

Contract Management Policy

Policy Reference Number	ECM 6870774
Responsible Department	Corporate Services
Related Policies	Staff Conduct Policy; Procurement Policy; Unsolicited Proposals Policy
Related Procedures	WHS Instruction 20 - Contractor Management
Date of Initial Adoption	4 November 2025
Last Reviewed	4 November 2025

1. Purpose

The purpose of this Policy is to provide a clear and standardised approach for Council Staff managing and administering Contracts for goods, services and works purchased through suppliers.

2. Introduction

2.1 Benefits

The effective management of Contracts is essential to Council maximising benefits and achieving its corporate and procurement objectives. These benefits can be summarised as follows:

Business Benefits

- Maximise outcomes for Council and the local Community (that is, Council 'gets what it is paying for') by managing Supplier performance, utilising industry best practice, maintaining quality, improving productivity and identifying opportunities for improvement and innovation.

Value for Money

- Enables savings and opportunities identified during the procurement or Contract management process
- Enables further benefits through ongoing performance reviews, service improvements, supply chain improvements, innovation, etc
- Ensures the most suitable Contractor/Supplier is selected to deliver desired outcomes.

Risk Management

- Reduces contractual risks through robust Contract management practices
- Ensures Council is aware of, and complies with, its own contractual, procurement, operational and legislated obligations.

End-user Outcome

- Maximise outcomes to end-users and customers by managing Supplier relationships and Contract performance, maintaining quality, improving

productivity, ensuring outcomes are fit for purpose and identifying opportunities for improvement and innovation.

This Policy establishes the framework which will be supported by Council's associated procedures and other supporting documents related to Contract management.

2.2 Objectives

The specific objectives of this Policy are to ensure:

- Contracts are managed in a manner that facilitates the delivery of goods, services and works while minimising risk
- Contracts are managed maximising financial and operational performance
- A standard approach and framework are adopted to managing Contracts, including consistency in Contract management activities
- Staff are adequately skilled and trained, and understand their roles and responsibilities under a Contract
- Compliance with legislative and operational requirements.

3. Power to Make the Policy

This Policy is made as provided for by Section 6(b) and (c), and Section 49 of *the Local Government Act 1999 (Act)*.

4. Strategic Plan Link

This Policy has the following link to Council's Strategic Plan 2028:

- Deliver Strong Leadership (Goal 4).

5. Principles

- This Policy commences in the Post-Contract Award stage of the Procurement Lifecycle. The Pre-Contract Award stage is covered by Council's [Procurement Policy](#); this Policy includes *Procurement Categories with Acceptable Approaches to Market*.



- The Policy applies to all Council Staff and Contractors that are involved in the management of Supplier Contracts on behalf of Council.

- The Policy applies to all Contracts and any other documents that create legally binding obligations on the Council for the procurement of goods, services and works which may include procurements which are simple in nature and low risk. Further, it applies to a Contract until all contractual obligations have been completed.
- The following are excluded from this Policy:
 - Partnering and collaborative Contracts established with other Local and State organisations
 - Transactional Contracts (usually low value orders, sales and agreements that are easily sourced commercially from a range of Suppliers, eg travel reservations, stationery orders, purchases from local stores, catering orders).

6. Definitions

In this Policy, unless a contrary intention appears, definitions have the following meaning:

Contract	An agreement, exchange of letters, Heads of Agreement, Deeds of Agreement, binding Memorandum of Understanding, response to tender, grant application, Trust Deed and any other document which creates, or which may create binding obligations on the Council and on the other party / parties to the Contract including a purchase order.
Contract Management	Refers to all activities at the commencement of, during and after the Contract period, to ensure that all contractual obligations have been completed.
Contract Manager	The Council Staff member nominated to be responsible for the the administration and management of a Contract.
Contract Owner	The Council Staff member who is ultimately accountable for the outcomes of the Contract, usually the General Manager or Manager with the financial delegation. The Contract Owner approves Contract variations, including extensions, and appoints the Contract management roles.
Contract Register	A register maintained for all procurements that are identified as Category 2 and above within Council's Procurement Policy due to the value of the Contract (ECM 464980).
Contract Variation	Is an alteration to the original Contract and may include a change to the scope of the Contract, value of the Contract, the Contract options to be exercised, Contract prices and quantity purchased.
Contractor	The Supplier or the service provider (the other party) under a Contract.
Probity	A risk management approach to ensure that selection and decision-making processes will be found to be honest, fair, transparent and defensible if scrutinised. A process conducted

with regard to proper standards of probity will achieve both accountability and transparency and provide all parties to the procurement process with fair and equitable treatment.

