Contract and Supplier Management Guidance for Non-Procurement Staff

Purpose and Scope

This guidance sets out the responsibilities and best practice for staff who are involved in managing contracts and/or engaging with suppliers as part of their role and responsibilities but are **not part of the procurement/commercial team**.

It applies to all contracts and framework call-offs for goods and services.

It should be used alongside your organisational procurement procedures and relevant Scottish Government policies.

Proportionate Approach

The contract management approach should have been set by the Procurement Team, based on the contract's value and risk.

Your role is to apply that approach proportionately in day-to-day delivery — e.g. the frequency of check-ins, recording issues early, and escalating sooner for critical services

For more comprehensive CSM guidance, please refer to:

Route 1

Route 2

Route 3

Level of CSM to be Applied

The level of contract and supplier management required for each contract is set during the Tender Stage by the procurement team, based on risk and value

As the person responsible for managing or are using the contract, your role is to apply that agreed approach in practice and flag any changes in risk or service delivery as early as possible.

This means:

- Using light-touch checks for low value/low-risk contracts
- Applying more structured monitoring where the contract is critical to your service
- Letting procurement know if the supplier’s performance, risk profile or circumstances change
- You do not need to determine the level of CSM yourself.
- You play a key role in making sure the agreed approach is followed and raising concerns where needed.
- If you are unsure what level of contract management applies, or think circumstances have changed, please contact your procurement team.

Why CSM Matters

Non-procurement staff often have key roles in:

- Defining service needs, outputs, outcomes
- Monitoring supplier performance
- Managing budgets
- Handling contract variations or disputes

If there is a lack of clarity or training provided for those staff, risks include non-compliance (legal / regulatory), cost overruns, poor quality, and reputational damage

This guidance is here to help anyone involved in managing or using a contract understand what good practice looks like and how to apply it in a simple, proportionate way.

Good contract management protects services, supports effective supplier relationships, and ensures public funds deliver maximum value.

Roles and Responsibilities

More in depth guidance on Roles and Responsibilities can be found in Route 3

Role	Responsibility	Examples[L
Contract Owner	Accountable for overall contract delivery	• oversight of KPIs • budget holder • escalation
Contract Manager	Day-to-day management of supplier relationship	• monitoring performance • recording variations
Contract User	Orders and/or receives goods or services	• Ordering goods only from the contracted supplier • Reporting delayed deliveries or poor service to the contract manager
Non-procurement Staff Role	May also have the role of Contract Owner and/or Contract Manager	• monitoring delivery / outputs • raising issues • approving invoices • ensuring compliance with performance metrics.
Procurement / Commercial Team	Provides professional procurement advice	• approvals • legal compliance • change control
Finance	Payment controls and budget monitoring	• invoice approval, • compliance with terms
Supplier	Deliver goods/services in line with contract	• meet KPIs, • provide reports • provide management information/data

Quickfire Guide

Quickfire Guide

Key Principles of CSM for Non-Procurement Staff

- Value for money / Best Value
- Legal compliance – public procurement law, Scottish policy etc.
- Transparency and fairness
- Ethical standards, conflict of interest
- Risk management
- Sustainability (where relevant and proportionate)

These principles underpin decisions and ensure staff act in line with policy. Helps in making judgement calls.

A Contract Compliance Checklist document is available for you to use, these can be found at the bottom of this page.

Getting Started

Before you begin contract management, take a moment to get familiar with the basics:

- locate the contract documents (main contract, service levels, and any schedules or annexes)
- check who the supplier contact is and how you are expected to communicate with them
- confirm whether there are known issues already (ask your predecessor/line manager if applicable)

- check how the supplier is currently monitored (formal meetings or informal check-ins)
- decide whether the contract is low-risk or higher-risk this will help you understand how much management is needed

This quick check helps you understand the status of the contract before you start managing performance or escalating issues.

If you cannot easily find the contract, the owner, or evidence of monitoring, that is itself a risk and should be raised early.

