



**Government
of South Australia**

State Procurement
Board

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Contract Management Policy

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1. Purpose

This policy outlines the State Procurement Board's (Board) mandated requirements and advises on the management of contracts with suppliers of goods and services.

This policy includes information on:

- the benefits of undertaking effective contract management
- the key requirements of the contract management framework.

2. General Principles

The object of the *State Procurement Act 2004* (Act) is to advance government priorities and objectives by a system of procurement for public authorities directed towards:

- a) obtaining value in the expenditure of public money
- b) providing for ethical and fair treatment of participants
- c) ensuring probity, accountability and transparency in procurement operations.

The management of contracts is to have regard to, and be consistent with, these objectives.

All expressions defined in the Act have the same meaning in this policy.

The *South Australian Funding Policy for the Not-For-Profit Sector* identifies best practice principles for government and NFP funding relationships across eight categories:

- Robust planning and design
- Collaboration and partnership
- Proportionality
- An outcomes orientation
- Achieving value with relevant money
- Governance and accountability
- Probity and transparency
- Community development principles.

These best practice principles have been incorporated into this policy where relevant.

3. Policy Statement

Public authorities are required to undertake effective contract management processes in accordance with the mandated requirements outlined in this policy.

4. Policy Scope

This policy applies to all public authorities as defined in the Act.

This policy applies to procurements greater than \$550,000 and is not intended for procurements valued up to and including \$550,000 undertaken in accordance with the *Simple Procurement Policy*, although the general principles are suitable for managing all contracts.

Whilst this policy is relevant for all contracts over \$550,000, the policy provides significant

benefits to contracts that are high in value, risk or complexity, that are delivered over a longer period of time, have significant implementation issues and involve complex performance measures. Many one off purchases that have minimal management tasks may not require, or benefit from, a formal contract management approach.

The contract management activities outlined in this policy are also relevant for public authorities when utilising an across government contract through a secondary procurement process (whether sole supplier or panel contract).

There are additional specific requirements when managing contracts with the Not-For-Profit (NFP) sector. These requirements apply for contracts where NFP organisations form the primary supplier base. These requirements are identified in this policy through the use of a shaded text box.

This policy does not apply to grants as defined in Treasurer's Instruction 15.

All dollar values are GST inclusive.

5. Better Customer Charter for Business

The *Better Customer Charter for Business* released in July 2016 outlines the South Australian Government's commitment to being the best public service customer to suppliers and sets out what current and potential suppliers can expect from the government when they bid for procurement opportunities.

The *Better Customer Charter for Business* requires that:

- suppliers be treated fairly, equally and with respect
- feedback from the supplier community be used to identify opportunities for improvement
- barriers to good procurement practice are removed.

Other specific elements of the charter have been incorporated into this policy.

6. Definitions

Contract Management is the process of pro-actively managing a contractual relationship between a supplier and public authority, including addressing risks and disputes that arise, to achieve the agreed contractual outcomes.

The *Contract Management Framework* outlines the key processes and activities to be undertaken by public authorities to achieve effective contract management outcomes. The framework comprises both organisational requirements that apply more generally, and transactional requirements that apply to specific contracts.

The *Contract Management Plan* is an internal document outlining key strategies, activities and tasks required for managing a contract including but not limited to roles and responsibilities, timelines, performance management and financial matters.

The *Contract Manager* is the person nominated to be responsible for the management of the day-to-day matters of a contract.

A *not-for-profit* is an organisation that does not operate for the profit, personal gain or other benefit of particular people. *Not-for-profit organisations* consist of two broad categories¹:

- charities which must be registered with the Australian Charities and Not-For-Profits Commission (charities can be further broken down into the following types: public benevolent institutions, health promotion charities and other charities)
- other types of not-for-profit organisations such as community service organisations, professional and business associations, sporting and recreational clubs and cultural and social societies.

7. Contract Management Framework

As contract management is a key stage of the procurement process, the principal officer **must** ensure that the public authority has a contract management framework in place.

