

# Contract Management Process

## Purpose

To establish sound and consistent management practices with respect to University contracts.

## Scope

All contracts and other documents which create legally binding obligations on the University. The Process covers both supply and procurement, and will apply to a contract until contractual obligations have concluded.

## Exclusions

- Employment contracts
- Non-binding memoranda of understanding

## Process steps and actions

### 1. Appointment of a contract manager

- 1.1. A person shall be nominated as a Contract Manager for a particular contract by that person's supervisor.
- 1.2. Contract Managers must have appropriate expertise and authority commensurate with the type and scale of the contract.

### 2. Pre-contractual and contract negotiations

- 2.1. Multiple contract managers may be appointed for distinct phases or stages of the contract and these must be identified in the Contract sign-off checklist.
- 2.2. The person appointed as the Contract Manager for the first phase or stage shall be responsible for the pre-contractual actions required by this process.
- 2.3. The Contract Manager's pre-contractual responsibilities are to:
  - 2.3.1. Conduct a credit check and due diligence of the other party(ies) to the contract to assess that party's(ies') suitability as a contracting party, except where the other party is generally regarded as being reputable and of sound financial standing. Due diligence should follow the Financial assessment process ([link](#)) and include details of the other party's insurances.
  - 2.3.2. Ensure the contract is compliant with legislative obligations and RMIT policy.
  - 2.3.3. Acquaint themselves with the contractual obligations of all parties to the contract.
  - 2.3.4. Where necessary, obtain financial advice from Financial Services Group.
  - 2.3.5. Prepare a risk management plan in accordance with the "Guidelines for Assessing Business Risk" prepared by Internal Audit and Risk Management Group.
    - a) Where necessary obtain advice from Legal Services Group where it is determined that entering into the contract may expose the University to significant risk.
  - 2.3.6. Complete and sign the Contract sign-off checklist to the University officer who has delegated authority to sign the contract (or to the University Secretary where the common seal is to be affixed) certifying that the contract is in order for signing on behalf of the University.
- 2.4. Contracts can only be drafted on behalf of the University by Legal Services Group.

- 2.5. After signing, the details of the contract should be entered into TRIM, or such other system or contract register as directed by the General Counsel, together with a scanned electronic copy of the signed contract and a copy of the Contract Manager's sign-off.
- 2.6. The Contract Manager is responsible for filing the University's copy of the executed contract in accordance with the Privacy and information management Policy (link).

### 3. Contract Period

- 3.1. The Contract Manager should keep written records of all dealings with the other party(ies) and of administration of the contract.
- 3.2. The Contract Manager should diarise important dates with respect to the contract (e.g. an option to renew etc.).
- 3.3. The Contract Manager shall ensure that any amendments or variations to the contract are fully documented and recorded.
- 3.4. The Contract Manager shall ensure that invoices are rendered in accordance with the provisions of the contract and entered into the University's SAP system (where the contract is one of supply by the University).
- 3.5. The Contract Manager shall ensure that payments are made within the relevant timeframes (where the contract is one for procurement by the University).
- 3.6. The Contract Manager shall report regularly to the University project sponsor or owner (if a person other than the Contract Manager).
- 3.7. The Contract Manager shall arrange for another person to be appointed (whether on a temporary basis or otherwise) in the event of absence from the University.

### 4. Contract termination/expiry

- 4.1. The Contract Manager should take appropriate action and contact Legal Services Group if there is any default on the part of the University or on the part of the other party(ies) to the contract.
- 4.2. In addition to any action required to be taken under the contract with respect to review or rollover, the Contract Manager should prior to the end of the contract assess whether the contract is to be extended or transitioned out.
- 4.3. Where the contract is not to continue, the Contract Manager should ensure that there is an orderly transition from the contract.
- 4.4. Following expiry or termination of a contract, the Contract Manager should ensure that the University's records are updated accordingly.

#### Document history

Version	Approval date	Effective date	Summary of changes	Approval authority	Document reference
1.0	18 May 2017	14 August 2017	New process	Chief Counsel	POL/2018/00053
1.1	25 February 2020	26 February 2020	Minor amendment to cl. 2.5	General Counsel and University Secretary	POL/2018/00053