



Procedure 2.09 – Contract Management

1. Application

This Procedure applies to all NQBP Personnel and Contractors.

2. Procedure

This Procedure is applicable to the management of all Contracts at NQBP.

3. NQBP Contract Management Procedure

3.1. Roles and Responsibilities

Contract Manager – The Contract Manager is responsible for the day to day management of the Contract to ensure that the goods, services and/or Works are delivered in accordance with the Contract. The Contract Manager may delegate any of their roles or responsibilities in this Procedure to their Contract Administrator in certain circumstances as determined by the Contract Manager.

Contract Administrator – The Contract Administrator is responsible for administering the Register (E17/16030) for Contracts managed by a particular business group.

Head Contract Administrator – The Head Contract Administrator is responsible for overseeing the management of the Register by the Contract Administrators.

3.2. Coverage of this Procedure

This procedure applies to all Contracts entered into by NQBP with the exception of:

- Employment Contracts – which are managed under Procedure 3.01 – Recruitment and Selection and kept in a separate database which is overseen by the Manager HR/IR;
- Property Leases, Licences and Permits - which are managed by the Property Group through the Yardi database.

3.3. Stage 1 - Contract Set-Up

Contract set-up refers to the process of ensuring that the relevant documents are in place to manage the relationship between NQBP and a supplier of goods, services or Works.

(a) Appointment of Contract Manager

A Contract Manager shall be appointed by the Responsible Manager to oversee the management of the Contract.

(b) Procurement/tender process

The process of engaging in procurement activities shall be managed in accordance with Procedure 2.08 – Procurement and Contracting.

(c) Contract Document Finalisation

The following steps are to be taken by the Contract Manager:

- (i) Arrange for the Contract to be executed by the Contract counterparty (usually a supplier). Discuss with the Legal Team whether a Confidentiality Agreement should also be sent to the supplier.

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- (ii) Arrange for the Contract to be executed by NQBP in accordance with the Instrument of Delegation (E17/06669). Ensure the Contract is dated. (Note: the Contract Date should be the date the last party signed the Contract, unless the Contract specifically nominates another date as the Contract Date.)
- (iii) Return one fully executed copy of the Contract to the engaged supplier for their records.
- (iv) Arrange for Bank Guarantees to be checked for compliance by Legal and Risk (where applicable).
- (v) Arrange for Certificates of Currency of Insurances to be checked for compliance by Risk (where applicable).
- (vi) Ensure appropriate approvals have been obtained from Planning and/or Environment prior to commencement of any Works.
- (vii) Notify the unsuccessful suppliers. For major procurements – a de-brief meeting should be offered to unsuccessful suppliers to be attended by two (2) NQBP Personnel and Minutes of Meeting recorded.
- (viii) Provide the Contract Administrator with the Contract Review and Sign-off Sheet (E11/38546) (**CRSOS**) and the Contract Administration Template (E17/15981) (**CAT**) with all relevant details completed.

(d) Entry into Register

The following steps are to be taken by the Contract Administrators:

- (i) When provided with the completed CRSOS and the CAT sheet by the Contract Manager, input new Contract details into the Register and allocate the Contract the next Contract number in line.
- (ii) Where a tender process is not required - Allocate the next Contract Number in line and advise the Contract Manager of that number. (Note: where a tender process is required the Contract Number is issued prior to the tender being issued to market.)
- (iii) Record key dates as a Task in Outlook with the Task being Assigned to the Contract Manager. The Contract Administrator must select the option to send reminders to the Contract Managers in relation to key Contract dates.
- (iv) Provide the CRSOS to the EA – Legal, People and Governance (for Board reporting purposes).
- (v) Update the Register from time to time as requested by the Contract Manager.

(e) Contract Document Management

Electronic copies

The Contract Manager must ensure that an electronic file is set up for the matter in RM8 or SharePoint in accordance with Procedure 2.07 – Recordkeeping (E16/24424). The following records must be maintained:

- (i) Scanned versions of the Fully Executed Contract, bank guarantees and other original documents;
- (ii) Scope of Work (if separate to the signed Contract);
- (iii) Contractor Management Plans, copies of Approvals and other documents required to be submitted under the Contract;
- (iv) Supplier proposal /tender response (where applicable);
- (v) Tender documents issued by NQBP (where applicable);
- (vi) Tender related approvals and sign-offs (where applicable – e.g. ‘sole supplier approval’);
- (vii) Contract Review and Sign Off Sheet;

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- (viii) Any documents utilised to assist in with Contract Delivery (see 3.4(b) below);
- (ix) Any other document required to be kept as a record in accordance with Procedure 2.07 – Recordkeeping (E16/24424).