Contract management focuses on the activities to be undertaken after the contract has been awarded and executed, but it is strongly influenced by what has occurred in the previous stages of the procurement process: acquisition planning and supplier selection. Effective contract management:

- supports the achievement of value for money outcomes by ensuring that all parties to the contract meet or exceed their obligations in line with the contract performance measures, timeframes and expected deliverables
- minimises the risks to the public authority, government and clients
- holds the supplier to account
- prevents misunderstandings about the contract scope
- promotes innovation and improvement in supplier performance
- assists in developing the capability of both the supplier and the public authority.
- assists with achieving the contract outcomes in a timely manner.

An overview of key contract management activities is provided as Appendix 1.

The contract management framework outlines the key processes and activities to be undertaken by public authorities to achieve effective contract management outcomes. The framework comprises both organisational requirements that apply more generally and transactional requirements that apply to specific contracts. The contract management framework may include plans, policies, procedures, guidelines, checklists, training, reports, audits, surveys and computer systems.

The organisational level incorporates the following key aspects:

- privacy and confidentiality
- probity, ethical behaviour, accountability and transparency
- stakeholders
- across government contracts.

The transactional level incorporates the following key processes:

- prepare to manage a contract
- implement a contract management strategy
- implement the contract

¹ <https://www.ato.gov.au/Non-profit/Getting-started/Types-of-not-for-profit-organisations/>

- monitor and maintain the performance of a contract
- complete and review the contract.

8. Organisational Requirements

Privacy and Confidentiality

In accordance with the Government's *Better Customer Charter for Business*, all commercial information provided is to be treated as confidential.

Confidential government, user, client and supplier information is to be handled appropriately throughout the contract management process in accordance with confidentiality and privacy clauses contained in the contract.

Probity, Ethical Behaviour, Accountability and Transparency

The *Better Customer Charter* requires that public authorities are honest and fair in commercial dealings, and behave in accordance with the highest ethical standards.

Practices and actions that strengthen probity, ethical behaviour, accountability and transparency include:

- maintaining a written record of all decisions, contract management meeting outcomes, key discussions with suppliers and significant contract management issues including approvals and the rationale for decisions made
- undertaking supplier audits and accessing supplier information where necessary
- undertaking site visits to verify contract undertakings and outcomes
- establishing processes for identifying, declaring and managing conflicts of interest
- providing regular reports on supplier performance to senior management and oversight committees
- the use of a gift register.

The risk of unethical behaviour is an important and real consideration during the contract management phase and involves balancing several issues in relation to:

- adhering to the Government's *Code of Ethics for the South Australian Public Sector*
- achieving the contract outcomes
- maintaining a professional and respectful working relationship with the supplier
- avoiding the potential for and the perception of unethical behaviour and conflict of interest.

Further information is available in the *Probity and Ethical Procurement Guideline*.

Stakeholders

Implementing effective contract management strategies involves managing the needs and expectations of internal and external stakeholders who may include end users, customers or clients, managers, sponsors, suppliers, technical or functional experts or advisers. The type and frequency of interaction and communication with stakeholders will vary according to the value, risk and complexity of the contract.

Industry Participation Policy

The *South Australian Industry Participation Policy* (IPP) outlines various requirements to be applied when undertaking procurements. In particular, the IPP requires public authorities to:

- monitor IPP Plan commitments as part of their contract management regimes
- obtain regular reports from contractors
- report on IPP outcomes annually.

Further guidance and detail are available in the *South Australian Industry Participation Policy* published by the Office of the Industry Advocate (OIA).

9. Transactional Requirements

9.1 Prepare to Manage a Contract

Appointing a Contract Manager

For contracts valued at or above \$4.4 million and significant contracts below \$4.4 million (as determined by the public authority):

- an adequately resourced and skilled contract manager **must** be appointed
- the contract manager **must** have completed the Board's contract management training program (or similar) and undergo refresher training every three years.

