

## CONTRACT MANAGEMENT POLICY

<b>Section</b>	Procurement and Contracts Group
<b>Contact</b>	Strategic Sourcing Manager
<b>Last Review</b>	July 2019
<b>Next Review</b>	December 2022
<b>Approval</b>	SLT 19/07/113

### Scope

The following are excluded from this Policy:

- Construction contracts that are managed through tiered supplier panels (these contracts incorporate KPIs and performance management in accordance with a Performance Evaluation Framework through Project Governance);
- Employment contracts;
- Research contracts;
- Non-binding Memoranda of Understanding.

Other than listed above, this Policy applies to all contracts, and other documents, which create legally binding obligations on Massey University (Massey) including, but not limited to, procurement contracts for the supply of goods and services. This Policy will apply to a contract until contractual obligations have concluded.

### Purpose

The purpose of this Policy is to establish a Massey governance and operational structure for managing contracts and other legally binding documents with third parties.

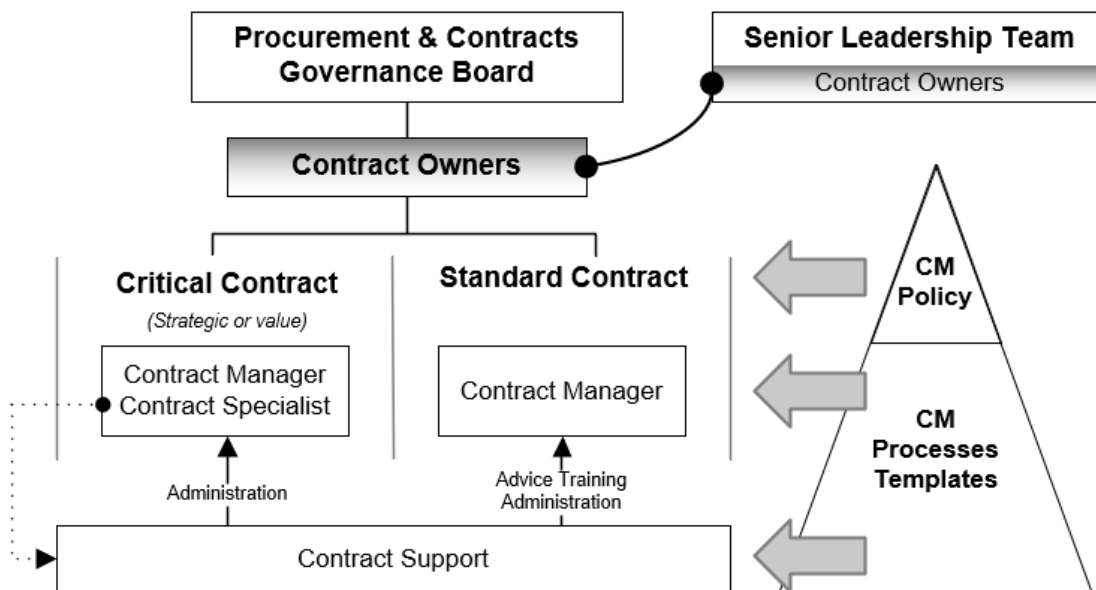
The goals of the Contract Management Policy are:

- Value for money - Contracts supply value for money for Massey without compromising Massey's commitment to environmental sustainability and a pathway to carbon neutrality.
- Win/win - Contract management fosters mutually beneficial long-term relationships with suppliers.
- Effective management - Contracts are managed effectively and have line of sight at the SLT.
- Internal expertise - Contract management expertise is developed internally (where practical).
- System support processes - Contract management systems support Massey processes.

The Policy aims to ensure:

- A standard approach and framework is adopted across Massey in the management of contracts.
- Massey enters into and manages contracts in a manner that facilitates Massey operations, delivers the required goals and minimises risk.
- Massey staff understand their responsibilities about the management of contracts and are adequately experienced and trained to do so.
- Contracts are managed and reported to ensure quality performance and value for money are achieved in line with individual contract expectations.
- Maximised supplier and industry engagement to ensure a competitive and willing market exists to support Massey.
- Massey receives the full benefit of the contract.

