

|  |  |  |
| --- | --- | --- |
| * **Level of Contract / Supplier Management**
 | * **Aim**
 | * **Characteristics**
 |
| * **Low level**
 | * Ensure continuity of supply and risk awareness
 | * Low value and low risk
* This can cover procurements that are non-business critical and/or have an abundant supply base, and also Procurement Journey Route 1 contracts.
* In general, contract management of these agreements will include gathering management information, monitoring trends, and maintaining awareness of key category risks.
* Ensuring compliance to the contract by managing the delivery of the contract using four high level indicators i.e. cost, quality, delivery, service. This may be through a customer survey where the questions can be categorised using the 4 level indicators mentioned above.
 |
| * **Medium level**
 | * Ensure continuity of supply, value for money, risk management and supplier performance. Seek supplier development where possible. Retain/gain market knowledge.
 | * Procurement Managers shall ensure continuity of supply and value for money through ongoing effective contract management.
* Typical contract management activities and tools include supplier review meetings, use of KPI's, user feedback gathering, reviewing spend data, benchmarking costs, market intelligence, elements of Supplier Health Check and use of a Risk register.
* .These contracts could be where there is abundant supply and therefore a chance to improve price ('Leverage'), or limited supply of a not critical/high cost item which needs management to maintain consistent supply ('Bottleneck'). This should expand on the four high level indicators and holding a minimum of one performance review meeting per annum.
 |
| * **High level**
 | * Ensure effective contract delivery and supplier performance, risk management and maximisation of supplier and market development opportunities.
 | * Contracts that have high value and/or high risk will be managed strategically to ensure effective service delivery
* Through strategic contract management opportunities for supplier development and greater market knowledge can be identified. This will include managing the performance of the contract and the supplier using the [full balanced scorecard](https://www.procurementjourney.scot/route-3/route-3-contract-supplier-management-managing-improving-performance) and using the foundation of Medium Level contract management.
 |