The early appointment of the contract manager allows them to influence the final contract and develop the contract management plan as soon as possible in the procurement process and prior to the contract being awarded. Complex or high risk contracts may require the appointment of a contract management team.

The key roles of the contract manager are to:

- understand the contract requirements and obligations
- make sure the contract outcomes are achieved
- identify opportunities for realising additional value
- manage and address contract risks
- maintain effective relationships with the supplier and schedule regular contract management meetings
- communicate with users, stakeholders and clients
- ensure that performance measures are met and provide performance reports to senior managers or the governance committee
- certify payments to the supplier for work done (where applicable)
- address problems and conflicts that may arise
- assess and (where required) seek approval for any variations to the contract.

Contract Management Plan

The contract management plan:

- is an internal document for documenting the key strategies, activities and tasks required to manage the contract
- provides a systematic and accountable method to ensure that both parties fulfil their contractual obligations



- is used by the public authority to review the performance of the contract and monitor the achievement of the contract outcomes.

For contracts valued at or above \$4.4 million and significant contracts below \$4.4 million (as determined by the public authority) an approved contract management plan **must** be developed, implemented and monitored (except for contracts that are of a one-off nature and have minimal management tasks).

The contract management plan is normally drafted before the contract is executed, with the involvement of the contract manager where appropriate.

The contract management plan comprises:

Heading	Description
Background information	Details of the contract and successful supplier/s and how the need for the contract arose
Purpose and objectives	Purpose and objectives of the contract management plan
Procurement description and key deliverables	The objectives of the contract and the key deliverables of the contract
Contract summary	Key information on the contract (start and end date, estimated value; contract extension options, etc) and on key clauses such as warranties and intellectual property
Roles and responsibilities and governance	Key individuals and their role in managing the contract, governance processes that are in place, management of documentation and information, key stakeholders and their information requirements
Contract management meetings	Information on the frequency of meetings, attendees, reporting requirements, agendas and minutes etc
Implementation approach	Details of the implementation approach to the contract including transition in requirements
Risk management	Details on key risks and how they will be managed
Performance management	Details on key performance measures and reporting requirements of the supplier/s
Dispute resolution and termination	The process for dispute resolution and the relevant contractual clause as well as the process and contract clause for termination
Payment terms and arrangements	Details on payment and invoice approval requirements, rebates and the payment schedule if relevant
Contract variations and extensions	The process for managing variations and contract extensions
Contract finalisation	Includes transition out requirements and requirement to complete a post-contract review report

Completing the contract management plan requires professional judgement to determine the level of detail for each heading, which will range from a simple statement to more comprehensive detail and information, depending on the value, risk and complexity of the contract.

The Board's *Contract Management Plan* template can be used.

A contract management checklist is provided as Appendix 2 as a useful tool for managing lower value contracts.

Governance and Oversight

An oversight or governance committee can be established to oversee contracts of high value, risk or complexity. Membership may comprise senior public authority staff, users, business unit representatives, as well as the contract manager. Alternatively, the public authority's existing governance committee (for example, Accredited Purchasing Unit) may be designated to oversee a specific contract.

Contract Risks

Managing risk is central to effective contract management and involves developing and monitoring relevant risk minimisation strategies, including those related to contract risks previously identified in the acquisition planning and supplier selection phases. Further information on managing contract risks and examples are provided in the *Risk Management Guideline*.

9.2 Implement a Contract Management Strategy

Relationship Management

Wherever possible, public authorities and suppliers need to work collaboratively, respectfully and flexibly to achieve agreed outcomes. An effective professional supplier relationship underpins achieving contract outcomes, with the contract manager being the key link between the public authority and the supplier.

An ineffective or difficult relationship may result in the supplier taking a more adversarial approach or being less willing to provide quality services.