Contract Management will be guided by the following framework.



- Members of Massey's SLT are ultimately responsible for the management of all contracts. The table identifies the broad areas of responsibility.

**Table 1: Responsibility for Contract Areas**

Contract area	Responsible Area
Construction/Buildings and Leases of Land	DVC Operations
Procurement of Equipment, Consumables and Services (including but not limited to IT Services, and leases relating to Equipment including those pertaining to installation, supply or fabrication of equipment), non-research consulting, commercial contracts	DVC Finance and Technology and Deputy Vice-Chancellors/ Pro Vice-Chancellors
Teaching Agreements (including sub-contracting of teaching, domestic articulation and pathway agreements, licensing and franchising agreements (for Teaching) and MOU's with Schools)	Office of PROVOST
Internships, student placements and volunteer agreements	Pro Vice-Chancellors and Office of PROVOST
Research and Consultancy (and Commercialisation of IP)	Office of PROVOST
International (including offshore)	DVC Operations
Venue and Sponsorship Agreements	Office of the Vice Chancellor

**Note:** If it is unclear which is the responsible area for the proposed contract; staff must contact Procurement and Contracts for clarification and advice.

- The Procurements and Contracts Governance Board (PCGB) provides the governance function for contract management activities at Massey. Contract reporting is via the PCGB who report directly to the SLT.
- All contracts will have an identified Contract Manager, which will be, typically, an internal Massey position.
- Contracts that are deemed critical (through their value, risk or strategic importance) will have an assigned Contract Specialist from the Procurement and Contracts Group to support the Contract Manager (see [Contract Criticality Assessment Guidelines](#)). The Contract Specialist will provide support and advice but contract management responsibility remains with the appointed Contract Manager.
- Contracts deemed standard (i.e. not assessed as critical) will be managed by appointed Contract Managers. Advice, training and support will be available for Contract Managers and for specific contract issues.
- Where there is uncertainty in regards to the legal obligations of a contract or memorandum of understanding, advice from the Procurement and Contracts Group should be obtained.
- It is expected all Massey Contract Managers are trained, giving them the knowledge required to manage contracts competently. It is recognised that knowledge becomes effective when it is put into practice (creating experience) and on-going support for Contract Managers will be available.
- Massey procurement policies must be adhered to at all times in the development of contractual relationships.

## Financial Authority and Signing Delegation

Massey staff members can sign a legal agreement (contract) on behalf of Massey as long as they have the required authority as set out in *Contract Signing Delegations - Section 2: [Delegations of Authority Document](#)*

## Privacy and Confidentiality

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 and in accordance with accepted business practice.

## Probity, Ethical Behaviour, Accountability and Transparency

All interactions must be 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 to record all items provided by suppliers outside the contract deliverables.

## Contract and Information Management

Massey seeks to have a consistent approach to the management of contracts. To this end, it is expected that the following points will be adhered to:

- Massey policies and procedures will be followed at all times.
- All contracts are to be managed in line with Massey's [Contract Management Procedures](#).
- Where possible, Massey's standard terms and conditions as provided for in the contract templates should be used for all contracts. The contract owner must seek advice if Massey's standard terms and conditions require variation, or if the use of a non-standard contract developed by a third party is proposed.
- Standard contracts are/will be made available on the Procurement and Contracts intranet site.
- Each Massey Area (e.g. college, school, department) is responsible for maintaining its own contract documentation to enable the effective planning, management and reporting of contracts. The information required to be maintained and associated processes are documented in the [Contract Management Procedures](#).
- All contracts must/will be entered into Massey's Contract Register. The responsibility for this rests with the Contract Manager.
- All contracts are deemed vital and original documents must be securely stored in accordance with the Records Management Procedures.