Original Hard copies

The Contract Manager must ensure the original fully executed Contract, Bank Guarantees and all other original vital documents are securely stored in the Fireproof Safe in accordance with paragraph 2.6.5 of Procedure 2.07 – Recordkeeping (E16/24424).

3.4. Stage 2 – Contract Delivery

Contract delivery refers to the day to day management of the Contract to enable the successful delivery of the goods, services and/or Works at the agreed costs, timeframe and specifications as provided for by the Contract.

(a) Contract Delivery

The Contract Manager is responsible for all aspects of Contract delivery, including:

- (i) ensuring the relevant documents are in place to manage the relationship between NQBP and a supplier of goods, services and/or Works;
- (ii) managing all aspects of the Contract, including overseeing the delivery of the goods, services and/or Works in accordance with the Contract;
- (iii) ensuring the Contracted goods, services and/or Works are provided in accordance with the specification and terms of the Contract;
- (iv) keeping track of key Contract milestone dates and ensuring NQBP exercises its rights and fulfils its obligations pursuant to the Contract;
- (v) reviewing, monitoring, managing and reporting Contract;
- (vi) ensuring payment/progress claims are made in accordance with the Contract;
- (vii) ensuring any variations to the Contract are approved in accordance with financial delegations and that the details are provided to the Contract Administrator for recording in the Register;
- (viii) maintaining appropriate records, document management and reporting; and
- (ix) providing the Contract Administrator with relevant and up to date information so that the Contract Administrator can effectively administer the Register.

(b) Documents to assist in managing Contract Delivery Phase

The following documents should be used to assist the Contract Manager with the management and delivery of the Contract:

- (i) Works Contracts (AS2124, AS4300, WGS Contracts)
 - A. Contract Administration Spreadsheet – Engineering Version (E17/15998); and
 - B. Checklist of Contract Deliverables (E17/15999); and
 - C. Project Management System Framework.
- (ii) Contracts for Goods and Services (Short Form G&S, WGS Contracts, Purchase Orders)
 - A. Contract Administration Spreadsheet (E17/15981)
- (iii) Supplier's Agreements (IT Contracts, Telstra, etc)
 - A. Contract Administration Spreadsheet (E17/15981)
- (iv) Complex Commercial Contracts (Usually unique to arrangement and prepared by external Lawyers)

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A. Contract Administration Spreadsheet (E17/15981)

(c) Financial Management during Contract Delivery Phase

The Contract Manager is responsible for monitoring the Contract spend throughout the Contract lifecycle, including conducting frequent financial reconciliations between invoices raised/paid against the Contract and the approved budget for the Contract.

(d) Periodic Monitoring/Review of Active Contracts

(i) Monitoring by Contract Manager

The Contract Manager should monitor the Contract and keep track of all relevant dates utilising the Contract Administration Spreadsheet and the bring up system.

(ii) Review by Contract Administrator

The Contract Administrator will review the Register and the Contract Administration Spreadsheet on a monthly basis to ensure no critical dates have been missed. If the Contract Administrator discovers any non-compliance with the Contract terms, the Contract Administrator must immediately report this non-compliance to the Responsible Manager.

(iii) Review by Head Contract Administrator

The Head Contract Administrator will monitor the Register on a quarterly basis to ensure that all relevant fields are completed for each Contract entered.

(iv) Review by Responsible Manager

The Responsible Manager in consultation with the Contract Manager will review long-term Contracts on a periodic basis. The frequency of reviews should be determined, at the discretion of the Responsible Manager, taking into the consideration the risk of the particular Contract.

3.5. Stage 3 – Contract Close-Out

(a) End of Contract Period

Within a reasonable time prior to the end of the Contract period, the Contract Manager should assess whether the Contract should be extended, varied or closed-out. For Contract Variations, Amendments and Extensions, refer to paragraph 3.6 below.