CSM Key Stages

The following steps should guide staff through what to expect and what their responsibilities are at each stage. This should help staff avoid missteps such as unapproved extensions or inadequate monitoring:

Before the Contract Starts

Open or close

Suggested Responsibilities/Considerations

- understanding requirement specification/contract scope and deliverables
- confirm roles and responsibilities
- review contract documents, KPIs and reporting requirements
- involvement of procurement
- risk assessment
- financial checks

Why it is Important

- it’s the bridge between *procurement* and *delivery*
- ensures both buyer and supplier understand what’s been agreed, what needs to happen next, and how performance will be measured
- prevents confusion or misalignment once the contract goes live
- makes sure the supplier is ready to deliver as promised from day one

- confirms pricing structures, invoicing processes, and performance measures are clearly understood
- avoids costly misunderstandings, disputes, or delays later in the contract
- reduces operational disruption when switching from an outgoing supplier or starting a new service

Contract Award / Handover

Open or close

Suggested Responsibilities/Considerations

- ensuring documentation is correct and accessible (contract, terms, annexes)
- contract handover—who does what – complete a contract handover document (a template can be found at the bottom of the page for you to use)
- ensure contract documentation is accessible.
- complete handover checklist (a checklist document can be found at the bottom of the page for you to use)
- once the handover is complete, responsibility for the day-to-day performance management sits with the contract manager - with the procurement team available for advice and escalation (if required)

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A CSM Handover document and a **CSM Handover Checklist** are available for you to use, these can be found at the bottom of this page.

Monitoring and Reporting

Open or close

Suggested Responsibilities/Considerations

- for low-risk contracts, monitoring may simply be occasional check-ins and good record-keeping. Before continuing, refer to the contract handover from the Procurement Team to ascertain the level of contract management that was agreed with the supplier.
- schedule regular performance meetings (agree frequency of reporting – e.g. monthly, quarterly etc.)
- what performance data should be tracked (cost, time, quality, supplier risk etc).
- track KPIs, SLAs, and delivery milestones.
- record issues and actions taken.
- use the Balanced Scorecard, if applicable (this can be found at the bottom of this page)
- maintain accurate records for audit (A **Compliance and Audit Checklist document** is available at the bottom of the page if it is relevant and proportionate for your contract)
- consider how to capture benefits / savings / sustainable outcomes achieved

Why it is Important

- ensures continual oversight
- allows identification of trends or issues early
- confirms that the supplier is delivering the goods, works, or services **as specified in the contract** — on time, to the right quality, and within budget
- highlights early if there are any **deviations, delays, or performance shortfalls**
- keeps both parties accountable to the agreed Key Performance Indicators (KPIs) or Service Level Agreements (SLAs).
- without monitoring, you’re managing on assumptions — not evidence
- regular reports provide clear data on performance, costs, and outcomes
- enables managers to make informed decisions about **renewals, extensions, variations, or corrective actions**

- creates an auditable trail showing how performance was managed and value was achieved
- confirms that payments are linked to actual performance and outcomes
- encourages suppliers to focus on continuous improvement and efficiency
- regular reporting and performance reviews create open communication channels.
- encourages collaboration, transparency, and shared problem-solving
- builds trust and helps maintain a positive working relationship — even when issues arise
- demonstrates that the organisation is managing contracts responsibly, in line with policy and statutory requirements (e.g. procurement regulations, public spending controls)
- provides assurance to senior management that contracts are being managed effectively
- enables tracking of trends over time — spotting patterns in performance data and identifying opportunities for improvement
- encourages innovation and better value through lessons learned and supplier feedback

The following templates are available for you to use, these can be found at the bottom of this page:

- **A Supplier Performance Review Template,**
- **Performance Review Meeting Example Agenda**
- **CSM Balanced Scorecard**

Please note that the **proportionate level CSM required** should have been agreed between the Procurement Team and the Supplier and should set out in the **Contract Handover documentation**. If in doubt, please contact your Procurement Team for clarification.

