Government of **Western Australia**
Department of **Treasury and Finance**

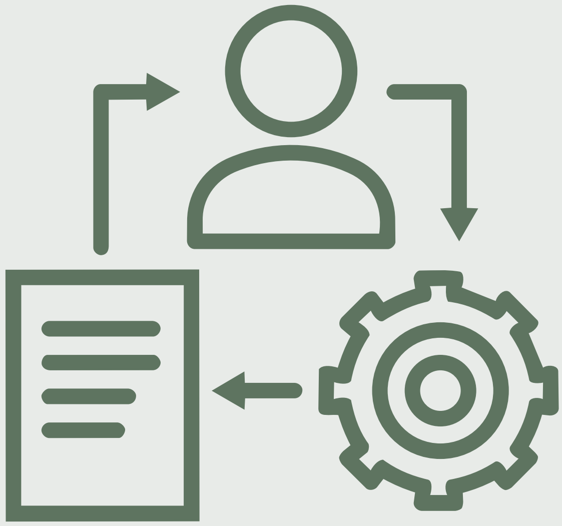
Western Australian Contract Management Framework Principles

Purpose

Effective contract management is critical to delivering public value across the Western Australian public sector.

Government relies on thousands of contracts to deliver goods, services, infrastructure and community outcomes. Strong contract management ensures risks are managed, suppliers perform to expectations, relationships are constructive, and public money is used responsibly and transparently.

The Western Australian Contract Management Framework (WACMF) sets out the principles, expectations and behaviours that underpin consistent, confident and accountable contract management across government. It supports contract managers, project managers and all officers who perform contract management activities as part of their broader role.



The Framework is structured around six core principles:

1. **People**
   Capability, skills and support
2. **Governance**
   Controls, structure and accountability
3. **Practice**
   Disciplined, evidence-based contract management
4. **Systems**
   Digital tools, data, integration and platform maturity
5. **Strategy**
   Alignment to organisational and government priorities
6. **Performance**
   Measurement, monitoring and improvement

Each principle outlines the distinct responsibilities of both the agency and the contract manager, recognising that effective contract management requires both organisational support and individual capability.

These principles apply proportionately: higher-risk or higher-value contracts require deeper oversight, stronger commercial capability and more active performance management; lower-risk contracts may apply these principles with a lighter touch, as set out in the Contract Manager Performance Guide.

The Contract Manager Performance Guide supports this Framework by translating the WACMF principles into observable behaviours, evidence sources and proportionate performance measures aligned to the Procurement Capability Matrix (PCM). Together, the WACMF and Contract Manager Performance Guide provide a consistent basis for setting expectations, assessing performance and supporting capability uplift across the sector.

The capability, skills and behaviours of staff, and the support provided by agencies enable confident, ethical and effective contract management.

1. People

Clear structures, delegations and controls ensure contract management is accountable, compliant and aligned with legislative and policy requirements.

2. Governance

Contract management activities are planned, diciplined and evidence-based, ensuring contracts are monitored, documented and managed consistently across their lifecycle.

3. Practice

6. Performance

Contract performance is measured, monitored and improved to ensure suppliers deliver expected outcomes and value for money.

5. Strategy

Contract management decisions align with agency objectives, government priorities and market intelligence to maximise long-term public value.

4. Systems

Integrated digital tools and reliable data provide transparency, efficiency and insight to support sound contract management decisions.

How to use this Framework

This Framework is designed for:

- contract managers;
- project and program managers;
- officers with contract responsibilities as part of broader duties;
- procurement, finance, audit and risk teams; and
- executives with contract oversight or accountability.

Agencies and practitioners should use the WACMF to:

- guide planning and ongoing contract management activities;
- clarify roles, responsibilities and decision-making authority;
- support professional development and PCM-aligned performance discussions, using the Contract Manager Performance Guide to set measurable expectations and assess individual performance;
- strengthen governance, systems and contract oversight; and
- inform capability uplift, supplier engagement and continuous improvement.