Relationship Management – Not-For-Profit (NFP) Sector

Positive working relationships need to be maintained through effective collaboration that supports the needs and interests of NFP organisations and funding recipients. Public authorities need to openly communicate with contracted NFP organisations and work collaboratively, respectfully and flexibly to achieve agreed outcomes.

Communication

Good communication is crucial to developing and maintaining a professional relationship. Communication strategies may include:

- setting up regular meetings with the supplier to review progress and discuss opportunities for improvement
- a system to monitor milestones and key deliverables
- advising users/customers of the key aspects of the contract and the supplier
- ensuring the flow of relevant information at critical stages of the contract.

Formal communication in relation to the contract is preferably channelled through the contract manager.

9.3 Implement the Contract

Start-up Tasks

Initial tasks undertaken by the contract manager include:

- convening an initial contract management meeting with suppliers, public authority representatives and stakeholders to ensure all parties have a clear understanding of their responsibilities and obligations
- confirming the contract risks and developing strategies to manage these risks
- enabling the supplier to commence work including arranging induction to the work site and any other requirements
- establishing files to record or store relevant documentation.

Implementing the Contract

The implementation period commences at the execution of the contract and in some cases, can last up to three to six months before ongoing contract management and monitoring activities take precedence. Effective contract implementation:

- ensures that a new contract is quickly established and operational to deliver the required goods or services to clients and end users
- involves communicating the existence of the contract to users and stakeholders, describing what goods and services the contract will provide, who is responsible for the key contract tasks and how to utilise the contract.

Methods of communicating include newsletters, face to face briefings and email. Communication may be undertaken by procurement staff, the contract manager, business unit staff, marketing people, supplier representatives and user representatives.

Service Continuity and Transition

Transition from one supplier to another or from one contract to another involves careful planning and communication to ensure a smooth handover and the continuity of service provision. The transition period can entail high risks and stress on both parties.

A transition plan and/or the establishment of a transition team may be warranted to manage the transition and is useful where there are:

- complex or essential service contracts in place
- significant assets or intellectual property that will become the property of the public authority or new supplier
- security or safety issues.

A transition plan identifies and addresses risks allowing the transition to occur with minimal disruption to existing services and for improving systems and procedures.

The new supplier may also have several issues to consider including:

- outstanding warranty matters
- obtaining previous contractual records and information
- obtaining access to premises and assets
- understanding any areas in which the previous supplier did not perform adequately.

In complex cases, the transition period may occur over a period of time but still finish prior to the original contract ending. Where this cannot occur, it may be necessary to extend the original contract before it expires.

A review of the transition phase may be useful for determining improvements and identifying issues that may have to be addressed in the contract management phase.

Payments

Timely payments made in accordance with the contract are important in maintaining a good supplier relationship and ensuring the supplier can continue to provide the contracted goods and services.

Payments are subject to a compliant tax invoice and the contract manager (or other appropriate person) certifying, where relevant, the satisfactory receipt of the goods or services and/or the achievement of relevant performance measures or outcomes.

Public authorities are to ensure that payments are made in accordance with *Treasurer's Instruction 11 - Payment of Creditors' accounts*.

Record Keeping and Documentation

Keeping records and significant documents that relate to the contract management phase is a crucial aspect of good contract management in accordance with the requirements outlined in the *State Records Act 1997*. These records may include, but are not limited to:

- risk monitoring and assessments
- the original contract and contract management plan
- minutes of contract management meetings
- significant communications with the supplier
- where applicable, records of payments
- performance reports, assessments, feedback or non-compliance issues
- variations or extensions to the contract
- legal or technical advice received.

9.4 Monitor and Maintain the Performance of a Contract

Performance Measures and Data Collection

Performance measures link to the original procurement objectives as documented in the contract. Effective performance measures tend to be outcome focused, able to be measured objectively, understood by all parties and reflect the key aspects of the contract.

Examples of performance measures include:

- targets to be met
- outcomes to be met
- key steps or milestones
- achieving payment deadlines
- client feedback or customer service metrics
- technical considerations
- quality, safety, environmental or social outcomes.

