

## **Step 11: Approvals and Contract Management**

### **Tool 1: Guidance on key areas of contract management**

**This tool is for use in conjunction with Step 11 of the Commissioning Toolkit document**

This tool provides further information on the key areas which form part of contract management, namely:

- information and reporting;
- the payment mechanism;
- review; and
- records and contract management.

#### **1 Information and Reporting**

- Information requirements are detailed in clause 27 and schedule 5 of the commissioning contract tool.
- Providers are also specifically required to provide the co-ordinating commissioner each month with a Service Quality Performance Report to include:
  - Details of its performance against the Quality Requirements
  - Details of all Quality Requirements satisfied
  - Details of and reasons for, any failure to meet the Quality Requirements; and
  - Details of progress towards satisfying any service requirements.

#### **2 Payment Mechanism**

- 1/12<sup>th</sup> of the annual contract value paid monthly on account.
- Provider to supply commissioner with a monthly statement of account.
- Monthly after SCD the co-ordinating commissioner provides a separate reconciliation account for itself and each associate commissioner showing sum equal to the prices for all services delivered and completed that month.
- Following reconciliation points co-ordinating commissioner to raise any data validation queries with the provider.
- Co-ordinating commissioner to send provider a final reconciliation account for preceding 12 months within 5 business days of final reconciliation point.
- Provider's agreement of final reconciliation account triggers payment of reconciliation payment.

- If any party contests payment calculations requirement for notification to other party within 5 business days, payment of undisputed amounts is required and disputed amounts are either to be resolved within 20 business days failing which the disputing party refers the matter to dispute resolution under the terms of the contract.

### **3 Review**

- Co-ordinating commissioner and provider are to jointly review and monitor performance under the commissioning contract.
- Review can be locally agreed but recommended as monthly from effective date under SCD and every 6 months thereafter.
- Review at end of every contract year for purposes of determining realistic requirements for next year's contract (if any).
- Review Record to be maintained.
- Parties to operate a complaints procedure and review extent to which service improvements have been made as a result of complaints.

### **4 Records and Contract management**

- Provider to maintain detailed clinical records relating to provision of services, preserve integrity of samples, on request provide records and samples for inspection by commissioners during contract term and for 3 years thereafter.
- Provider to maintain records relating to the calculation of the test prices and on request provide financial records for inspection by commissioners during contract term and for 18 months thereafter.
- Provider to attend review meetings at request of commissioners concerning results of any inspection by them.
- Either party who has a query on the contract follows the contract query notice and excusing notice provisions set out in clause 28 of the commissioning contract.
- Contract management meetings to be held within 10 business days of date of any contract query notice.
- Contract query process can lead to joint investigation and remedial action plan.
- Various remedies available to commissioners (including withholding payment of sums and dispute resolution) if provider fails to implement remedial action plan.