People

Principle 1 | **The capability, skills and behaviours of staff, and the support provided by agencies enable confident, ethical and effective contract management.**

Agency responsibilities include:	Contract manager responsibilities include:
• defining contract management responsibilities clearly and ensures job descriptions reflect PCM-aligned skills, behaviours and capability levels;	• understanding their role in delivering public and commercial value and how their contract contributes to community and government outcomes;
• resourcing contract management appropriately, with the right mix of commercial, technical, procurement and project skills;	• demonstrating PCM-aligned skills and behaviours, seeking ongoing professional development and accreditation where appropriate;
• supporting the development of all staff undertaking contract management, whether full-time or as part of their broader duties;	• engaging early in the procurement process to ensure smooth commencement and handover;
• using the PCM to guide recruitment, planning, performance and accreditation;	• using digital tools, data and evidence to monitor performance and inform decisions;
• maintaining clear reporting lines, escalation pathways and delegated authority;	• building constructive, professional supplier relationships based on transparency and accountability;
• fostering a culture of integrity, collaboration and peer learning, including participation in communities of practice; and	• exercising delegated authority responsibly and consulting with specialists (procurement, finance, legal, risk, audit) as needed;
• promoting ethical conduct, transparency and probity across the contract lifecycle.	• upholding ethical conduct, probity and conflict-of-interest requirements; and
	• participating in capability development, coaching and continuous improvement activities.

Common pitfalls to avoid

- Treating contract management as an administrative task instead of a skilled, professional function.
- Allocating contract management responsibilities to staff without the right capability, support or time.
- Leaving contract management training to chance rather than embedding it in Professional Development Plans (PDPs) and workforce plans.
- Unclear expectations about roles, responsibilities and delegation levels.
- Relying on implicit knowledge instead of documented processes and shared learning.

Governance

Principle 2 | **Clear structures, delegations and controls ensure contract management is accountable, compliant and aligned with legislative and policy requirements.**

Agency responsibilities include:	Contract manager responsibilities include:
• ensuring contract management is undertaken in accordance with the WA Procurement Rules, legislative obligations and internal governance requirements;	• understanding governance structures, delegations, constraints and obligations relevant to their contracts;
• establishing clear ownership of contracts, identifying accountable authorities, budget holders and contract managers;	• using agency systems, registers and dashboards to manage performance, financials, compliance and risk;
• maintaining an up-to-date delegation and approval matrix proportionate to contract value, risk and complexity;	• applying proportionate risk management, escalating issues early and appropriately;
• ensuring senior oversight of strategic, high-risk or business-critical contracts, with defined escalation pathways;	• ensuring decisions are transparent, well documented and audit ready;
• maintaining accurate contract registers and compliance with reporting obligations;	• identifying and managing conflicts of interest – real, potential or perceived – in accordance with agency requirements and the WA Procurement Rules;
• integrating contract governance with project, procurement, finance, legal and risk frameworks;	• complying with legislation, the WA Procurement Rules and all internal policies; and
• operating efficient, controlled payment processes that prevent errors and support transparency;	• identifying governance gaps, risks or opportunities to improve processes and assurance.
• ensuring systems and reporting tools support auditability, real-time visibility and sound decision making; and	
• promoting ethical conduct, conflict management and transparent decision making across the contract lifecycle.	

Common pitfalls to avoid

- Not establishing clear ownership, leading to confusion over who is accountable for decisions.
- Weak or outdated delegations that do not reflect contract risk or complexity.
- Inconsistent application of the WA Procurement Rules across teams or business areas.
- Poor documentation, creating audit risk and a lack of transparency.
- Escalating issues too late, when performance or financial impacts have already materialised.

Practice

Principle 3 | **Contract management activities are planned, disciplined and evidence based, ensuring contracts are monitored, documented and managed consistently across their lifecycle.**

Agency responsibilities include:	Contract manager responsibilities include:
• ensuring contracts are set up for successful management from the outset, including clear scope, defined deliverables, appropriate resourcing and a structured handover from procurement;	• actively managing contracts from commencement through to close-out, applying practice proportionately by investing effort where contract risk, value and complexity warrant it, and not underinvesting in contracts where delivery risk is material;
• establishing clear procedures, tools and templates to support consistent contract management;	• monitoring delivery against key perfomance indicators (KPIs), milestones and quality standards using evidence and data;
• ensuring staff have access to guidance, coaching and specialist advice;	• documenting supplier performance issues and undertakes timely corrective actions;
• supporting structured handover from procurement to contract management;	• managing variations, extensions and payments in line with delegations and contractual requirements and value-for-money principles;
• providing systems to track deliverables, milestones, insurances, risks and financials;	• engaging suppliers in regular structured, fit-for-purpose meetings to discuss performance, risks and opportunities; and
• promoting strong documentation standards to ensure auditability and transparency; and	• documenting lessons learned and contributing to improvements in procurement design and contract management practice.
• supporting proportionate application of practice based on contract risk, complexity and criticality.	