(b) Closing-out the Contract

Where the Contract is not to continue, the Contract Manager should ensure that there is an orderly transition from the Contract with the other party and that all matters are finalised, including:

- (i) Verifying that all Contractual obligations have been successfully met;
- (ii) Ensuring all final payments have been made;
- (iii) Obtaining all final reports;
- (iv) Making arrangements in regard to warranties available under the Contract;
- (v) Arranging the return of any financial or other guarantees and securities;
- (vi) Terminating all access arrangements; and
- (vii) Undertaking post Contract analysis, evaluation and reporting.

(c) Closing-out in the Register

Once the above has been completed, the Contract Manager should advise the Contract Administrator that the Contract should be closed-out in the register.

The Contract Administrator is responsible for removing completed Contracts from the active tab of the Register to the completed tab upon receiving notification from the Contract Manager.

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(d) Closing-out - Contracts for Goods and Works

In addition to the steps outlined at paragraph (b) above, where the Contract is a Works Contract the Contract Manager must also comply with this paragraph (d).

(i) Warranty Periods

The Contract Manager must ensure there is a mechanism in place for keeping track of defects warranty periods and other limitation periods pursuant to the Contract and ensuring all goods/Works are examined for defects within a reasonable time before the expiry of such limitation periods.

A. At the completion of the Works or after delivery of the Goods, the Contract Manager must:

- Record the date that the defects warranty period or any other limitation period expires on the Contract Administration Spreadsheet.
- Nominate an Inspection Date (ie. 30 days before expiry of warranty) and record it on the Contract Administration Spreadsheet.
- Advise the Contract Administrator to update the Register to move the Contract to the worksheet titles “Warranty Period Applies”.

B. Once advised by the Contract Manager that the works have been completed but warranty periods apply, the Contract Administrator will move the Contract to the worksheet in the Register titled “Warranty Period Applies” and record the due date for expiry of the defects warranty period or other applicable period and the nominated Inspection Date in the Register.

C. The Contract Administrator will then create a new Task in Outlook recording the relevant dates and Assign the Task to the Contract Manager.

D. Once the Inspection has been completed and all Works/goods rectified accordingly, the Contract Manager must advise the Contract Administrator to move the Contract to the Closed Worksheet in the Register.

(ii) Replacement insurance for assets – Upon practical completion, the Contract Manager must as soon as reasonably practicable advise Risk/Insurance so that the new asset can be insured in accordance with NQBP insurance policies.

(iii) Releasing bank guarantees – The Contract Manager must arrange for any bank guarantees to be released after the expiration of all defects liability or other limitation periods.

3.6. Contract Variations, Extensions and Amendments

(a) Variations

A variation to the Contract occurs when a change is required to the actual work to be carried out under the Contract, including:

- the addition, omission or substitution of any Works or services;
- the alteration of the kind or standard of materials used for the Works; or
- the alteration of the kind or standard of goods. (Variation)

(b) Extensions

An extension to the Contract occurs when the time for undertaking the Works or services needs to be increased in order to complete the Works or services specified under the Contract (Extension). (Note: any additional Works or services required which are not specified in the Contract must be managed as a Variation).

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(c) Amendments

An amendment to the Contract occurs when a change is required to the contractual provisions of the Contract (Amendment).

(d) Steps to be undertaken by Contract Manager in relation to Variations, Extensions and Amendments

- (i) All Variations, Extensions and Amendments should be managed in accordance with the relevant provisions of the Contract.
- (ii) Where a Variation, Extension or Amendment to the Contract is required, the Contract Manager must discuss the form of document required with Legal (some complex Contracts may require the preparation of a Deed). Legal will determine whether the Variation or Extension is minor or complex.
- (iii) For Minor Variations or Extensions, the Contract Manager must have the document approved by Legal.
- (iv) For complex Variations, and Amendments to an existing Contract, the Contract Manager must prepare a new CRSOS (E11/38546) and update the Contract Administration Spreadsheet to include the relevant details. The Contract Manager must then arrange for the review of the document by the relevant departments (per paragraph 8 of Procedure 2.08 Procurement and Contracting).
- (v) The Contract Manager will arrange for execution of the document by all parties to the Contract (per paragraph 3.3(c) above).
- (vi) The Contract Manager will provide all relevant information regarding the Variation to the Contract Administrator for updating the Register.