Systems for collecting relevant data (financial, quality, safety or technical aspects of the supplier's performance) are best established from the commencement of the contract, with the data discussed with all parties at the regular contract management meetings. Qualitative data may also be collected, for example, through client and user surveys.

In some cases (for example, in contracts relating to complex or highly technical matters), an independent assessment or periodic audit can determine whether the performance measures have been met.

Stakeholder and User Feedback

Feedback can be obtained from key stakeholders throughout the life of the contract on the quality and level of services they are receiving, in line with the contract. Feedback can be collected via surveys, incident log books, questionnaires, telephone or face-to-face enquiries.

Feedback is best considered with other performance data to provide a more comprehensive view. By itself, client feedback may not represent the total or majority client/user experience as can skew towards the negative as more unsatisfied clients are likely to log an issue.

Contract Management Meetings

The *Better Customer Charter for Business* iterates the importance of engaging with suppliers to identify opportunities for improvement and remove barriers to good procurement practice. Regular scheduled contract management meetings with the supplier are important to monitor contract activities and to discuss improvement opportunities.

The frequency of contract management meetings varies. For example, the majority of medium to longer term contracts may require contract management meetings on a quarterly basis, with short term contracts (less than six months) or higher risk contracts requiring meetings on a more regular basis.

A formal agenda is good practice and assists to guide the discussion towards improving contract outcomes. Key contract management meeting outcomes need to be documented.

Performance Management

Where the supplier's performance is found to be inadequate, the issue is to be discussed with the supplier and discussions to remedy the situation agreed. These discussions are to be documented and the outcomes monitored at contract management meetings.

Performance monitoring of contracts needs to be commensurate with the risks involved and the previous experience and performance of the supplier.

Contract Reviews

Formal contract reviews are an important aspect of managing the contract. An annual contract review report **must** be completed for all contracts valued at or above \$4.4 million and significant contracts below \$4.4 million (as determined by the public authority) for the consideration of the contract governance committee (where established) or senior managers.

Questions to consider in undertaking a formal annual contract review may include:

- Have the contract key performance indicators been met?
- What is the status in completing the contract milestones or agreed outcomes?
- What are the areas where implementation has not been completed?
- What is the status of risk management strategies?
- Are there any unresolved performance issues, problems or contractual matters which need to be addressed with the supplier?
- What are the learnings to date?
- What opportunities are there to improve contract outcomes?
- Are there any other relevant issues for future procurements?

All other contracts are to be reviewed on a regular basis commensurate with its value, risk, complexity and length, with the public authority best placed to determine the frequency of these reviews.

In some cases, the nature and timing of reviews are outlined in the contract. In addition, there may be occasions where an ad-hoc contract review is warranted, for example, in addressing a serious breach in service delivery.

The Board's *Annual Contract Review* template can be used.

Dispute Resolution

In an environment of trust and cooperation, most disputes are relatively minor and can be resolved quickly. However, no matter how well the contract is managed, disputes can occur over the life of the contract. The key is for problems to be anticipated, where possible, and resolved at an early stage before they become more difficult to address.

The *Better Customer Charter for Business* requires the prompt resolution of complaints by providing suppliers access to a timely, clear and independent dispute resolution process.

Dispute resolution processes are usually outlined in the contract including mechanisms for resolving formal disputes such as negotiation, arbitration, mediation and litigation. Advice from experts such as the Crown Solicitors Office is available before formal action is taken in such disputes.

Disputes often relate to definitions of deliverables or performance measures, disagreements over requirements, delivery schedules, price changes, additional tasks, contract scope, payment schedules and complaints by third parties. Suppliers need to be informed of any problems in writing and given an opportunity to respond.

Formal disputes are to be avoided where possible as they can affect the goods or services provided and undermine the relationship. However, if necessary, the contract manager is to protect the interests of the public authority and the government.

Termination and legal action are only to be considered as a last resort after all reasonable attempts to resolve the issue have been made.