Common pitfalls to avoid

- Focusing on administrative tasks rather than proactive performance and risk management.
- 'Set and forget' contract management – failing to actively monitor KPIs and milestones.
- Holding irregular or unstructured supplier meetings.
- Poor variation management, including undocumented scope creep and unverified claims.
- Lessons learned not captured or not fed back into procurement design.

Systems

Principle 4 | **Integrated digital tools and reliable data provide transparency, efficiency and insight to support sound contract management decisions.**

Agency responsibilities include:	Contract manager responsibilities include:
• providing modern, fit-for-purpose contract management systems that integrate with finance, procurement, project and risk platforms;	• using digital platforms to track KPIs, risks, variations, deliverables and financials;
• ensuring users have access to dashboards, reporting tools and real-time data;	• maintaining accurate, timely and complete records to enable transparency and auditability;
• promoting automation where possible (alerts, workflows, compliance tracking, KPI dashboards);	• using system alerts and dashboards proactively — not waiting for issues to surface through other channels;
• supporting digital literacy and system capability development across the workforce;	• using analytics and system insights to inform risk management, supplier engagement and performance interventions;
• maintaining data quality standards and ensuring system records are audit-ready; and	• identifying and escalating system gaps, data quality issues or workarounds that undermine contract visibility or compliance; and
• using system data and spend analytics to inform category planning, supplier strategy and procurement design.	• contributing feedback to improve system usability and data quality.

Common pitfalls to avoid

- Using manual workarounds instead of purpose-built systems, increasing error and compliance risk.
- Storing contract information in multiple places (emails, spreadsheets, shared drives), reducing accuracy and visibility.
- Failing to leverage available dashboards, alerts or automation.
- Low data quality, making reporting unreliable and limiting insight.
- Poor user adoption due to insufficient training or unclear system expectations.
- Maintaining multiple disconnected systems that require the same data to be entered in different places, leading to duplication, inconsistencies and unnecessary administrative effort.

Strategy

Principle 5 | **Contract management decisions align with agency objectives, government priorities and market intelligence to maximise long-term public value.**

Agency responsibilities include:	Contract manager responsibilities include:
• maintaining a forward-looking procurement strategy that considers lifecycle costs and contract management effort;	• understanding how their contract contributes to agency strategy and whole-of-government priorities;
• aligning contract management with sustainability, social value, local industry participation and government objectives;	• planning ahead for key milestones, budget implications and commercial decisions;
• using market intelligence and supplier insights to shape contracting strategies;	• monitoring market conditions and identifies impacts on contract performance;
• implementing tiered supplier relationship management for strategic and high-risk suppliers; and	• using insights to inform category planning and future procurement;
• embedding a culture of innovation across the contract lifecycle.	• supporting continuous improvement and innovation with suppliers;
	• contributing to market stewardship by sharing intelligence on supplier capacity and sector health; and
	• documenting lessons learned to strengthen future procurement and strategy.

Common pitfalls to avoid

- Not aligning contract management effort to contract value, risk or strategic importance.
- Ignoring market trends, cost pressures or supplier capacity signals.
- Treating contract management as an operational task only, rather than a contributor to category and organisational strategy.
- Underestimating the contract management effort and budget needed during planning.
- Missing opportunities for innovation, continuous improvement or social and sustainability outcomes.

Performance

Principle 6 | **Contract performance is measured, monitored and improved to ensure suppliers deliver expected outcomes and value for money.**

Agency responsibilities include:	Contract manager responsibilities include:
• maintaining clear, accessible guidance for supplier performance management;	• maintaining constructive supplier relationships with clear communication expectations;
• monitoring market and industry conditions to inform negotiations and value-for-money decisions;	• monitoring performance using KPIs, data, analytics, site intelligence and supplier reporting;
• providing guidance on incentive mechanisms and empowering staff to use them appropriately;	• providing timely, evidence-based feedback and intervening early on emerging issues;
• conducting regular contract management capability reviews using benchmarking, PCM assessments and maturity models; and	• assessing variations objectively, ensuring value for money;
• integrating contract performance insights into strategic decision making and reporting.	• monitoring end-user needs and working with suppliers to adjust delivery as required;
	• identifying and communicating demand trends and buying behaviour insights; and
	• contributing to organisational learning and continual improvement.

Common pitfalls to avoid

- Inconsistent or unclear performance expectations during mobilisation.
- Failing to address performance issues early to prevent long-term impacts.
- Accepting supplier reports at face value without verification or site intelligence.
- Overlooking end-user feedback, resulting in blind spots about service quality.
- Not analysing trends across contracts to inform strategic decisions and improvement initiatives.

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