Council manages the risk associated with contracts by providing clear direction to staff responsible for establishing and managing contracts with third parties.
- 2) Relevant legislation, codes and policies are complied with.
- 3) Obligations under contracts are performed.

SCOPE

This Policy applies to contracts for the supply of goods or rendering of services entered into by Lockhart Shire Council and third parties with the exception of:

- 1) Employment contracts.
- 2) Non-binding agreements or memorandums of understanding.

POLICY STATEMENT

- 1) All contracts must be in writing.
- 2) Only staff with the requisite delegation of authority may sign and execute contracts on behalf of Council.
- 3) All contracts must be entered into the Council's Contracts Register a copy of which is to be made available on the Council's website.
- 4) The goods or services to which the contract relates must be procured in accordance with Council's Procurement Policy.
- 5) Conflicts of interest that may arise in the negotiation, establishment and execution of a contract must be managed in accordance with the Local Government Act, 1993 and Council's Code of Conduct.
- 6) Contractual relationships will be established and managed having regard to the Council's Statement of Business Ethics.
- 7) All contracts and relevant documentation must be registered and securely stored in accordance with Council's Records Management Policy.
- 8) All commercial-in-confidence information will be treated as confidential.
- 9) A contract management plan will be prepared for contracts that are assessed as "high risk".
- 10) The Council may undertake an evaluation of contractors' performance. The evaluation may be considered in the assessment of future requests for services of a similar nature.

CONTRACT MANAGEMENT PLAN

In assessing the risks associated with an individual contract the risk assessment will not be limited to the dollar value of the contract but also have regard to other relevant factors such as complexity, duration, type of contractor, etc.

A contract management plan is to be prepared for contracts that are assessed as "high risk".

A contract management plan should be prepared prior to the execution of the relevant contract.

A contract management plan should, as a minimum:

- 1) Appoint a contract manager.
- 2) Identify other key individuals with roles and responsibilities in the management of the contract.

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- 3) Identify the relevant officer with the appropriate delegation of authority to sign the contract.
- 4) Ensure that funds have been properly appropriated or budgeted for the contracted expenditure.
- 5) Identify what files need to be established for the contract, e.g. tender file, contract file, DA file, etc.
- 6) Determine that there is no conflict of interest, or potential conflict, in managing the contract.
- 7) Identify specific contract risks and appropriate mitigation strategies.
- 8) Identify the purchase order corresponding to the contract.
- 9) Establish arrangements for payments to be made under the contract.
- 10) Establish appropriate methods of communication between Council and the contracted party.
- 11) Outline any relevant reporting requirements for the contract.

RELATED DOCUMENTS

This Policy should be read in conjunction with:

- 1) Policy 1.4 Code of Conduct
- 2) Policy 1.6 Statement of Business Ethics
- 3) Policy 1.9 Records Management
- 4) Policy 1.19 Local Preference Purchasing
- 5) Policy 2.31 Procurement

Adopted by Council 18 July 2022
Refer Minute 144/22

Adopted by Council 15 April 2019
Refer Minute 94/19