Contract Renewals: not-for-profit sector

Where there is funding certainty, a minimum of six months' notice **must** be provided to not-for-profit organisations regarding whether long term contracts are to be renewed. This notice will assist to prevent unnecessary loss of staff and reduce the impact on individuals who rely on these services.

Funding uncertainty exists where the public authority is dependent on state or Commonwealth government funding and the funding outcomes are not advised with sufficient lead time to enable six months' notice to be provided to the not-for-profit sector.

Exercising Contract Extension Options

A contract extension is the exercising of a contract option to extend the contract for a further period subject to the agreement of both parties. Contract extension options are outlined in the contract and state who can exercise the contract option (i.e. one or both parties). Extension options are approved in accordance with the process outlined in the contract.

In exercising an extension option, consideration is given to whether the extension option provides value for money and whether the contract has achieved what was expected. Discussions to exercise an extension option generally commence well before the expiry date in case the extension is not taken up and a new procurement is undertaken.

Where a contract has expired without an approved variation to extend but the supply of goods and/or services under the expired contract is required to continue for a short time after the expiration, a new interim contract will need to be executed. In such situations, where the supplier/s are willing to continue supply under the same terms and conditions, procurement approval for the extended arrangements may be obtained via the same process used for variations. Although an acquisition plan is not required, the public authority still needs to consider risk and value for money by assessing any negative impact of the extended arrangements on the contract deliverables, price, timeframes and objects of the Act (including value for money outcomes, probity, transparency and accountability).

This option is to be utilised only as an interim measure on the condition that a new procurement process is undertaken within a reasonable time-frame. For longer term extensions and/or those requiring more complex negotiations, an acquisition plan should be used.

The Board's *Contract Extension Letter* template can be used.

Contract Variations

A contract variation is an addition or alteration to the original contract. Variations may be proposed by either party and may refer to adding, removing or changing an existing contract provision and may include a change to:

- the scope of the contract
- the value of the contract
- the contract options to be exercised
- contract prices
- quantity purchased.

Procedures for varying and amending contracts are included in the contract and managed by the contract manager. All contract variations **must** be approved in writing in accordance with the contract and be approved by the appropriate delegate.

An assessment of the proposed variation is to be made in terms of its impact on the contract deliverables, price, timeframes, value for money outcomes, probity, transparency and accountability. The level of variation is to be determined in terms of whether it is insignificant, minor, moderate or major.

Variations do not change the original objectives of the contract or breach government policy or legislation. The following guide is provided for each type of variation.

Measure	Description	Approval Requirements
Insignificant	No potential to impact the contract deliverables, price, timeframes, value for money outcomes, probity, transparency and accountability.	A note is recorded in the relevant file.
Minor	Limited potential to impact the contract deliverables, price, timeframes and value for money outcomes, probity, transparency and accountability.	A note is recorded in the relevant file.
Moderate	Moderate potential to impact the contract deliverables, price, timeframes, value for money outcomes, probity, transparency and accountability.	Approval is sought from the approving delegate of the acquisition plan.
Major	High potential to impact the contract deliverables, price, timeframes value for money outcomes, probity, transparency and accountability.	Approval is sought from the approving delegate of the acquisition plan.

In high risk or complex cases, it is recommended that advice from the Crown Solicitor's Office be sought before such authorisation is given.

Approval is to be sought from the Board where the variation takes the total value of the contract above the public authority's procurement authority. In the case of a contract/s which resulted from an original approval of the Board, or a contract/s where the Board has approved a previous variation due to the total value of the contract/s, the public authority assesses the variation's measure of impact to determine if further approval is required from the Board.

9.5 Complete and Review the Contract

Post-Contract Review

A post-contract review (also known as contract closure report) is conducted at the end of the contract period to review how the contract has performed and provides valuable lessons which can be used when a new procurement is undertaken or a contract is renewed.

