

FUSION²¹

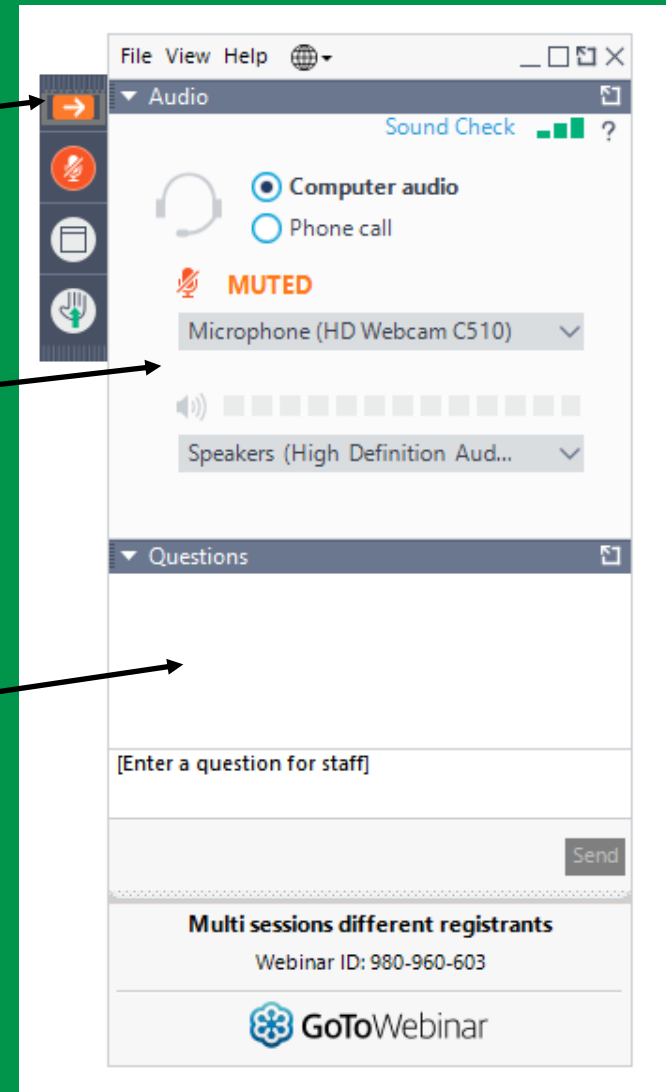
*Improving Performance in procurement –
A Focus on Contract Management*

Welcome

Minimise the dashboard here

Change your audio options here

Enter questions here



Introduction



Transforming Public Procurement – Green Paper

“Effective contract management is key to successfully delivering a contract following the completion of a procurement procedure. The regulatory regime must support contracting authorities in managing the project through to delivery, ensuring the contract can flex to meet new demands and opportunities while ensuring the supply chain is treated fairly and paid promptly”

Feedback to Drive supplier excellence

“Contracting authorities should be providing regular feedback on performance to suppliers. Transformative gains could come from using this feedback to drive suppliers to continuously improve, innovate and deliver value for money. The Government can act to improve the functioning of markets so that suppliers who deliver faster and better than expected are rewarded by winning more contracts - and not just in the public sector.

Outstanding businesses, charities and social enterprises should secure more market share, delivering better value for taxpayers, increasing productivity, and boosting UK economic growth.”

Performance data and feedback

“We want to look at how we can use performance data to give suppliers feedback on how they perform and incentivise them to continuously improve the quality of their products and services. Realising this ambition will require design, testing and monitoring to ensure that the underlying data is robust and representative of overall performance.”

Onward

Andrew White
Head of Procurement
Onward

Contract Management Framework

- A key action within Procurement Strategy to support Contract and Supplier Management.
- Develop consistent approach to governance and management of risks.
- Ensuring there are clear objectives.
- Better use of existing internal resources – maximise expertise and skillsets.
- Determining the appropriate supplier relationship.
- Realise benefits of contracts and deliver Social Value.



Onwards Objectives:



Address our current challenges.....

Too much focus on contract admin and not performance and risk management.
Skillsets not being used across organization.



Have greater oversight:

Plan resources and manage expectations.
Influence decision making & manage performance and risk.



Provide structure:

Consistency in approach.
Focus resources in right areas.

Three Key Stages

- **Prepare:**

ASSESS IMPORTANCE/IMPACT OF CONTRACT TO ONWARD.
SELECT AN APPROPRIATE CONTRACT.
IDENTIFY ROLES AND RESPONSIBILITIES NEEDED.
IDENTIFY IMPACT/REWARD.