(e) Updating the Register

- (i) Upon receiving advice from the Contract Manager that a Variation, Extension or Amendment to the Contract has occurred, the Contract Administrator will ensure the relevant information has been recorded by the Contract Manager in the Contract Administration Spreadsheet.
- (ii) The Contract Administrator will then record the Variation, Extension or Amendment in the notes column of the Register and amend the Contract Number as follows:
 - Original Contract Number – eg. 17-001
 - 1st Variation, Extension, Amendment made to a Contract – eg. 17-001.1
 - 2nd Variation, Extension, Amendment made to a Contract – eg. 17-001.2, etc.

4. Contract Management Policy, Procedure and Legislative Framework

NQBP is a Government Owned Corporation and a port authority and is required to comply with its own policies, prescribed applicable legislation and State Government policies and procedures. This policy should be read in conjunction with:

- a. Policy 1 - Governance
- b. Policy 2 – Compliance
- c. Policy 12 – Risk Management
- d. Procedure 1.01 – Governance
- e. Procedure 2.01 – Compliance
- f. Procedure 2.02 – Disclosure
- g. Procedure 2.03 – Competition and Consumer Law Compliance
- h. Procedure 2.08 – Procurement and Contracting
- i. Procedure 12.01 – Risk Management

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- j. Standard 2.01 – Code of Conduct – Corrupt Conduct and Public Interest Disclosures
- k. Standard 2.02 – Integrity Framework
- l. Standard 4.05 – Financial Risk Management
- m. Standard 4.06 – Fraud
- n. *Competition and Consumer Act 2010 (Cth)*
- o. *Crime and Corruption Act 2001 (Qld)*
- p. *Corporations Act 2001 (Cth)*
- q. *Government Owned Corporations Act 1993 (Qld)*

5. Guideline Review Date

This guideline should be reviewed by 30 June 2019.

6. Definitions

NQBP: means North Queensland Bulk Ports Corporation Limited ACN 136 880 128.

Contract: means a legally enforceable agreement between NQBP and another party or parties:

- for the execution of Works for an agreed value;
- for the supply of goods or services for an agreed value; or
- which generates benefits or imposes obligations on NQBP or the counterparty (e.g. confidentiality agreements).

Contract Administrator: means the NQBP employee responsible for maintaining the information contained in the Register for a particular business group. The current Contract Administrators for each business group are set out in Schedule 1.

Contractors: means Contractors or consultants engaged by NQBP under a personal services consultancy agreement or other similar arrangements.

NQBP Personnel: means NQBP officers (for example NQBP directors) and NQBP Employees.

Contract Manager: means the NQBP Employee or Contractor responsible for managing the Contract and overseeing the delivery of the goods, services and/or Works in accordance with the Contract.

Register: means the Central Contracts Register where all NQBP Contracts are to be recorded, excluding Contracts managed by the Property Team and the Human Resources Team (which are administered in separate registers).

Responsible Manager: means the NQBP manager accountable for the budget/cost centre that funds the Contract and that has the financial delegation to approve Contract payments and variations.

Works: means:

- (a) Building works - building, repairing, altering, underpinning (whether by vertical or lateral support), moving or demolishing a building or other structure (whether on land or not); or
- (b) Excavation Works - excavating or filling:
 - (i) for, or incidental to, the activities mentioned in paragraph (a); or
 - (ii) that may adversely affect the stability of a building or other structure; or
- (c) Support Works - supporting, whether vertically or laterally, land or seabed for activities mentioned in paragraph (a); or

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- (d) Dredging Works - digging, excavating or removing material from waterways to deepen channels, create harbours, and keep channels and approaches to ports at defined depths, including:
- (i) Capital Dredging Works: dredging carried out for the purpose of:
 - A. creating or enlarging a channel, basin, port, berth or other similar thing; or
 - B. removing material that is unsuitable as a foundation for a port facility; or
 - C. creating a trench for a pipe, cable or tube; or
 - D. an activity incidental to an activity mentioned in A and C above; or
 - (ii) Maintenance Dredging Works: dredging carried out to maintain a channel, basin, port, berth or other similar thing for its intended use, including the removal of sediment; or
 - (iii) Disposal: The disposal of any dredged material whether on land or at sea.

Works does not include the monitoring and sampling programs managed by the Environment Group.

