

Checklist for Financial Delegates - Variations

Purpose: This document will support the delegate's decision making through the collation of relevant information aligned to the requirements from the Procurement & Contract Management Procedures, *Public Governance, Performance and Accountability* (PGPA Act), Commonwealth Procurement Rules (CPRs) and related policies. **Appendix A** includes the *Legislative Requirements Quick Reference Guide*.

Title and contract number	Yes / No / NA	
		Check
<p>AEC staff must not seek or allow a contract variation where it would amount to a significant change to the underlying contract or significantly vary the scope of the contract where:</p> <ul style="list-style-type: none"> other potential suppliers may have responded differently to the amended contract scope in the tendering process which may have resulted in a different value for money outcome; or the variation may compromise the value for money assessment. <p>Minor contract variations may be allowed.</p> <p>In instances where a significant change of scope is proposed or required, a new procurement activity should be considered.</p>		
Checklist Items – Financial Delegate PGPA S23(3) Approval (variation)		
Simple Variation **		
1.	Where an extension option is being exercised, the term is as stated in the original contract. (Note: contracts cannot have indefinite contract extension options, noting that a value for money assessment is conducted at the time the contract is established).	<input type="checkbox"/> Yes <input type="checkbox"/> No
2.	The correct documentation has been used to facilitate the variation based on the initial contract or Panel Deed of Agreement, (deed of variation, exchange of letters or change order).	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.	I have the correct financial delegation based on the contract amount to approve the requested funds for the total revised contract term. (Note: variations that revise the contract term to include forward year commitments may require a different delegation).	<input type="checkbox"/> Yes (mandatory)
4.	The procurement is compliant with PGPA , CPR's and AAI's and I have sought Strategic Sourcing advice where I am unsure. The procurement will be carried out in compliance with procurement connected policies detailed in the AEC Procurement Procedures .	<input type="checkbox"/> Yes (mandatory)
Complex Variation (Additional to 1-4)		
5.	The contract or work order has been checked to ensure that the variation does not materially vary the original scope of work detailed in the approach to market.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Title and contract number	Yes / No / NA
Check	
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6.	<p>A revised contract management plan has been provided to include the contract change.</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
7.	<p>The contract risk management plan has been updated.</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
8.	<p>I have been made aware of the new total amount of the contract (i.e. original contract cost + variations to date + this variation).</p> <p><input type="checkbox"/> Yes (mandatory)</p>
9.	<p>There is sufficient budget available to commit funds for the term of this contract as varied (including funds beyond the current financial year if applicable)</p> <p><input type="checkbox"/> Yes (mandatory)</p>
10.	<p>Where the variation results in a contract value exceeding the \$80,000 threshold, I confirm that AEC staff have:</p> <ul style="list-style-type: none"> Consulted with Strategic Sourcing in accordance with the AEC AAls and procurement and contract management procedures, AND Appropriately considered whether a new procurement might be more appropriate via a mandatory arrangements (including mandatory panels) for use by Non-Corporate Commonwealth Entities (NCEs). <p>I am satisfied the proposed variation reflects value for money.</p> <p><input type="checkbox"/> Yes (mandatory)</p>

Document Checklist – Delegate Approval

Procurement Approach/Value		Documents Required	Check
	1.	AEC Variations Request form	<input type="checkbox"/> Yes (mandatory)
	2.	Change Order, Deed of Variation or Exchange of letters (for execution)	<input type="checkbox"/> Yes (mandatory)

Procurement Approach/Value		Documents Required	Check
	3.	Updated risk assessment	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
	4.	Updated contract management plan	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

*Entities **MUST** report variations over \$10k on **AusTender** within **42 days** of entering into an agreement (see: CPRs 7.18); signed variations must be returned to Strategic Sourcing and Systems within 14 calendar days.

** Simple variations may include a change in billing instructions or address or typographical errors. Complex variations may include changes in scope such as change in delivery schedule or the nature of deliverables (i.e. specifications). A variation to change contact personnel in a contract may be simple but a change of specified personnel may introduce more complex aspects to the variation.

Appendix A

Legislative Requirements Quick Reference

PGPA s23(3) power to commit public money

In exercising this power, the AEC Financial Delegates must:

- take all reasonable steps (including by seeking advice from specialists) to ensure that they are sufficiently and appropriately informed on the matters that must be considered when exercising their delegation
- be satisfied that sufficient funds are available within the relevant budget to support all proposed payments under the Agreement, costings are sound accurate
- be satisfied that the commitment of relevant money would be a proper use and management of public resources (ie. efficient, effective, economical and ethical)
- be satisfied that the benefits of entering into the arrangement outweigh the risk of locking away future budget flexibility if a commitment of relevant money spans multiple financial years)
- perform functions and discharge duties with the degree of care and diligence that a reasonable person would exercise
- perform functions and discharge duties honestly, in good faith and for a proper purpose
- not improperly use their position
- not gain, or seek to gain, a benefit or an advantage for themselves or any other

person

- (i) not cause, or seek to cause, detriment to the entity, the Commonwealth or any other person
- (j) disclose details of any material personal interest that relates to the commitment of relevant money
- (k) make reasonable inquiries to ensure this procurement activity meets all required procurement obligations
- (l) consider a supplier's political activity (if any) to determine if there are any risks to the AEC's actual or perceived political neutrality associated with the supplier's political activities, and if so, whether those risks can be mitigated
- (m) record the approval in writing as soon as practicable after giving it.

Further guidance for AEC Financial Delegates approving commitments of relevant money is available in [RMG-400](#).

PGPA s23(1) power to enter into and vary arrangements

AEC Financial Delegates must not exercise his or her delegation to enter into an arrangement unless:

- (a) the arrangement has been approved by the AEC Financial Delegate under Section 23(3) of the PGPA Act; and
- (b) the value of the arrangement does not exceed the amount approved.

PGPA s60 power to grant an indemnity, guarantee or warranty

In exercising their powers to grant a contingent liability, AEC Financial Delegates must first seek legal advice from Legal Services. Further guidance on this issue is provided in [RMG-414](#).