- **Mobilise:**

FOLLOW CORRECT GOVERNANCE/APPROVALS.
IMPLEMENT APPROPRIATE CONTRACTOR ENGAGEMENT.

- **Manage:**

EMBED AGREED PERFORMANCE MANAGEMENT.
MEASURE BENEFITS AND OUTCOMES.
CONDUCT ONGOING DUE DILIGENCE – RISK MANAGEMENT.
HAVE AN EXIT STRATEGY.



Prepare:

- Be clear on who is responsible for setting the objectives.....
- What do they consider to be important.....
- Have they sufficient market knowledge.....
- Identify them early in procurement and that will support supplier selection and management.

A

Clear Objectives

Set some clear objectives from the outset that ensures everyone understands what is to be delivered:

- What is Onward looking to achieve?
- What is important to Onward?
- Is continual improvement achievable?
- Is the service cost or quality driven, or both?
- Is this a short or long term relationship?

This will often define who needs to be involved, influence who you select as a supplier and how you manage the contract.



C

Identify Skillsets

Better use of resources and professional expertise leads to better outcomes and reduced risk when management contracts:

- What skillsets are required to manage the contract?
- Do the skillsets required exist within Onward?
- If not is there a requirement to procure this expertise?
- Engage these individuals at the earliest opportunity.
- Define clear roles and responsibilities.

There is a breadth of expertise across Onward to support contract management and it's important to consult these individuals before decisions are made. Please see links below and the RACI Matrix in the Contract Management Plan.

Prepare:

- How do we engage/raise awareness.....
- How do we make it easy for colleagues.....
- How do we work better together.....
- How do we improve comms.....

Prepare:

- Appropriate risk assessment with the right resources.....
- Developing/adopting standard forms of contract only the beginning.....
- Focus on key aspects in the contract that need to mirror importance of what is being delivered.....
- Consider a contingency plan

D Contract Development

Developing a supplier relationship is important but having the tools to manage a contract is key to protecting the organisation and providing clarity on what and how services are delivered:

- What key objectives and risk have you identified?
- What type of supplier relationship do you need?
- Is there a form of contract known to the industry?
- Are you procuring a standard or bespoke service?
- Engage your legal and procurement team early for advice.

All the above points are key to selecting or developing an appropriate form of contract. You can access Onward's standard forms of contract [here](#) or obtain advice via the [links below](#).

Supplier Engagement

Although the previous steps will help you maintain focus on your objectives for managing the contract, setting off on the right foot with your supplier is also key to any successful relationship:

- Agree the format and structure of your meetings.
- Identify who needs to be engaged in contract management – see R&R.
- Define your type of relationship and approach to managing the contract.
- Set the tone and be clear about your objectives and discuss you plan.

Prepare/Mobilise:

- Ensure you have the appropriate procurement strategy.....
- Culture and ethos of the supplier is important.....
- Focus on the right evaluation criteria.....
- Ensure continuity of resources from procuring supplier to mobilizing/managing.....

Manage:

- Ensure continuity of resource/skillset.....
- Focus on the key objectives and don't get distracted on less important matters.....
- Distinguish between KPI's and other management information.....
- Continue to support the contractor but if things go wrong follow the contract remedies.....

Performance Management

Contracts don't manage themselves, therefore whilst it is important to monitor KPI's, it's far more important to have a clear approach to managing performance:

- Ensure the data that feeds the KPIs is accurate and both parties agree.
- Ensure the right people with the right skillsets to manage the contract are involved – see links below
- Those responsible for managing the contract must understand the terms and conditions.
- Reporting must be clear and lines of responsibility agreed.
- Ensure there is a clear line of management reporting
 - by exception where possible.

See the Onward Contract Management Plan for guidance.

Exit Strategy

A contract can often end before it is planned to do so, but either way it is important to have a plan in place to manage this when it does:

- Refer to the exit strategy in your Contract Management Plan.
- Ensure any key risks or potential impact to Onward is identified and escalated appropriately.
- Engage the right people with the appropriate skillset to support- see links.
- Consider your contingency if the contract is ending early

Remember Onward is accountable for service delivery even if the supplier is responsible.

Manage:

- Important for everyone involved to know plan B.....
- Prioritise high risk contracts and focus resource.....
- Identify who is best to manage this risk.....
- Maintain ongoing due diligence.....

Thank you for listening



0845 308 2321



fusion21.co.uk



info@fusion21.co.uk



[@fusion21SocEnt](https://twitter.com/fusion21SocEnt)

FUSION21