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| --- | --- | --- | --- | --- |
| **Supply Position** | **ROUTINE** | **STRATEGIC** | **BOTTLENECK** | **LEVERAGE** |
| **Contract Management Level** | **Low** | **High** | **Medium** | **Medium** |
| **Contract Management Aim** | Ensure continuity of supply and risk awareness | Ensure effective contract delivery and supplier performance, risk management and maximisation of supplier and market development opportunities. | Ensure continuity of supply, value for money, risk management and supplier performance. Seek supplier development where possible. Retain/gain market knowledge.  | Ensure continuity of supply, value for money, risk management and supplier performance. Seek supplier development where possible. Retain/gain market knowledge.  |
| **Contract Management Characteristics** | Low value and low riskThis 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. | Contracts that have high value and/or high risk will be managed strategically to ensure effective service deliveryThrough 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 and using the foundation of Medium Level contract management. | 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 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. | 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').This should expand on the four high level indicators and holding a minimum of one performance review meeting per annum. |
| **Contract/Supplier Management Plan Template** | attach | attach | attach | attach |
| **Examples** | Stationery, Prisoner Clothing, Prisoner Footwear, Steel, Corporate Eyecare. | Locks, Social Work, Payroll,  | Maintenance of lifts | Uplift of Waste, Addictions Testing, Janitorial Products, Fitness Equipment, Furniture. |
| **Anticipated Number of Contracts** |  |  |  |  |
| **Anticipated time spent on contracts** | e.g. 10% | e.g. 40% | e.g. 30% | e.g.20% |
| **Consider** | Using collaborative contracts/frameworks (e.g. SG, GPS, APUC)Minimal/no stock holding;Controlling costs;Reducing admin/process steps. | On-Site Representation;Contingency Planning;Integrated Systems. | Developing new suppliers;Buffer stocks for additional security;Moving to generic specifications;Managing the entire supply chain;Contingency Planning. | Reducing number of orders;Decreasing unit price. |
| **Allocated Contract Manager (Yes/No)** |  |  |  |  |
| **Supplier Relationship Management** | No | Yes | Yes | No |
| **Performance Review Meetings** | • ensure the invitation and standing agenda is driven by spend, performance, issues, risks, actions and includes examples of best practice. | • introduce the Supplier to the vision of Supplier Relationship Management and agree a Supplier Relationship Management strategy shortly after contract award;• gather the outputs from contract management to review under the five Supplier Relationship Management areas in line with the Seven C’s using the [aid memoir](Supplier%20Relationship%20Aid%20Memoir.docx) provided; • engage a key Customer if required;• agree way forward through minutes and actions that deliver continuous improvement.• engage a key Customer/Team if required;* Agree a standing agenda;

• agree way forward through minutes and actions that deliver continuous improvement. | • encourage internal customer and supplier to host the meetings to move the meetings around and get more engagement• ensure the invitation and standing agenda is driven by spend, performance, issues, risks, actions and includes examples of best practice. |
| **Suggested Management Information Frequency** | Annual | Monthly | Quarterly or Annual | Annual |
| **Tracking Spend and Performance** | **Customer Survey – as and when****Delivery** Were the right goods / services delivered at the right time?**Quality** Did the goods / services meet the Customer needs?**Cost**Were the goods / services delivered at the right cost? | **Contractual KPI reporting by Supplier &/or Balanced Scorecard.**Specific to Contract | **Balanced Scorecard/Customer Survey (Quarterly or Bi-annually)**working with the internal customer to understand the baseline spend and performance – this may have been done during the procurement;agreeing questions and issuing customer surveyreceiving the results from the survey and preparing a report on spend and performance along with drafting risks and actions for review and verification at the Customer and Contractor Meetings;adding the resulting information to your master spend and performance tracking systems. | **Customer Survey (Annual)**working with the internal customer to understand the baseline spend and performance – this may have been done during the procurement;agreeing questions and issuing customer surveyreceiving the results from the survey and preparing a report on spend and performance along with drafting risks and actions for review and verification at the Customer and Contractor Meetings;adding the resulting information to your master spend and performance tracking systems. |
| **Annual Financial Appraisal**  | No | Yes – Full report. E.g. Onesource. Mirror tender checks | Yes – Full report. E.g. Onesource. Mirror tender checks | At Extension Review Only – Basic Check |
| **Extension Review** |  |  |  |  |
| **Contract Amendment** |  |  |  |  |
| **Customer Survey** |  |  |  |  |
| **Customer Feedback Form** |  |  |  |  |
| **Management Information Reports** |  |  |  |  |
| **Financial Appraisal** |  |  |  |  |