Procurement	A series of activities undertaken when purchasing goods and services, which is based on planning, purchasing and, if applicable, Contract management.
Purchase Order	The official document used by Council to record its commitment to purchase goods and/or services. It contains advice to the Supplier of Council's standard terms and conditions for the purchase.
Value of a Contract	The value of a Contract, which is based on one of the following values (including GST, where applicable), depending on the type of Contract: • The total estimated or agreed value of the project; or • The total estimated or agreed value of the goods or services over the term of the Contract; or • The value of the real property transferred; or • The rent for the term of the Lease or Licence.

7. Policy

7.1 Contract Management

The function of Contract Management is to manage Contracts formed with Contractors to ensure delivery of goods, services and works as agreed over the life of the Contract.

The management of a Contract may extend beyond the current term of the Contract when there are ongoing obligations associated with maintenance agreements, warranties and guarantees.

7.2 Ethics and Probity

Legislation requirements and Council's Procurement Policy, Staff Conduct Policy and associated documents must always be adhered to in the management of Contracts on behalf of Council. In particular, Staff must adhere to responsible decision making, declaring and appropriately managing any Conflicts of Interest, and appropriately declining any offered Gifts or Benefits when managing or participating in a Contract management process.

7.3 Stages in the Contract Management Life Cycle

Stage 1 – Contract Commencement (Start Up)

Successful Contract management is highly influenced by activities performed prior to awarding the Contract. Staff must ensure that Contract terms, conditions, scope and deliverables, reporting and relationship management are clearly established in the

signed Contract and understood by all parties. This is fundamental for effective Contract Management.

Stage 2 - Contract Performance

Properly managing Supplier performance with respect to outcomes and deliverables clearly specified and agreed in the Contract will help ensure Council and its customers obtain the full benefits and value for money within target timeframes. The Contract Manager (or nominee) is required to undertake meetings as specified in the agreed Contract and complete a Contract Performance Report prior to re-engaging the Contractor.

Stage 3 – Contract Closure

Contract Closure is the stage for closing-out Contract obligations and liabilities with Suppliers. The Contract Manager (or nominee) must ensure proper review in this phase is undertaken to allow the organisation to measure if value for money was achieved during the life of the Contract. It also enables identification of process improvements that may result in better value for money outcomes in future procurements.

7.4 Contract Management Requirements

The following minimum requirements apply to all Council Contracts from Category 2 or above in Council's Procurement Policy:

- Each Contract must be registered and identified with a Contract Number or Cost Centre
- Specific Contract details must be entered into Council's Contracts Register in the Contract Management System and be monitored by Council's Contract & Fleet Coordinator
- A Contract Manager will be appointed by the Contract Owner.
 - The Contract Manager (or nominee) may manage a Contract valued at an amount higher than their level of financial delegation. However, the Contract Manager (or nominee) must not approve or incur expenditure on goods, services or a project that is higher than their level of financial delegation without approval from a delegate with relevant financial delegations.

Note: This also applies to any changes (variations) to the original price of the Contract.

- The Contract Manager (or nominee) must undertake a risk assessment for Contracts that they are responsible for and register them in Council's risk management system. WHS Procedure - WHS Contractor Management (ECM 3892522) provides details for completing registration.
 - Staff must assess the risks (identify, analyse, evaluate and propose the treatment of any identified risks) that may affect the performance of the Contract and its ability to achieve the desired outcomes. For Contracts that

require the completion of a Contract Management Plan, this will form a key component of the Plan.

- Contract Management Plan
 - Specific advice should be sought from the Contract and Fleet Coordinator during the planning stages of procurement to determine the appropriate terms and conditions that should apply to a Contract.
 - Where required, Staff should use the approved Contract templates at all times.
- The Contract Manager (or nominee) should obtain all relevant documentation, approvals, insurances and licences prior to commencement of the Contract planning and engagement (entering into a Contract) unless the Contractor is Council's existing preferred Contractor and the Contract is ongoing.

7.5 Contract Performance

In accordance with the Contract provisions, performance of all Contracts must be regularly monitored, evaluated and reported. Effective performance measures must be outcomes focused, as far as practical, able to be measured objectively, easily understood by both parties and reflect the key components of the Contract.

Any identified supplier underperformance must be addressed immediately by the Contract Manager (or nominee). A mutual Action Plan (a form of Contract Variation) is to be developed, to be completed within an agreed timeframe, to allow the Supplier an opportunity to rectify issues prior to escalation to a formal complaint or dispute resolution process.

7.6 Contract Variation

All Contract Variations must be in writing in accordance with the Contract and be approved by the Contract Owner (or nominee).