Variations / Extensions / Amendments

Open or close

Suggested Responsibilities/Considerations

- when permitted,
- process to follow - all changes must follow formal change control procedures
- procurement must be involved in significant amendments

A **Contract Variation Request Form** can be found at the bottom of this page

Why it is Important

- A variation, extension, or amendment **changes the terms of a legally binding agreement**
- proper management ensures changes are **authorised, documented, and compliant** with procurement and governance rules
- prevents disputes or claims later about what was or wasn't agreed
- without a formal process, even small changes can invalidate parts of the contract or create ambiguity
- public sector organisations must show that all contract changes are **fair, transparent, and traceable**
- clear records of variations support **audit, governance, and reporting requirements**.
- demonstrates accountability for decision-making and use of public funds
- A structured variation process creates documented evidence of:
- what changed and why
- who approved it;
- when it was implemented
- the impact on cost, scope, and delivery.
- this is vital for governance, risk management, and lessons learned.

A Contract Variation Request Form is available for you to use and can be found at the bottom of this page, if required.

Dispute Resolution / Termination

Open or close

Suggested Responsibilities/Considerations

- escalate issues early to procurement or legal

- follow dispute resolution procedures set out in the contract

Why it is Important

- ensures staff know what to do when things go wrong
- avoids delay or avoidance of necessary action
- every contract sets out obligations, rights, and remedies for both parties
- having a clear dispute resolution and termination process ensures the organisation **can enforce those rights lawfully** if things go wrong
- prevents informal, inconsistent, or unlawful actions that could lead to **legal claims, damages, or reputational harm**
- proper procedures protect both the buyer and supplier — ensuring fairness and due process
- disputes or terminations are moments of high risk

An Exit Strategy Document is available for you to use, these can be found at the bottom of this page.

Contract Closure, Lessons Learned and Continuous Improvement

Open or close

Suggested Responsibilities/Considerations

- conduct post-contract review
- capture lessons learned
- conduct lessons-learned workshops after contract closure, if applicable
- share good practice and case studies across teams
- the contract Exit Strategy should have been agreed during the Tender Stage by the Procurement Team

Why it is Important

- helps the organisation learn
- improves future contract management
- helps embed good practice

- ensures that both the supplier and the organisation have **completed all deliverables, payments, and reporting**

Quickfire Guide

Quickfire Guide

Relationships and Communication with Suppliers

Good relationships with suppliers can help avoid conflicts and improve delivery; clear communication ensures expectations are aligned.

- build collaborative relationships while maintaining compliance.
- set clear expectations at the start (on both sides).
- have regular meetings, feedback loops.
- handle complaints and performance issues constructively.
- manage supplier risk: financial stability; insurance; subcontractors; change of ownership etc.
- document all significant conversations and decisions.
- escalate concerns early

Video Guide

Video Guide

Contract and Supplier Management for Non-Procurement Staff e-Learning

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Conflict of Interest

Open or close

A **conflict of interest** arises when personal, financial, or other interests could compromise (or appear to compromise) the impartial performance of duties in managing or overseeing a contract.

In contract management, this can happen at any stage — from tendering and evaluation to awarding, monitoring, or renewing contracts. Listed below are some of the typed of conflict that can occur:

1. **Actual Conflict**

   A real and existing conflict between personal interest and professional duty.
   Example: A contract manager awards a contract to a company owned by their spouse.

2. **Perceived (or Apparent) Conflict**

   When it looks like someone's personal interests *could* influence their decisions — even if they don't.
   Example: A procurement officer socialises regularly with a bidder, creating suspicion of bias.

3. **Potential Conflict**

   A situation where personal interests *could* conflict with official duties in the future.
   Example: An employee involved in a tender process later plans to seek employment with one of the bidding companies

Examples of "Conflict of Interest" in Contract Management

Stage	Example of Conflict
Contract execution	Overlooking supplier non-performance because of personal relationships.

