***Text Legend*** *Delete this legend before finalising the document*

*Red text is an instruction and should be deleted after reading*

*Blue text should be edited or deleted as required. Change Blue text to Black if keeping*

*Black text should generally be considered as fixed text*

*[Goods/services/works procurement template - Approval of Variations including extensions past the final expiry date]*

***State agency obligations***

*This template can be used by State agencies to record the approval of Variations including extensions past the final expiry date. Information about Variations and extending contracts past the final expiry date is available in the Varying a Contract Guideline on* [*wa.gov.au*](https://www.wa.gov.au/government/multi-step-guides/procurement-guidelines/contract-management-guidelines/varying-contract-guideline)*.*

*In the* [*Western Australian Procurement Rules*](https://www.wa.gov.au/government/publications/western-australian-procurement-rules) *(Rules), a Variation is defined as follows:*

*“A variation is an agreed change to the contract (for example, in scope or in price).*

*Variations do not include:*

1. *exercising an extension option provided within the original contract; or*
2. *spending more (or less) under a Standing Offer arrangement than originally estimated (where there is no contractual maximum expenditure cap).”*

*In the Rules,* [*under section E*](https://www.wa.gov.au/government/multi-step-guides/western-australian-procurement-rules/section-e-contract-management)*, it outlines the obligations of State agencies for contract Variations. These are summarised below.*

*Rule E2 – Apply Rigor to Contract Variations*

* *Rule E2.2 – Approval of Contract Variations – Variations to a contract* ***must*** *be approved by an Authorised Officer.*
* *Rule E2.1 – Seek Advice from Finance on Variations*
* *Rule E2.1 (1) – If the Department of Finance (Finance) was involved in the Procurement under Rule C1, then State agencies* ***must*** *seek written advice from Finance if the Variation(s) individually or cumulatively:*

1. *are valued at $250,000 or above; or*
2. *propose to extend the contract by 6 or more months past its final expiry date.*

*Approval is still required for an extension even where there is no change in value, or a reduction in value. Further, the extension, including any re-negotiated terms, must be documented and clearly agreed by both parties* ***prior*** *to the expiry of the contract.*

* *Rule E2.1 (2) – In providing advice under Rule E2.1 (1), an Authorised Officer of Finance may approve alternative criteria to those specified in Rule E2.1 (1) for when the State agency is required to seek subsequent advice.*
* *Rule E2.1 (3) – When seeking advice from Finance for contracts valued over $5 million and the preparation of a contract management plan was not exempted under Rule E1, then the original and current contract management plan* ***must*** *be provided to Finance when seeking advice.*
* *Rule E2.3 – Record Details of Variations – Variations* ***must*** *be recorded and, if applicable, captured in the relevant contract management plan documentation. State agencies* ***must*** *ensure their contract register is updated in accordance with Rule F5.*

*Rule E3 – Update Contract Expenditure Information*

* *Rule E3.1 – Publish Updated Contract Management Information on Tenders WA – State agencies* ***must*** *publish Variation and expenditure details on Tenders WA. Refer to the table under Rule 3.1 (1) for the exact requirements.*
* *Rule E3.2 – Exemption from Publishing Expenditure Update – the requirements of Rule E3.1 do not need to be complied with if an exemption has been granted.*

*Further, State agencies* ***must*** *not extend the scope or duration of Contracts with debarred or suspended Contractors as identified under the* [*Western Australian Debarment Regime*](https://www.wa.gov.au/government/publications/debarment-regime-guide-western-australian-government-agencies)*. Refer to the* [*Excluded Suppliers*](https://www.tenders.wa.gov.au/watenders/news/browse.do?CSRFNONCE=BC47BF6C8B895C8C0C0CB75B4FF0C4AF&&ss=1) *page on Tenders WA for more information. If a Contractor is debarred or suspended, refer to the* [*Debarment Regime: Guide for Western Australian Government agencies*](https://www.wa.gov.au/government/publications/debarment-regime-guide-western-australian-government-agencies) *–* [*Contracts with excluded suppliers and subcontractors*](https://www.wa.gov.au/government/publications/debarment-regime-guide-western-australian-government-agencies#contracts-with-excluded-suppliers-and-subcontractors) *section for further information.*

Approval of Variations

**Including extensions past the final expiry date**

|  |  |  |  |
| --- | --- | --- | --- |
| **Current Contract Details** | | | |
| State Agency |  | | |
| Contract Number |  | | |
| Contract Title |  | | |
| Contractor(s) |  | | |
| Contract Commencement Date |  | | |
| Contract Term | [Insert initial term and extension options eg. 3 + 1 + 1 years] | | |
| Contract Final Expiry Date |  | | |
| Variations Extending the Contract Past the Final Expiry Date Previously Approved (if applicable)  *[For each extension, insert the term (including any options), when the variation was approved and by whom. Insert extra rows if required or mark as 'Not Applicable']* | **Term (incl. options)** | **Date Approved** | **Approver** |
|  |  |  |
|  |  |  |
| Current Approved Final Expiry Date | [Insert the current final expiry date, being the initial contract final expiry date plus all approved variations extending the final expiry date or mark as 'No Change'] | | |
| Contract Value at Award | $ | | |
| Value of Variations Previously Approved (if applicable)  *[For each variation, insert the value, when the variation was approved and by whom. Insert extra rows if required or mark as 'Not Applicable']* | **Value** | **Date Approved** | **Approver** |
| $ |  |  |
| $ |  |  |
| Current Approved Contract Value | $[Insert the sum of the contract value at award and all approved variations or mark as 'No Change'] | | |
| Total Contract Expenditure to Date | $[Insert value] as of [Insert date] | | |
| Contract/Project Management Plan Developed  *[Delete if not applicable]* | Yes  No  Exempted | | |

