

COMMERCIAL CONTRACT POLICY

Section	Finance
Contact	Procurement Manager
Last Review	November 2025
Next Review	November 2028
Approval	SLT 19/11/134
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Purpose:

The purpose of this Policy is to establish a framework for establishing and managing Commercial Contracts, ensuring compliance with legislation, and aligning with Massey policies, probity and effective commercial outcomes.

Policy:

This Policy includes all Commercial Contracts and for clarity does not include:

- Employment Contracts
- Research Contracts
- Internships
- Agents for international recruitment

Commercial Contracts should be in place for all goods and services where Massey engages a third party to supply goods and or services.

Commercial Contracts must provide legal compliance, financial accountability, ethical engagement value for money, and where applicable be awarded through a contested procurement process. Note the cost of a contract is based on the lifespan of a contract. This cost is known as the Whole of Life Cost (WoLC).

All Commercial Contracts, associated schedules, documents and correspondence are stored in the Massey source to contract system Vendor Panel.

All new Commercial Contracts with a WoLC greater than \$50,000 must be awarded through a Competitive Procurement Process unless there is an approved exemption from a Competitive Procurement Process.

When a Commercial Contract expires and there is an ongoing requirement then a Competitive Procurement Process is required to establish a new Commercial Contract unless there is an approved exemption from a Competitive Procurement Process.

The Procurement and Contracts Board (PCGB) provides governance over all Procurement and Commercial Contracts. PCGB approval thresholds are as follows:

- All new Commercial Contracts with a WoLC of \$250,000 or over require PCGB (Procurement and Governance Board) approval, whether awarded through a Competitive Procurement Process or by direct source through an approved exemption.

- Direct source contracts without a Competitive Procurement Process with a WoLC \$100,000 and over and less than \$250,000 require PCGB approval.
- Direct source contracts with a WoLC between \$50,000 and less than \$100,000 require Procurement Manager approval.

Commercial contract risk must be assessed as outlined in the Risk Management Policy and Risk Management Framework.

Critical Contracts are determined by the Procurement and Contracts Governance Board Terms of Reference (TOR) and require an annual contract performance review to be assessed by the PCGB. The PCGB TOR has determined all Commercial Contracts with an annual value of \$2M and greater as Critical Contracts.

Critical Commercial Contracts will also be reported to the Finance and Assurance Committee FAC.

Commercial Contracts must be executed by an authorised signatory in accordance with Part Three: Contract Signing Delegation Schedule of the Delegations of Authority Policy. The Commercial Contract cost is based on lifespan of the contract i.e. WoLC.

Members of Massey's SLT are ultimately responsible for the management of all contracts within their areas of responsibility can delegate to a Contract Sponsor for high level responsibility for the Commercial Contract output. The Contract Sponsor delegates a Contract Manager to ensure the rights and obligations of Massey, and the Supplier are met.

The Contract Manager is responsible for the Commercial Contract throughout its life including:

- Managing performance and supplier relationships
- Preparing all contract reporting
- Resolving issues and maintaining probity
- Maintaining written records of all interactions with suppliers

Issues that cannot be resolved must be escalated as outlined in the Commercial Contract. The Contract Manager must escalate the unresolved issue to the Contract Owner, inform the Contract Sponsor and the Strategic Projects and Contracts Office (SPCO).

All interactions must be honest and fair in commercial dealings, and in line with the highest ethical standards. Conflicts of Interest declarations are required to be maintained and updated by anyone that has an influence on a Commercial Contract.

All commercial information must be treated as confidential.

Contract Managers must ensure that Commercial Contracts are registered and managed in the VendorPanel Contracts Management Module.

Definitions:

Competitive Procurement Process: means a structured process that encourages competition that can lead to lower cost, better quality, innovative solutions and risk reduction while ensuring transparency, accountability and fairness.

Confidentiality Agreement: means an agreement designed to prevent disclosure of commercially sensitive information to a third party, or into the public domain.

Commercial Contract: means an agreement that commits Massey in legal or financial terms and for the purposes of this Policy includes, confidentiality Agreement, Pre-contractual Agreements not intended to be legally binding.

Contract Owner means the person accountable for the budget/cost centre that funds the contract and has the delegation to approve contract payments, variations and be a point of escalation should disputes arise.

Contract Manager means the Massey staff member with responsibility for ensuring that the rights and obligations under the contract are met by both the supplier and Massey and where applicable apply supplier performance management.

Contract Sponsor means the person responsible for the contract's high-level results normally a senior executive/ manager with the authority to make major decisions on behalf of the University

Critical Contract: means a Commercial Contract which may require an annual contract performance review and assessment by the PCGB as detailed in the PCGB's Authorisation Responsibilities in the Procurement and Contracts Governance Board Terms of Reference.

Whole of Life Cost (WoLC): means the genuine estimate of the total costs that Massey will pay over the lifespan of the contract, including any expenses. The WoLC includes any rights of renewal available in the contract.

PCGB: means the Procurement and Contracts Governance Board.

Pre-contractual Agreements means a written agreement not intended to be legally binding which may include letters of intent, memorandums of understanding (MOU), or other similar documents.

Value for Money (VfM): means the optimum combination of WoLC and quality (fitness for purpose). VfM is not necessarily achieved with the lowest WoLC.

VendorPanel Contract Management Module: means the contract management module provided by VendorPanel that is in use by Massey. This system provides a centralised online, digital repository for Massey's Commercial Contracts.

Audience:

This policy applies to all Massey employees and contractors acting on behalf of Massey who are involved in entering, managing, or approving Commercial Contracts.

Relevant legislation:

All Commercial contracts must comply with the Contract and Commercial Law Act 2017.

Construction Commercial Contracts comply with Construction Contracts Act 2002 (CCA) must adhere to the any relevant standards listed below.

- 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

Legal compliance:

All Commercial contracts must comply with the Contract and Commercial Law Act 2017 and construction contracts must comply with Construction Contracts Act 2002 (CCA).

Related procedures / documents:

- Commercial Contracts Procedure
- Procurement Policy
- Procurement Procedures
- Delegations of Authority Policy
- Information and Records Management Policy
- Procurement and Contracts Governance Board Terms of Reference 2.0
- NZGP Supplier Code of Conduct
- Risk Management Policy
- Risk Management Framework

Document Management Control:

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