Renewal/extension	Extending a contract without competition due to personal benefit or pressure.

Consequences of Conflict of Interest

- unfair or biased contract awards
- legal or regulatory penalties
- damage to organisational reputation
- financial losses due to poor value for money
- internal disciplinary action or termination

Prevention and Management Strategies

Disclosure - Require all employees, evaluators, and consultants to declare any personal or financial interests.

Segregation of Duties - Ensure that no single person controls multiple stages of the contract process.

Conflict of Interest Policy - Implement clear rules and guidance on identifying, declaring, and managing conflicts.

Independent Oversight - Use committees or auditors to review high-value or high-risk contracts.

Training and Awareness - Regular training on ethics, procurement law, and conflict management.

Documentation - Keep detailed records of decisions, declarations, and mitigation measures.

Case study

Case study

Contract and Supplier Management Case Study - For Non-Procurement Staff

Please note: This is an example for illustrative purposes

Scenario Overview

Organisation: A Scottish public sector body
Department: Community Wellbeing Team (non-procurement staff)
Contract Type: Low-value, low-to-medium risk
Contract Title: *Community Support Helpline – Call Handling Service*
Supplier: XXX
Contract Value: £42,000 per year
Contract Duration: 2 years + optional 1-year extension
Route to Market: Quick Quote on Public Contracts Scotland (PCS)
Contract Owner: Service Manager (non-procurement professional)
Procurement Support: Corporate Procurement Unit (CPU) at award stage only

Background

The organisation operates a community support helpline offering advice, information, and onward referral. Due to changes in service demand, the organisation outsourced call-handling for out-of-hours operations.

The CPU supported the tender and award, but ongoing **contract and supplier management responsibilities sit with operational staff**, mostly with no formal procurement training.

This case study demonstrates how non-procurement staff can manage a contract effectively and proportionately.

Objectives of the Contract

1. Ensure callers receive accurate, confidential, and timely advice.
2. Maintain high-quality service delivery in line with Scottish public sector values.
3. Ensure value for money throughout the contract period.
4. Comply with Data Protection, Information Governance and Cyber Security requirements.
5. Maintain supplier performance and avoid service disruption.

Stakeholders

Service Manager - Contract Owner & Day-to-Day Manager

Helpline Team Lead - Monitors performance data & logs issues

CPU (Procurement Team) - Provides advice on changes, disputes, extensions

Finance Team - Manages invoices and budget

Supplier Account Manager -Single point of contact for service queries

Information Governance Officer -Advises on data/Breach management

Key Contract Requirements

Performance Standards

- 90% of calls answered within 20 seconds
- 95% accuracy in information provided
- Monthly performance reporting required
- Staff must complete mandatory safeguarding and GDPR training

Quality Requirements

- Call logs must be auditable
- Complaints logged within 24 hours
- No more than 1 data breach per year

Commercial Terms

- Fixed annual fee invoiced monthly
- Deductions apply if KPIs repeatedly fall below agreed thresholds

Risk Level

- Service continuity risk (medium)
- Data protection risk (medium)
- Financial risk (low)

Contract and Supplier Management Approach

Because this is a low-value/low-to-medium risk contract, the management approach is **proportionate**, but still structured.

Activities Managed by Non-Procurement Staff

Service Monitoring

- Review monthly performance dashboards
- Check call response time trends
- Listen to sample call recordings quarterly
- Monitor complaint volumes

Relationship Management

- Hold monthly virtual meetings with the supplier
- Maintain a clear, issue log
- Escalate repeated concerns to the CPU

Financial Management

- Verify monthly invoices against call volume and reports
- Flag discrepancies to Finance and CPU

Risk & Compliance Oversight

- Ensure GDPR and confidentiality training certificates are up to date
- Log near misses or potential data issues internally
- Raise concerns promptly with Information Governance

Issues That Arose During the Contract

Issue 1: Decline in Call Answer Rates

In months 4–5, call-answering performance dropped to **82%** due to supplier staff shortages.