A post-contract review report **must** be prepared for the appropriate senior manager (or where relevant, the governance committee) for contracts valued at or above \$4.4 million and significant contracts below \$4.4 million (as determined by the public authority).

Questions to consider in reviewing the contract include:

- What was the supplier's overall performance?
- Were there particular performance issues with the supplier?
- Did the contract achieve value for money? How?
- What were the main overall benefits delivered by the contract?
- Would you use the supplier again?
- What savings were achieved by the contract?
- Is the contract to be renewed?
- What are the learnings and opportunities to improve future contracts/ procurements?
- Are there any other relevant issues for future procurements?
- Are there any other matters requiring attention?

The Board's *Post-Contract Review* template can be used.

End of Contract Process

Various matters are considered at the end of the contract including whether:

- all outstanding contract actions have been completed, including deliveries
- required documents, equipment or other goods have been returned
- all payments and financial obligations have been completed and reconciled
- there are any outstanding reports or disputes
- any warranty issues are still outstanding
- there are any legal rights and obligations on the parties that may survive after the contract has closed
- access arrangements have been terminated or revoked, including security passes.

10. Further Information

State Procurement Board Secretariat

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11. Related Policies and Guidelines

Acquisition Planning Policy

Supplier Selection Policy

Risk Management Guideline

Probity and Ethical Procurement Guideline

SA Government Industry Participation Policy

DPC Circular PCO33 *Industry Participation Policy*

South Australian Funding Policy For the Not For Profit Sector

12. Templates

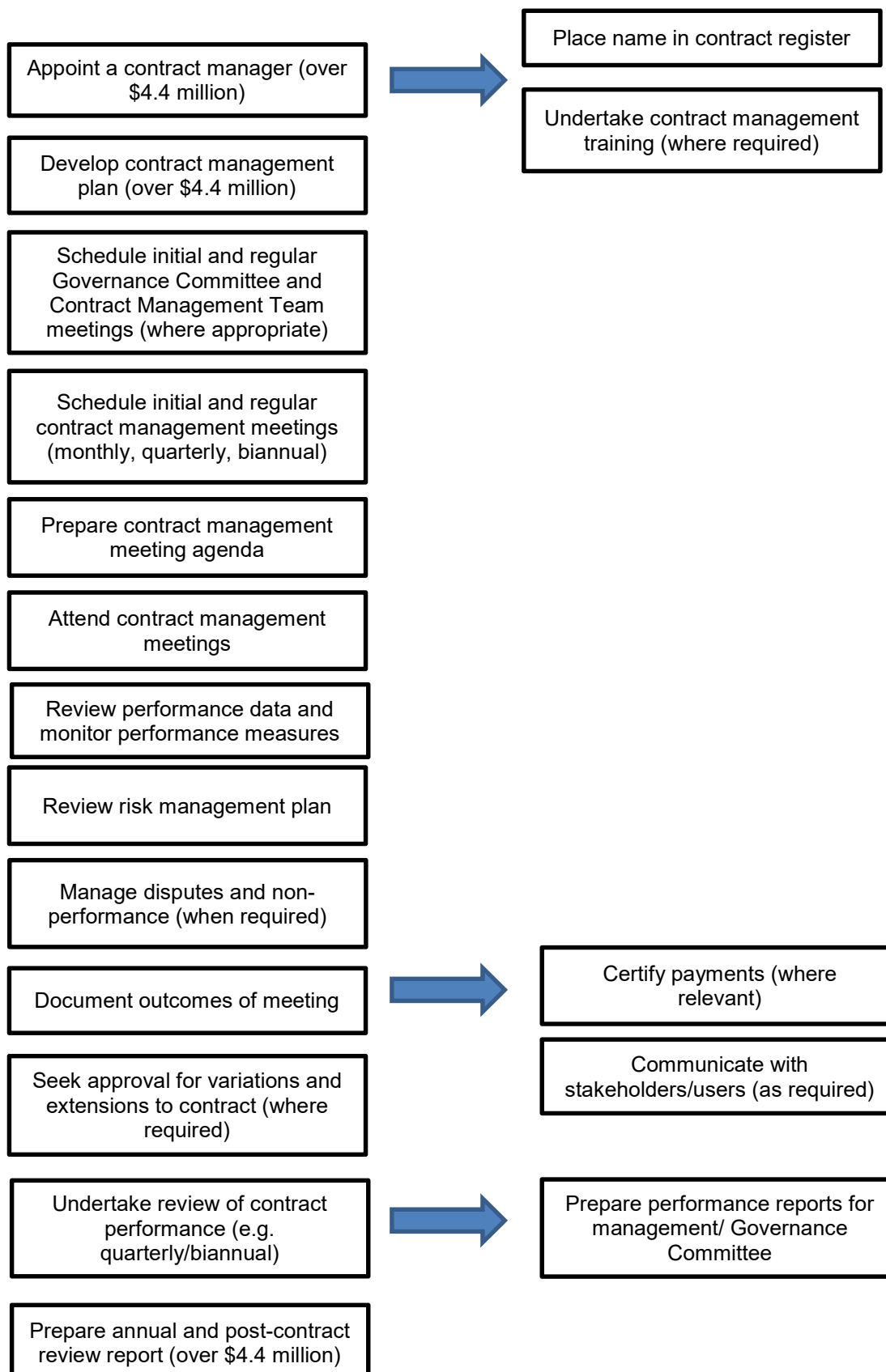
Contract Management Plan

Post Contract Review

Annual Contract Review

Contract Extension Letter

Appendix 1 Overview of Key Contract Management Activities



Appendix 2 Contract Management Checklist

This checklist is designed to assist the contract manager ensure that key contract management activities have been considered in the contract management phase.

The checklist is particularly relevant for contracts valued at less than \$4.4 million where a formal contract management plan has not been developed.

Prepare to Manage a Contract

- A suitably skilled contract manager has been appointed.
- The contract has been read by the contract manager and its requirements and conditions are understood.
