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CONTRACT MANAGEMENT POLICY

Section	Finance		
Approval Date	25.11.2019	Approved by	Executive Team
Next Review	10.11.2021	Responsibility	Executive Director – Finance, Compliance and Business Intelligence
Last review	10.11.2019	Key Evaluation Question	6

PURPOSE

The purpose of this policy is to provide direction to NMIT staff involved in the contracting process to ensure that contracts entered into by NMIT:

- clearly document the agreement between the parties,
- comply with legal requirements, and
- minimise operational, financial and reputational risk to NMIT

This document should be read in conjunction with the NMIT [Contract Management Procedure](#).

SCOPE

This is an NMIT-wide policy and applies to all NMIT staff who are involved in the contracting process.

It covers all types of contracts, with the exception of:

- Employment contracts, and
- Fixed term contracts for teaching services by independent contractors.

Employment contracts made in relation to NMIT staff and fixed term contracts for teaching services entered into with independent contractors are covered by People and Organisation Development policy and procedures.

DEFINITIONS

Contract	<p>Any agreement that commits NMIT in legal or financial terms. This includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> ▪ Leases ▪ Joint venture agreements ▪ Sub-contractor agreements ▪ Agreements for purchase of goods or services ▪ Agreements for sale of goods or services ▪ Sponsorship agreements ▪ Licensing agreements ▪ Memorandums of Understanding (MOU) ▪ Academic co-operation agreements
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	<ul style="list-style-type: none"> ▪ Tender submissions which, when accepted, will constitute a contract ▪ Confidentiality agreements ▪ Agent agreements
Contract Owner	<p>Usually an Executive Director, Director, Curriculum Manager or Business Support Manager to whose budget and/or area of responsibility the contract relates.</p> <p>The Contract Owner is responsible for the management of the contract.</p>
Contracts Database	The centralised database containing details of all NMIT contracts, currently using Agiloft software.
Contracts Administrator	The NMIT staff member who is responsible for maintaining and updating the contracts database.
Contract Management Plan	A written document outlining the high level requirements, deliverables, performance measures and actions required for the successful delivery of the contract.
Other Party	The other party (or parties) to the contract.

RESPONSIBILITIES

Contract Owner	<ul style="list-style-type: none"> ▪ Ensure that the contract reflects what has been agreed between the parties. ▪ Act as a single point of contact for all contract matters. ▪ Oversee the contract’s day-to-day operations. ▪ Ensure that revenue is invoiced and/or payments are made in accordance with the terms of the contract in conjunction with the Finance Team. ▪ Implement a formal Contract Management Plan if required. ▪ Regularly monitor and report on agreed performance measures. ▪ Ensure issues are identified and resolved quickly and effectively. ▪ Escalate issues as necessary. ▪ Maintain an overview of the contract specifications and seek changes where appropriate to meet changing business needs. ▪ Ensure compliance with NMIT’s policies, procedures and guidelines. ▪ Regularly review contracts for renewal or expiry and renegotiate as required. ▪ Ensure signed original, variations, renewals and cancellations are provided to the Contracts Administrator.
Chief Executive	<ul style="list-style-type: none"> ▪ Final review and signature of contracts within delegated authority.
Executive Directors	<ul style="list-style-type: none"> ▪ Review of all contracts, renewals, variations and cancellations with a lifetime financial value in excess of the Contract Owner’s delegated authority.

	<ul style="list-style-type: none"> ▪ Final review and signature of contracts within delegated authority.
Contracts Administrator	<ul style="list-style-type: none"> ▪ Ensure that all contracts (and changes to contracts) are recorded in the Contracts Database. ▪ Maintain files of electronic and hard copy contracts.

POLICY

CONTRACTING PRINCIPLES

The following guiding principles must be applied to all aspects of the contracting process:

- 1) NMIT has a public law obligation to act in a fair and reasonable manner in its dealings with other parties.
- 2) NMIT will be, and will be seen to be, impartial in its decision-making.
- 3) NMIT will endeavour to obtain the best value for money over the life of the contract, taking into consideration factors such as price, quality, reliability, delivery, maintenance, technological change, service levels, health and safety issues and environmental issues.
- 4) NMIT procurement policy and processes will provide for open and effective competition between potential suppliers.
- 5) NMIT will act with honesty, integrity and transparency in its dealings with other parties while protecting commercially sensitive information.
- 6) NMIT will comply with all relevant legislation.

CONFLICTS OF INTEREST

- 1) Staff involved in the negotiation, preparation, review or signing of contracts must declare any conflict of interest in accordance with the [NMIT Procurement Procedure](#).

CONTRACT NEGOTIATION

- 1) Staff involved in negotiating contracts must have an appropriate knowledge of relevant legislation, and must comply with NMIT policy, procedure and guidelines in respect of the contracting process.
- 2) The Contract Owner must consult internally with relevant parties before proceeding with contract negotiations.
- 3) The Contract Owner must keep a complete record of all contract negotiations and related correspondence.

CONTRACT PREPARATION

- 1) Staff involved in contract preparation must give due attention to appropriate and relevant legislation and if required seek legal advice through the Contracts Administrator.
- 2) Individuals preparing contracts must ensure that documentation complies with NMIT policy, procedures and guidelines in respect of the contracting process. See [Contract Management Procedure](#).

- 3) All contracts entered into by NMIT must be in writing.
- 4) Contracts involving the procurement of goods or services must comply with the NMIT Procurement Policy and NMIT Procurement Procedure.
- 5) All contracts must contain details as specified in the [Contract Management Procedure](#).
- 6) Where contracts are prepared by NMIT, they should use a standard NMIT template whenever possible. If no standard template exists, the Contract Owner should seek assistance from the Contracts Administrator to draft a contract.

CONTRACT REVIEW

- 1) All contracts in excess of the Contract Owner's delegated authority must be reviewed by an appropriate Executive Director.
- 2) All contracts with a lifetime financial value in excess of the Executive Director's delegated authority must be reviewed by the Chief Executive.

SIGNING CONTRACTS

- 1) An NMIT staff member may only sign a contract on behalf of NMIT if the lifetime financial value of the contract falls within their delegated authority. No other staff members are authorised to sign a contract on NMIT's behalf.
- 2) Only the Chief Executive or Executive Directors, under delegated authority, may sign Preferred Supplier Agreements.
- 3) If a contract poses potential risks to NMIT's brand or reputation it must be signed by the Chief Executive or delegated Executive Director regardless of its financial value.

CONTRACTS ADMINISTRATION

- 1) NMIT will maintain a central database of all contracts to which this policy applies.
- 2) The Contracts Administrator is responsible for the administration of contracts in accordance with the [Contract Management Procedure](#).

CONTRACT MANAGEMENT

The Contract Owner is responsible for the ongoing management of the contract in accordance with NMIT's Contract Management Guidelines.

PROCEDURE

All staff involved in the contracting process are required to follow the procedures outlined in the [Contract Management Procedure](#).

REFERENCES

INTERNAL

[Contract Management Procedure](#)
[Health and Safety Manual](#)
[Procurement and Purchasing Policy](#)
[Records Management Policy](#)
[Safety, Health and Wellbeing Policy](#)

EXTERNAL

[Commerce Act 1986](#)

[Consumer Guarantees Act 1993](#)

[Contract and Commercial Law Act 2017](#)

[Copyright Act 1994](#)

[Fair Trading Act 1986](#)

[Māori Language Act 2016](#)

[Official Information Act 1982](#)

[Privacy Act 1993](#)

[Public Records Act 2005](#)

NZ Government [Guide to Procurement](#)