## Indexes

### Templates and standard contracts

The following table, documents the standard templates and contracts available.

NB – These are in development, check the [Procurement and Contracts intranet site](#).

NB – These templates are a guide and not a substitute for contract management.

#### Templates

- Contract Management Plan
- Annual review – internal
- Annual review – external/report
- Annual review - report
- Contract close out

#### Standard Contracts

- Contractor Engagement
- Contract for Services
- Contract for Goods
- NZS 3910:2013 Conditions of contract for building and civil engineering construction
- NZS 3915:2005 Conditions of contract for building and civil engineering construction (where no person is appointed to act as engineer to the contract)
- NZS 3916: Conditions of contract for building and civil engineering - Design and Construct
- NZS 3917:2013 Conditions of contract for building and civil engineering - Fixed Term

### Related Policy and Procedures Compliance

- All Contracts must be managed in accordance with the [Contract Management Procedures](#)
- Operational monitoring of contracts is vested in the appointed Contract Manager; both for the purposes of compliance and for making business decisions based on the performance of contracts.
- Contracts for research and consultancy must comply with the [Research and Consultancy Contracts Policy](#).
- Contracts for teaching activity must comply with the [Subcontracting of Teaching Activity Policy](#)
- Contracts for procurement must comply with the [Procurement Policy](#).
- Conflicts of Interest arising in the contracting process will be managed in accordance with the [Conflict of Commitment and Interest Policy](#)
- Contracts and MOU's with international institutions must follow the [Procedures for Establishing a Memorandum of Understanding and/or International Partnership Agreement](#).
- [Contractors Procedures](#) are to be followed in respect to making the Contractor vs. Employee assessment and for establishing contracts with contractors to Massey.
- Contracts for sponsorship must comply with the [Sponsorship Policy](#).

### Audit

The Contract Management process may be periodically audited to ensure compliance with Massey's policies and procedures.

As required, all Contract Managers will be required to report on contract performance for contracts valued at greater than \$100,000 per annum to the PCGB. Standardised reports will be supplied to facilitate this activity.

## Standard Definitions

- **Confidentiality Agreement:** means an agreement designed to prevent disclosure of commercially sensitive information to a third party, or into the public domain;
- **Contract:** means an agreement that commits Massey in legal or financial terms and for the purposes of this Policy includes **Pre-contractual Agreements** not intended to be legally binding;
- **Contract Manager:** The Massey staff member with responsibility for ensuring that the rights and obligations under the Contract are met;
- **Contract Register:** The centralised online, digital repository holding all Massey's Contracts.
- **Pre-contractual Agreements:** written agreements not intended to be legally binding which may include letters of intent, memorandums of understanding (MOU), or other similar documents;
- **Responsible Area:** means the applicable area set out in the Table in this Policy. It logically includes, as required, the internal contract or procurement team that provides support to that area.

## Audience

All Staff

## Relevant Legislation

- Public Records Act 2005: provides for the selection of public records and archives for creation, maintenance and retention. The Act directs that public records and archives can only be destroyed and disposed of with the authority of the Chief Archivist. Contracts are deemed Vital Records under the Act.
- Contract and Commercial Law Act 2017.
- Employment Relations Act 2000: defines “employee” and “employment contract”. Should a contractor be deemed to be an employee then the employer will be liable to provide and pay for any benefits associated with being an employee e.g. sick leave, holiday pay, redundancy payments for unjustifiable dismissals or disadvantage.

## Related Documents and Procedures

- [Contractors Procedures](#)
- [Contract Management Procedures](#)
- [Contract Templates](#)
- [Delegations of Authority Policy](#)
- [Procurement Policy](#)
- [Procurement Procedures](#)
- [Subcontracting of Teaching Activity Policy](#)
- [Research and Consultancy Activity Policy](#)
- [Information and Records Management Policy](#)
- [Procedures for Establishing a Memorandum of Understanding and/or International Partnership Agreement](#)

## Document Management Control

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