|  |  |
| --- | --- |
| **Proposed Variation Value including, if applicable, the Extension Past the Final Expiry Date** | |
| Proposed Extension Term Past the Final Expiry Date (if applicable) | [Insert the proposed term including any extension options or mark as 'Not Applicable'] |
| Proposed New Final Expiry Date (if applicable) | [Insert date or mark as 'Not Applicable'] |
| Value of Proposed Variation | $ |
| New Approved Contract Value | $[Insert the sum of the Contract Value at Award or Current Approved Contract Value, as above and the Value of Proposed Variation] |

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| --- |
| **Basis for the Proposed Variation including, if applicable, the Extension Past the Final Expiry Date** |
| *Provide brief details about how the contract was established (open advertisement, limited sourcing, under a CUA etc), the agency business need that it meets and what the contract/contractor performance has been to date.*  *Provide brief details on what the Variation is and the reason/s for the Variation to enable a reviewer to understand the overall context of the Variation.*  *If the Variation is for a change in scope, briefly detail why the change is not a material change from the original intent of the scope.*  *If the Variation is an extension past the final expiry date, provide brief details on why a competitive Procurement process could not be conducted.*  *Further, if the Variation is an extension past the final expiry date, briefly detail the agreement to extend by both parties, including any re-negotiated terms and how the extension delivers value for money.*  *Details should also be included, as applicable, the reason/s for any previous Variations including any extensions past the final expiry date identified above and, if applicable, how these relate to this Variation.*  *As applicable, further detail should be provided regarding how this Variation is expected to meet all the outstanding State agency requirements and the need for further Variations including extensions past the final expiry date will not be required.*  *As applicable, include some detail about the current market situation and the risks of not going to market.*  *Include a final statement that outlines what will be the impact on the State agency's operations if the Variation is not approved* |

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| --- |
| **Recommendation and Undertaking** |
| It is recommended that the [Authorised Officer title] of [State agency name] approve the Variation as outlined above.  The Department of Finance has been consulted about the Variation and their advice is outlined below.*[delete if advice not required from Finance]*  The [State agency name] will ensure the Variation is:   * kept on record * updated in the contract register in accordance with Rule F5 * captured in the contract/project management plan documentation*[delete if there is no contract/project management plan]* and * published on Tenders WA in accordance with Rule E3.1 (1).*[delete if exempt from publishing and use the the following statement]*   The Variation has been exempted from being published on Tenders WA. Refer to [insert record details of exemption] for the exemption granted. |

|  |  |  |
| --- | --- | --- |
| **Submitting Officer** | | |
| Name |  | |
| Title |  | |
| Contact Number |  | |
| Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | Date: \_\_\_\_/\_\_\_\_/\_\_\_\_\_ |

*If the Department of Finance (Finance) was involved in this Procurement under Rule C1, then State agencies* ***must*** *seek written advice from Finance if the Variation(s) individually or cumulatively:*

1. *are valued at $250,000 or above; or*
2. *propose to extend the contract by 6 or more months past its final expiry date.*

*In providing advice, an Authorised Officer of Finance may approve alternative criteria to those specified above for when the State agency is required to seek subsequent advice.*

*When seeking advice from Finance for contracts valued over $5 million and the preparation of a contract/project management plan was not exempted under Rule E1, then the original and current contract/project management plan* ***must*** *be provided to Finance when seeking advice.*

*If you are unsure of your Finance contact, refer to the* [*Department of Finance Contact List*](https://www.wa.gov.au/government/publications/department-of-finance-agency-procurement-services-contact-list)*.*

|  |  |  |
| --- | --- | --- |
| **Advice from the Department of Finance** *[Delete if not applicable]* | | |
| Name |  | |
| Title |  | |
| Contact Number |  | |
| **Supported**  **Not Supported**  **Noted** | Advice/Comments:  *[For Finance’s advice only - in providing advice, an Authorised Officer of Finance may approve alternative criteria to those specified in the Rule E2.1 (1) for when the State agency is required to seek subsequent advice.]* | |
| Contract/Project Management Plan Supplied*[Delete if contract/project management plan is not applicable or was exempted under Rule E1]* | Original  and  Current | |
| Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | Date: \_\_\_\_/\_\_\_\_/\_\_\_\_\_ |

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| --- | --- | --- |
| **Approval by the Authorised Officer** | | |
| Name |  | |
| Title |  | |
| **Approved**  **Not Approved** | Comments: | |
| Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | Date: \_\_\_\_/\_\_\_\_/\_\_\_\_\_ |