Actions Taken:

- Logged the issue in the performance tracker
- Raised it in monthly meeting
- Supplier provided recovery plan including temporary staffing
- KPI returned to 90% within 2 months

Learning Point for Non-Procurement Staff:
Performance issues should be *recorded, discussed, and monitored*, not ignored.

Issue 2: Incorrect Information Given to a Caller

A vulnerable caller was misinformed about emergency support availability.

Actions Taken:

- Logged incident in issue log
- Conducted a joint call review
- Supplier retrained staff and updated call scripts
- No further issues occurred

Learning Point:
Non-procurement managers should feel confident to raise quality concerns—they are central to protecting service users.

Issue 3: Invoice Discrepancy

Supplier invoiced £4,000 instead of the contractually agreed £3,500 for one month.

Actions Taken:

- Service Manager cross-checked contract
- Finance queried invoice
- Supplier corrected it

Learning Point:
Basic commercial checks prevent over-payments and maintain contract integrity.

End-of-Year Supplier Review

A formal annual review was held between the non-procurement contract manager, CPU, and the supplier.

Outcomes

- KPIs met for 9 of 12 months
- Data protection processes improved
- Customer satisfaction remained high
- Supplier requested early discussion about optional extension year

Decision:

The organisation agreed (subject to CPU review) that extending the contract was appropriate because:

- Performance improved
- No major risks outstanding
- Market testing not required for low-risk continuation

Lessons Learned for Non-Procurement Staff

1. **You do not need to be a procurement expert to manage a contract well.**
   Following structured processes and using CPU support is enough for most low-to-medium risk contracts.

2. **Document everything.**
   Issue logs, meeting notes, and performance records provide important information for continuous improvement and are vital evidence that help solve problems that may arise.

3. **Be proactive with supplier relationships.**
   Engage regularly—not only when things go wrong. Good supplier relationships offer opportunities to share good practices and encourage joint problem solving and a positive attitude to contract delivery.

4. **Understand the basics of the contract.**
   Read the specification, KPIs, and pricing schedule at minimum.

5. **Use procurement support appropriately.**
   CPU should be involved for variations, extensions, disputes, and legal questions.

6. **Protect service users and organisational reputation.**
   Risk management is not just a procurement task—it's everyone’s responsibility, training should be sought for non-procurement staff where needed.

Legal & Policy Foundations in Scotland

Open or close

- Scottish Public Procurement Policy Handbook — applies across wider Scottish public sector.
- Procurement Reform (Scotland) Act 2014 and associated Regulations.
- Scottish Government's Procurement Strategy (2025-28) which emphasises supplier engagement, contract management, capability building.

FAQs - Contract and Supplier Management for Non-Procurement Staff

What is contract and supplier management?

Open or close

Contract and supplier management is the day-to-day management of a contract after it has been awarded. It focuses on:

- Making sure goods or services are delivered as agreed
- Managing the relationship with the supplier
- Monitoring performance, costs, and risks
- Ensuring public money is spent properly

Why do non-procurement staff have a role in this?

Open or close

Non-procurement staff are often:

- The main users of the service
- Closest to delivery and performance issues
- Best placed to spot risks or value-for-money concerns

Your role helps ensure contracts deliver what was paid for.

What am I responsible for (and what am I not responsible for)?

Open or close

You are responsible for:

- Using the contract correctly
- Monitoring delivery and performance
- Raising and recording issues
- Managing routine supplier contact
- Ensure goods or services are delivered as agreed
- Check invoices before approval
- You are **not expected to be a procurement expert**

You are not responsible for:

- Running procurement exercises
- Negotiating new contract terms
- Agreeing price changes or extensions without approval

Why is contract and supplier management important in the Scottish public sector?

