



FP12 – CONTRACT MANAGEMENT POLICY

MANAGEMENT PRACTICE: N/A

DELEGATION: N/A

PURPOSE

To support the Shire's Procurement Policy.

POLICY OBJECTIVE

This policy provides guidance on the review of the Shire's contracts and the performance review of the Shire'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 Shire and minimise the exposure to financial and reputational risk. This Policy is to be read in conjunction with the Shire's Procurement Policy and other relevant Management Guidelines.

POLICY 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 Shire'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 Shire 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.

POLICY STATEMENT

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 Shire.
2. To achieve these outcomes, the Shire 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.
3. As a business rule, all Shire 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 Shire's contract management database. The contract value shall be determined inclusive of any extension options or variation provisions.
4. The Deputy Chief Executive Officer will ensure that information in the Shire's Contract Management database will be maintained to ensure that it remains current.

5. All Shire 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 Shire'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.
7. The Policy does not apply to employment contracts, non-binding Memorandums of Understanding or partnering agreements with other agencies.

RESPONSIBILITIES

Chief Executive Officer (CEO)

- The CEO is accountable to Council for the development and implementation of appropriate systems to achieve accountability and integrity.
- The CEO is responsible for reviewing and updating this Policy every two years or as required.

Relevant Legislation:	<i>Local Government Act 1995</i> <i>Local Government (Functions and General) Regulations 1996</i> <i>State Records Act 2000</i>
Related Documents:	Register of Delegations Codes of Conduct
Related Local Law:	N/A
Related Policies:	FP6 – Procurement of Goods and Services Policy
Adopted:	30 April 2025
Last Reviewed:	27 May 2026
Next Review Date:	2027