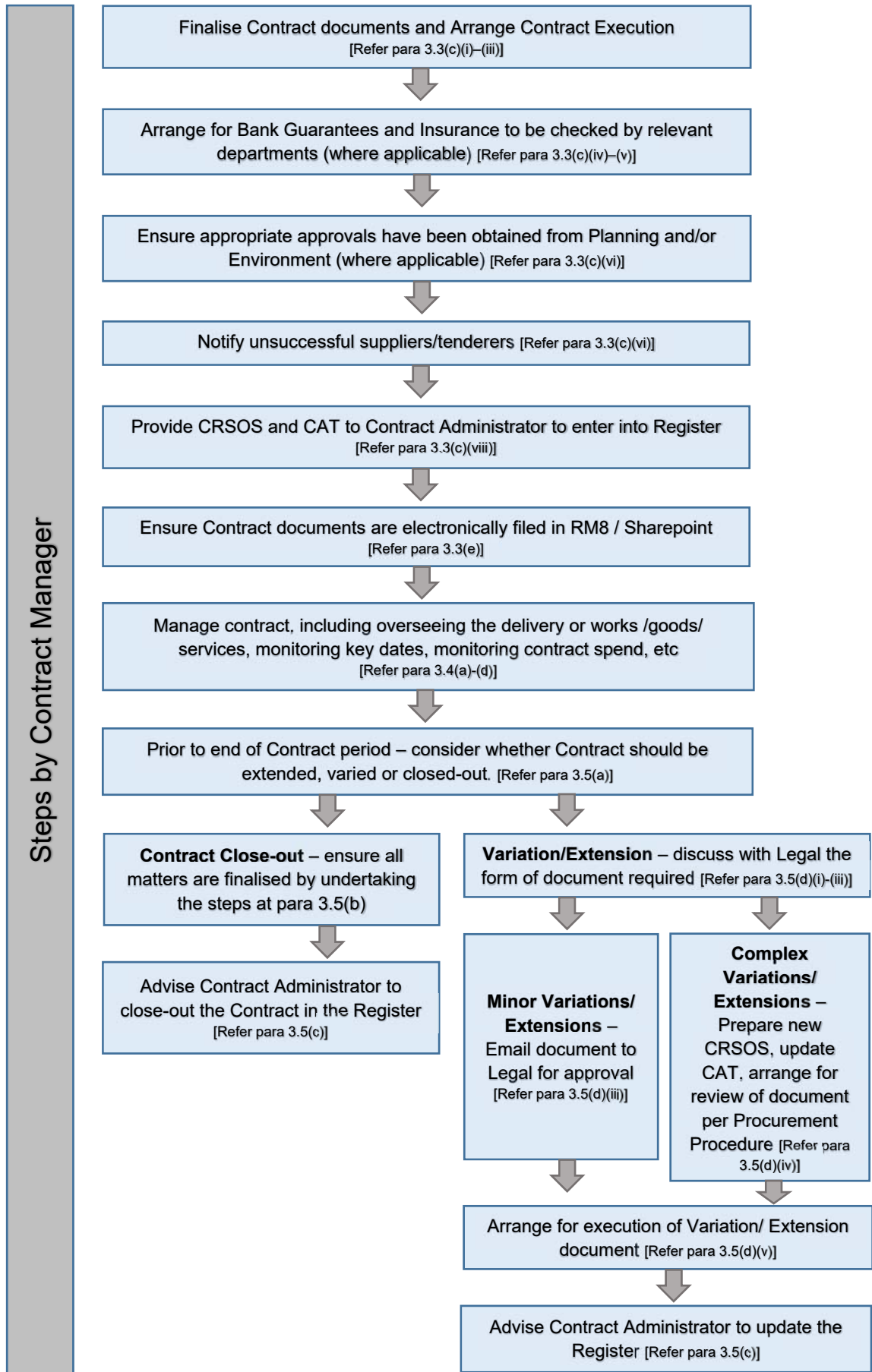
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SCHEDULE 1 – LIST OF CURRENT CONTRACT ADMINISTRATORS
 (last amended 07/08/2017)