Open or close

It helps ensure:

- Proper use of public funds
- High-quality services
- Legal and regulatory compliance
- Transparency and public trust

Non-procurement staff play a key role in achieving these outcomes.

Where can I find the contract information I need?

Open or close

You should have access to:

- The signed contract or call-off agreement
- Specification / statement of requirements
- Pricing and payment terms
- KPIs or service levels

These are usually stored in a contract register, contract handover document, shared drive or contract management system.

How much contact should I have with the supplier?

Open or close

You should:

- Communicate professionally and fairly
- Keep discussions focused on contract delivery
- Keep a written record of key conversations and decisions

Avoid informal agreements or commitments outside the contract.

What should I do if the supplier is not meeting expectations?

Open or close

You should:

1. Check what the contract says
2. Raise the issue with the supplier
3. Agree corrective actions and timescales
4. Record the issue and actions taken
5. Escalate if performance does not improve

Do not ignore issues or accept reduced service without approval from your Procurement Team

What should I do if there’s a minor issue with the supplier?

Open or close

You should:

1. Raise the issue with the supplier
2. Agree a simple fix or correction
3. Keep a brief record (e.g. email)

If issues repeat or escalate, involve your manager or Procurement.

Can I ask the supplier to change the service or scope?

Open or close

No — not informally.
Any change to scope, cost, duration, or deliverables must:

- Follow a formal variation process
- Be assessed for value for money and compliance
- Be approved by the appropriate authority

Always involve Procurement if a change is proposed.

When should I involve Procurement?

Open or close

You should contact Procurement if:

- A supplier requests changes
- Performance issues persist
- You are unsure what the contract allows
- A contract is nearing expiry
- There are compliance or value-for-money concerns

What is a contract variation?

Open or close

A contract variation is a formal, approved change to the contract.
It ensures:

- Changes are lawful and transparent
- Risks are assessed
- Audit requirements are met
- Please note that purchases of goods and services may routinely be the subject of Freedom of Information (FoI) requests.

Verbal or informal changes are not permitted.

Can I approve invoices from suppliers?

Open or close

Yes, if you are authorised and:

- The invoice matches the contract
- The service or goods have been delivered
- Any variations have been formally approved

If something looks incorrect, you should query it before payment.

What records do I need to keep?

Open or close

You should keep records of:

- Key supplier communications
- Performance reports or reviews
- Issues, risks, and actions
- Variations, extensions, or approvals

Good records support audit, transparency, and accountability.

What is a conflict of interest?

Open or close

A conflict of interest arises when personal interests could influence (or appear to influence) decisions.

Examples include:

- Personal relationships with supplier staff
- Gifts or hospitality
- Financial interests

All conflicts must be declared in line with your organisation’s policy.

Can contracts be extended automatically?

Open or close

No.

Contracts can only be extended if:

- An extension option exists in the contract
- The extension is compliant with procurement regulations
- The correct approvals are obtained

Always plan ahead and involve Procurement early.

Do I need to monitor low-value or low-risk contracts?

Open or close

Yes.

While monitoring may be lighter, you must still:

- Check delivery
- Confirm invoices are correct
- Record issues

Public sector accountability applies to all contracts.

What does “low-value / low-risk” contract mean?

Open or close

A low-value / low-risk contract is one where:

- The financial value is relatively small
- The service or goods are routine or standard
- There is limited impact if something goes wrong

Even so, **public money and public sector rules still apply**.

Any documents you need are listed below

Contract and Supplier Management Handover Document

(file type: docx)

Contract and Supplier Management Handover Checklist

(file type: docx)

Contract and Supplier Management Compliance Checklist

(file type: docx)

CSM Balanced Scorecard Spreadsheet

(file type: xlsx)

Performance Review Meeting Template

(file type: docx)

Performance Review Meeting Example Agenda

(file type: docx)

Contract Variation Request Form

(file type: xlsx)

Exit Strategy Template

(file type: docx)