- A file has been established for this contract.
- Roles and responsibilities for managing the contract have been identified and are understood by the relevant parties.
- Obligations in relation to probity and ethical behaviour are understood.
- There is no conflict, or potential conflict, of interest in managing this contract.
- Contract risks and risk management strategies have been identified and will be implemented and monitored during the contract management phase.

Implement a Contract Management Strategy

- Strategies to develop and maintain the supplier relationship have been developed and include regular contract management meetings.
- Effective communication will be undertaken with the supplier, stakeholders, users and persons involved in managing the contract.
- Appropriate documentation will be kept including minutes of contract management meetings and key approvals.

Implement the Contract

- The *Code of Ethics for the South Australian Public Sector* will be observed and applied in managing the contract, particularly in relation to gifts and gratuities.
- Payments to the supplier will be made after relevant contract requirements have been met and verified and a compliant invoice received.
- Transition in and transition out strategies will be developed and considered as appropriate.



Monitor and Maintain Performance of a Contract

- Performance measures have been identified and will be used to monitor the success of the contract implementation.
- Appropriate data will be collected and reviewed (including client feedback) to ascertain the performance of the supplier against relevant performance measures and agreed outcomes.
- Disputes will be managed and resolved in accordance with the agreed contractual dispute resolution process in a cooperative and professional manner.
- Regular reports will be provided to the appropriate delegate/manager as required on the performance of the contract.
- Any required variations to the contract will be considered and approved by the appropriate delegate and a record kept in the file.

Complete and Review the Contract

- A post-contract review is conducted at the end of the contract to review how the contract has performed and whether outcomes have been achieved and a report provided to the appropriate manager.
- Various end of contract matters are considered at the end of the contract including outstanding contract actions, payments and financial obligations, final reports or disputes, warranty issues and access and security arrangements.
- Appropriate documents are stored securely including risk assessments, contract management plan, review reports and written feedback.