

**TREASURER'S INSTRUCTION**  
**FINANCIAL MANAGEMENT ACT 2016**

**PROCUREMENT PROCESSES - CONTRACT EXTENSIONS: GOODS AND SERVICES**

**EFFECTIVE DATE**

16 August 2021

**SCOPE**

This Treasurer's Instruction applies to all Agencies listed in Column I of Schedule I, Part I in the *Financial Management Act 2016*.

**APPLICATION**

At all times.

**OBJECTIVE**

To provide information on *contract* extensions relating to *contracts* for the *procurement* of goods and services.

**INSTRUCTION**

- 6.1 *Contracts* relating to the *procurement* of goods or services must not be extended without undertaking an appropriate *procurement process* unless the *contract* contains a specific extension provision (an option to extend) or an extension is approved in accordance with the requirements set out below.
- 6.2 Provided the *procurement* is not a *covered procurement*, the Accountable Authority is permitted to approve an extension to a *contract* outside the original term of the *contract*, for a period of no longer than one year provided the extension does not include a significant expansion to the scope of the original *contract* and one of the following circumstances exist:
  - 6.2.1 due to exceptional circumstances, the extension is required to enable a full *procurement process* to be properly undertaken; or
  - 6.2.2 other exceptional circumstances exist that justify an extension.
- 6.3 Approval under clause 6.2 must occur prior to the *contract* being extended and auditable documentation regarding the approval must be maintained.

## **ADDITIONAL GUIDANCE**

Further information in support of this Treasurer's Instruction can be found in the *Procurement Better Practice Guidelines (Procurement Processes and Documentation)*.