

TREASURER'S INSTRUCTION
FINANCIAL MANAGEMENT ACT 2016

PROCUREMENT PROCESSES - CONTRACT EXTENSIONS: GOODS AND SERVICES

EFFECTIVE DATE

1 July 2019

SCOPE

This Treasurer's Instruction applies to all Agencies listed in Column 1 of Schedule 1, Part 1 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 Processes Better Practice Guidelines.