



Fact Sheet: Approach to Management of Disbursements in Department of Finance Works Contracts

This Fact Sheet provides general guidance only. In the event of a discrepancy between this Fact Sheet and the terms of a panel or contract under which disbursements are being claimed, the terms of the panel or contract will apply.

1. Definition of disbursements

In general, disbursements relate to costs incurred by a supplier from a third party that are not contained within the contract sum or fee.

2. Disbursements that can be claimed

The disbursements that can be claimed in a contract will be identified in the Request document, i.e. the Invitation for Proposal, Request for Quotation or Request for Tender, and confirmed in the contract.

There are typically two types of disbursements that can be claimed, document related disbursements and travel related disbursements.

2.1. Document related disbursements

This refers to copies of contractual deliverables that are not specified in the contract and/or lump sum fee.

2.2. Travel related disbursements

Travel related disbursements refer to:

1. Air fares
2. Ground transport e.g. rental cars, taxis, parking etc
3. Accommodation
4. Meals
5. Travel time – the time to travel to and from the location of the meeting/site but not the time associated with the meeting or site visit itself.

Suppliers are not permitted to add a 'handling fee' to the costs of disbursements.

3. Use of disbursements in the selection of suppliers

Suppliers are selected on the basis of value for money. In making such value for money decisions, all costs that will be payable need to be considered. Consequently, disbursements must be taken into account in the supplier selection process, as they are a real cost that are payable by the Department.

In most cases the Department will estimate the disbursements that may be payable and will consider that, along with the price submitted by the supplier, when assessing the offers received. In some cases suppliers will be asked to include disbursements within their offer price.



4. Process for claiming disbursements

Disbursements can be claimed, and will be payable, in accordance with the terms of the applicable contract.

In general terms, disbursements will be paid on receipt of a supplier's reasonable disbursement claim and supporting documentation. Supporting documentation must include:

1. Itemised schedule of each disbursement being claimed.
2. Justification for each disbursement being claimed.
3. The amount of each disbursement being claimed.
4. Relevant invoices and receipts for payments in support of each disbursement claimed.

The disbursement amounts claimed must be reasonable and will be validated by the Department. Suppliers are expected to minimise disbursement claims to the extent that it is practicable to do so:

5. Air travel is to be booked as economy class and in accordance with the 'best of the day' principle, defined as "...the lowest fare that exists in the marketplace at the time of booking and for which a seat is available that meets the business requirements of the traveller". The type of fare (red e-Deal/Getaway etc versus fully flexible) that is appropriate will depend on the circumstances (advance notice of meeting/site visit, degree of certainty etc).
6. Car rental rates will be validated against commercial car hire rates.
7. Claims associated with accommodation and meals must not exceed the Public Service Award rate (Schedule F and I):
<https://downloads.wairc.wa.gov.au/awards/PUB007/p65/PUB007.pdf>
8. Claims associated with travel time will take into account the reasonable time required for the travel and hourly rates that have been agreed in the relevant panel or contract.

If a supplier is unsure of the eligibility of a disbursement claim or is unable to arrange travel in accordance with the above requirements, they must contact the Department prior to incurring the expense.

Disbursements will be paid for all legitimate travel, regardless of the estimate that was developed as part of the tender process.

5. Questions

If a supplier has a question on disbursements in relation to a particular Request or contract, please contact the Departmental officer that is listed as the contact for the Request or the Departmental project manager.

If a consultant has a general question on disbursements, please contact
WorksConsultancyPanels@finance.wa.gov.au