Work Group	Contract Administrator
Engineering, Development and Safety	Cindy-Jo Zahmel (Head Contract Administrator) (Contracts Administrator – Engineering and Development)
Legal, People and Governance	Maria Adams / Kellie Barridge (Maternity leave) (Assistant – Legal, People and Governance)
Sustainability and External Relations	Jo Palethorpe (Sustainability Admin Support Officer)
Finance, Risk and IT	Leesa O'Dempsey (Finance Executive Coordinator)
Commerce, Trade and Operations	Lisa Burns (Senior Administration Officer)

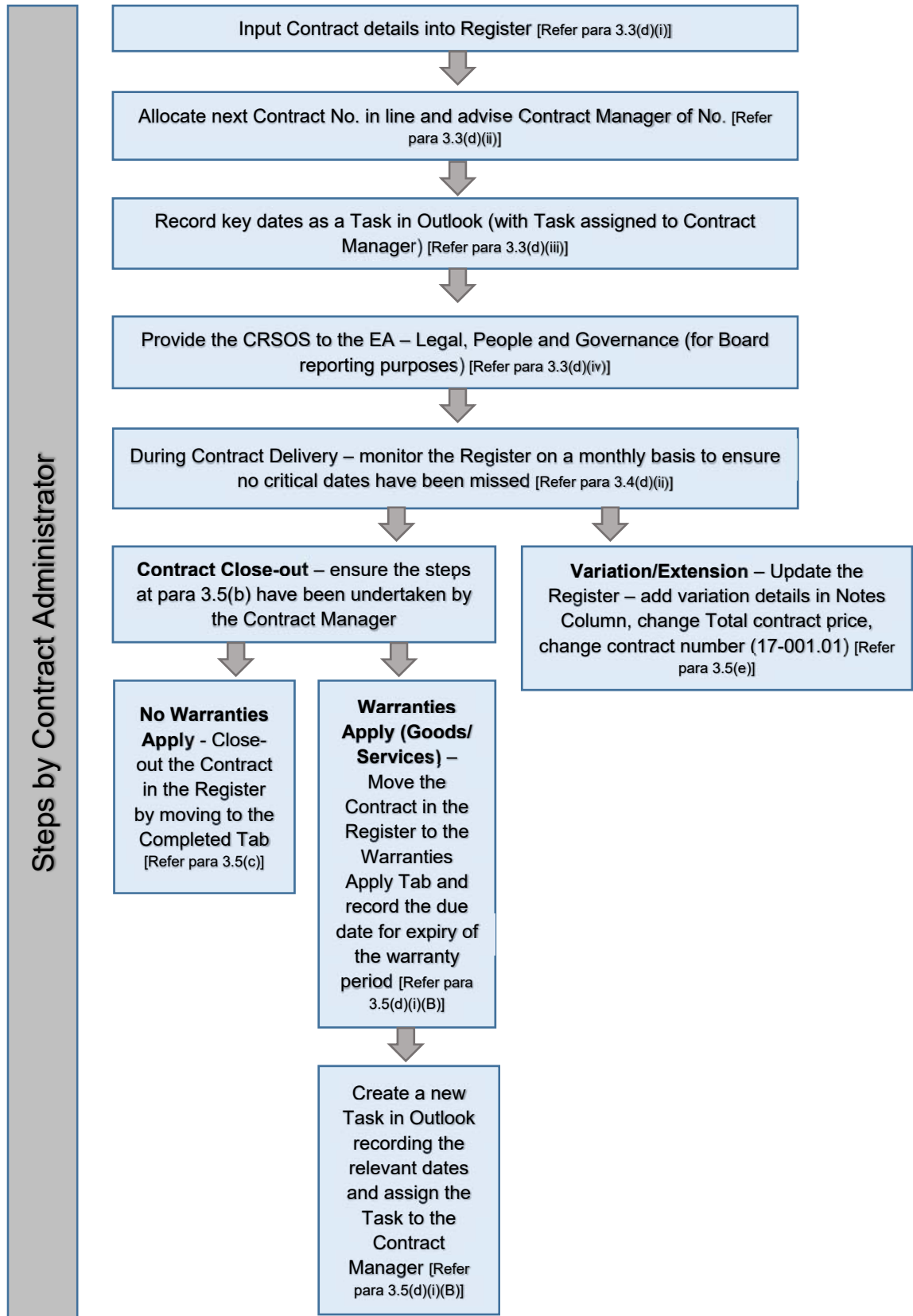
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SCHEDULE 2 - FLOWCHARTS



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