

# Contractual Relationship Procedure

## 1. Overview of the Procedure

This procedure is a guide for all staff entering into contractual relationships between **[insert organisation name]** and other individuals, groups and organisations. This procedure should be read with the accompanying External Relationships Policy.

For the purposes of this procedure and related policy, **[insert organisation name]** enters into contractual relationships as a process for purchasing a product or service that supports the organisation in the implementation of projects or activities to fulfil its strategic objectives.

Contractual relationships must be demonstrated through a purchaser/ provider contract.

## 2. Considerations

The CEO/Manager and **[insert positions]** are responsible for identifying and leading contractual relationships as delegated. The CEO is responsible for sign off on all contractual relationships.

Contractual relationships are considered legally binding and are to be given due consideration as to the obligations and expectations before entering into such relationships.

### Procedure Steps

1. Identify the product or service that is required to support the implementation of a project or activity.
2. Identify an appropriate program/project budget.
3. Research the product or service that is required. Consult with staff, clients and if relevant, external stakeholders that have experience in the area. Discuss the product or service that is required with other staff for input/suggestions/advice.
4. Seek endorsement from CEO/Manager to enter into a contractual relationship.

5. Prepare a consultant briefing paper which outlines the aims, timeframes, deliverables and the budget of the project/task.
6. Identify and engage appropriate consultant through:
  - a) **[insert organisation name]** consultant list
  - b) Recommendation from other staff, Board or partners
  - c) Advertisement.
7. Prepare consultant contract.
8. Consultant and CEO/Manager sign and agree to the terms and conditions outlined in the consultant contract.
9. Commence payment as per schedule detailed in consultant contract.
10. Consultant to deliver product as per consultant contract (allowing for amendments to product if appropriate and as detailed in consultant contract).
11. Finalise payment as per scheduled detailed in consultant contract.
12. Discuss the consultant experience with the consultant as an evaluative process.
13. Discuss the consultant experience with other staff as an evaluative process.
14. Update the consultant list as required.

## **Reference**

*This procedure is taken from the NADA Contractual Relationship Procedure.*

[http://www.nada.org.au/index.php?option=com\\_content&task=view&id=236&Itemid=44](http://www.nada.org.au/index.php?option=com_content&task=view&id=236&Itemid=44)