| Pol_160 | **Managing Contracts and Funding Agreements** |
|---|---|

Life Choice enters into contracts for a range of goods and services, including its agreements with funding providers. Any contract or agreement forms part of Life Choice's legal obligations: as such, Life Choice is committed to meeting its legal obligations and funding agreement requirements through transparent practice, in a timely manner and whilst maintaining positive working relationships with all contract partners.

Life Choice accepts funding from government agencies for disability services and undertakes to meet performance targets specified in funding agreements, and to comply with reporting requirements.

From time to time, Life Choice will seek to procure goods and services as an efficient means of expending funds. Depending upon the nature of the goods or service, length of contract and value of the contract, the organisation will request quotes or expressions of interest from more than one supplier in order to compare quality and price.

| **Record of policy development** | | |
|---|---|---|
| **Version** | **Date approved** | **Date for review** |
| 2020/2 | August 2022 | August 2024 |

| **Responsibilities and delegations** | |
|---|---|
| This policy applies to | Chief Executive Officer (CEO), Chief Financial Officer (CFO) |
| Policy approval | Quality & Risk Committee |

| **Policy context** - this policy relates to: | |
|---|---|
| Standards | NDIS Standards<br>Australian Accounting Standards |
| Organisation policies | Budget Management and Monitoring<br>Delegations of Authority |

## Procedures

The Board of Directors delegates authority to the CEO and CFO to sign any contract on behalf of the organisation. Prior to the signing of any contracts or agreements, Life Choice must decide upon a process of securing a supplier/ contractor/ consultant.

## Procurement

### Supply of Goods

Before purchasing goods (e.g. motor vehicles) over $1000, two (2) independent quotes will be obtained.


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### Engaging consultants and contract staff

From time to time Life Choice will seek to contract out work, rather than employ a new staff member. The CEO or CFO may have delegated authority to incur related expenditure required to meet the needs of the organisation and within the approved budget.

### Supplier engagement

There are various means by which a contractor may be engaged, including:

- When seeking to contract out work, Life Choice may seek expressions of interest from appropriate contractors through a selective invitation process. Prospective contractors will be given a brief and asked to provide a project plan, budget, and evidence of relevant skills and resources needed to undertake the project.
- Life Choice may use the Expression of Interest process to establish an ongoing relationship with a preferred supplier for specified goods or services. A preferred supplier will retain this status for a period of six (6) months and be subject to internal senior management review. This action will be recorded in the Compliance Register.
- Procurement of services for amounts over $1000 will require an Expression of Interest to be coordinated. This process may include broad or selective advertising.
- Procurement of services under $1000 may utilise a pre-qualified list of consultants and service providers. Invitation/s may be issued to individuals with required skills and experience from the list to negotiate or submit an interest in supplying the services.

### Contracts and agreements

Life Choice deals with the following types of contracts and agreements:

- Funding agreements: Initial contract is provided by the funding agency and Life Choice reviews and negotiates on the terms and conditions proposed
- Consultant or contractor agreements: Initial contract is usually provided by Life Choice and the consultant or contractor may negotiate on the terms and conditions
- Service agreements (e.g. equipment leasing, telephone contracts): Initial contract is provided by the supplier and Life Choice has limited capacity to negotiate other than on the details of supply (price, timing etc.).

The CEO or CFO should ensure that any contract being signed contains:

- clear specification of the services, deliverables or activities, including:
  - where relevant, outcomes and targets
  - time frame for delivery
  - agreed pricing and time frames for payment
  - dispute resolution and termination mechanism
  - an indication of compliance with relevant service standards and statutory requirements
- funding agreements and contractor/consultant agreements should also contain:
  - performance monitoring and evaluation arrangements
  - reporting requirements
  - management arrangements
  - insurance and indemnity arrangements
  - confidentiality and intellectual property rights


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## Contract negotiation and documentation

The CEO or CFO will be responsible for, but may delegate:

- the negotiation of funding agreements and liaison with funding agencies concerning the funding agreement
- the negotiation of consultant or contractor agreements
- the negotiation of service agreements

All draft contracts will be clearly marked as drafts, dated and numbered by version. The final version of a contract, properly executed with signatures of both parties.

## Compliance management

All contracts will be monitored for compliance by Life Choice and by the contract partner:

- Funding agreements: the CFO will manage compliance with funding agreement requirements and will maintain a register of funding agreements which lists any specific requirements related to governance or administration (such as insurance requirements), reporting requirements and due dates for task completion and reporting.
- Consultant or contractor agreements: The CFO will manage the compliance requirements of contractor agreements as part of the project management process.
- Service agreements: The CFO will manage compliance of suppliers with service agreements.

*End of document*


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