7.7 Contract Dispute Resolution

The best form of dispute resolution is to develop effective working relationships with the Supplier to ensure that any issues or risks that arise do not progress to a formal dispute. Where issues do arise, every effort will be made to resolve any dispute with the Supplier quickly and equitably. Any dispute which cannot be resolved by the Contract Manager (or nominee) and the Supplier's authorised representative may be escalated within both organisations to attempt to resolve the dispute.

When the Contract has formal dispute resolution clauses, dispute management will be resolved in accordance with the Contract.

7.8 Contract Termination

If the Supplier / Contractor breaches the Contract and fails to remedy the breach as required by the Contract, then Council may initiate actions to terminate the Contract. Termination should be viewed as the last option available to Council.

If termination is recommended, the Contract Manager (or nominee) will present a report to the Contract Owner for discussion with the Chief Executive Officer (or other nominee authorised to initiate termination action). This report should contain as a minimum:

- The necessary details of why termination is necessary
- An outline of the measures made to resolve the dispute and prevent termination
- The termination process, including a timeline and a program
- Any potential damages that will be claimed by the Supplier / Contractor and the justification for this claim
- Alternative Suppliers / Contractors available to deliver the Contract outcomes until another Contract can be awarded (if appropriate)
- A timeframe to undertake a new procurement process and award a new Contract (if appropriate)
- The estimated costs for termination and awarding a new Contract
- The risks to the Council of the termination and new Contract formation process (i.e. security of supply).

Once approval is received from the Chief Executive Officer (or nominee) and noted by any other relevant internal stakeholders (such as the Contract Owner), the Contract will be terminated in line with relevant Termination clauses in the Contract.

7.9 Contract Extension and Renewal

The Contract Manager (or nominee), in consultation with the Contract Owner and business unit, must determine whether exercising an extension option is possible (including available to Council under legislation) and necessary to achieve value for money and deliver the required outcomes of the Contract.

Depending on the value of the Contract, some Contract extensions must be referred and approved by the Contract Owner in consultation with the Chief Executive Officer. Council's Fleet and Contract Coordinator will be responsible for coordinating this process, following confirmation to proceed from the Contract Owner and /or Contract Manager. Varying a Contract or exercising an extension option should be formally agreed to in writing by both parties in accordance with the terms of the Contract.

7.10 Role of Contract Manager (or nominee)

The Contract Manager (or nominee) has many and varied responsibilities in undertaking the day-to-day management of a Contract. Some key responsibilities are outlined in the Responsibilities Table below.

For the purpose of this Policy, Staff that are responsible for managing procurement that is simple in nature and low risk (i.e. transactional), will be considered as the Contract Manager. Therefore, Staff must manage all related legally binding obligations on the Council in an appropriate manner in accordance with this document and the Procurement Policy.

7.11 Responsibilities

Position	Responsibility
Staff	Are responsible for managing Contracts in accordance with Council's financial delegations and in a manner appropriate to the complexity and risk of the Contract activity.
Contract & Fleet Coordinator	Maintains Contract Management Register.
	Regularly monitors and evaluates Contracts that are identified as Category 4 or above in Council's Procurement Policy and reports on them at least annually.
	Assists in Dispute Resolution.
	Maintains Contract details and information in ECM/Skytrust.
Contract Owner (EMT)	Facilitation and oversight of Contracts on the Contracts Register within their respective portfolio.
	Appointment of a suitably qualified and skilled Contract Manager according to the level and complexity of the Contract.
	Assists in Dispute Resolution.
	Contract Extension in consultation with the Chief Executive Officer
	Contract Termination in consultation with the Chief Executive Officer.
Contract Manager (or nominee)	Ensures that they maintain adequate skills to manage Contracts assigned.
	Undertakes day-to-day Contract Management to meet compliance requirements, including preparing and maintaining the Contract Management Template.
	May assign the day-to-day management of a Contract to a Project Officer.
	Assists in Dispute Resolution.
	Clearly defines the following in Contracts: performance standards; review mechanisms and deliverables required from Contractors / Suppliers including managing, addressing and escalating Contract and performance risk where required.
	Complies with approved policies, procedures and practices and ensures Contractor / Supplier obligations are satisfied in accordance with the Contract.
	Communicates with stakeholders and maintains good relationships with the Contractor / Supplier.

8. Review & Evaluation

Within 12 months of each new Council term, Council will review this Policy. Following this initial review, this Policy will be reviewed at least biennially by Staff with minor administrative adjustments being approved by the Chief Executive Officer.

9. Availability of the Policy

Copies of this Policy will be available at Council's principal office during ordinary business hours and at Council's website www.campbelltown.sa.gov.au