

# Contract Management Guidance

## CONTRACT OPERATIONS MANUAL

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*[The purpose of this template is to provide new and existing contract managers, their line managers and auditors, an overview of the key components of the contract that are needed for both day-to-day contract management and for managing continuity and handover throughout the lifetime of the contract.]*

*This template is aimed principally at frameworks and tier 1 and 2 contracts, but can be used for tier 3 contracts as well in condensed version or to cover key information on multiple contracts under the same framework.*

*This template contains a list of key headings and suggestions for the type of information expected to be kept for key contracts. Not all areas will necessarily apply to every contract and this list may not be exhaustive.*

*Guidance on how to fill in specific sections is provided in square brackets and in Italics throughout the document] To avoid the need for frequent updates of this document, it is recommended to insert references to location of frequently changing data, where appropriate, instead of adding the data itself, unless this document is the only location of this information.]*

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### Glossary of Terms

*[Insert any contract/ category specific terminology]*

Term	Definition
Benchmarking	Like for like comparison of contract cost with current market prices
CM	Contract Management
CRM	Client Relationship Management
ICF	Intelligent Client Function
SRM	Supplier Relationship Management
SPM	Supplier Performance Management

### 1. Purpose

*[Include an outline of the purpose of the Operations Manual and emphasise the need to always refer back to the original and live contract]:*

*[e.g. The purpose of the Operations Manual is to provide an overview and general summary of the agreed approach to management of the contract. For detailed interpretation and advice, please **always refer to the contract.**]*

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### 2. Contract Summary / Overview

*[Insert summary of the contracted provision; Client base; why the contract was procured]*

*(e.g. The department has a duty under legislation to provide x, y and z. It has, in recent years, delivered these services using external contractors. The project seeks to deliver these services in a more effective and efficient manner and this contract with supplier replaced a suite of contracts known as "one," "two" & "three." )]*

#### 2.1 Contract Reference Number

#### 2.2 Contract Title

#### 2.3 Location of contract documents and related files

*[Insert the location of contract documentation and contract-related files and folders on the network, if they are not on CM portal]*

#### 2.4 Supplier(s) details

*[Insert supplier name, as it appears on Dunn and Bradstreet records; main address and company registration no.]*

#### 2.5 Value and duration

Status	Value £	Contract Start Date	Contract End Date	Contract Extension Options
Original contractual position				<i>[Are extensions permitted under the contract, i.e. 3 Years +1 +1?]</i>

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As of <i>[date]</i>				
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### 2.6 Dependencies

*[Outline what contracts are dependent on this contract; what contracts does this contract depend on?]*

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### 3. Roles and Responsibilities / Key Contacts

#### 3.1 Supplier

*[Indicate who is the authorised contract signatory for the contract]*

Name	Job title	Main responsibilities/ inc. authorisations	Email	Tel. No.

*[ Include organisation chart if available]*

#### 3.2 Client

*[Indicate who is the authorised contract signatory for the contract]*

Name	Job title	Main responsibilities/ inc. authorisations	Email	Tel. No.

*[ Include organisation chart if available]*

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### 5. Governance

*[If the sections below are covered in the contract, include contract references under each heading]*

#### 5.1 Contract Provision Roadmap

*[Insert Process maps (or reference to their location) for the entire client journey from initiating request for contracted provision and up to invoice payment; Add reference to location on shared drives/ portal of an electronic copy or web address of the Supplier handbook/ user guide]*

#### 5.2 Meeting structure

Meeting title	Main purpose and standing agenda items	Frequency	Regular attendees - client	Regular attendees - supplier

#### 5.3 Change Control Process (Variations & Change Control Notices/CCNs)

*[Insert detail of the change control procedure (or its location in the contract/ filing structure) and where to find the change control register and change control documentation for individual changes]*

#### 5.4 Complaints procedure

*[Outline the complaints procedure, its location in the contract and/or where to find it in the filing structure]*

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### 5.5 Escalation and Dispute Resolution

*[Outline the escalation points/routes for both client and supplier sides. Provide the location of the dispute resolution procedure in the filing structure and/or relevant location in the contract]*

### 5.6 Statutory compliance

*[List the statutory compliance requirements applicable to the contract. Provide the location of the statutory supplier returns in the filing structure and relevant reference in the contract. Refer to CM planner regarding prompts for supplier provision of statutory data]*

### 5.7 FOI management

*[Provide the reference to the client organisation's FOI procedure and contact details of relevant client-side officers managing FOIs; List what contractual data and contract content, if any, are exempt from FOI; Outline the supplier's role in response to FOIs; Insert FOI provision references in the contract]*

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### 6. Performance Management

*[If any of the sections below are covered in the contract, include contract references under each heading]*

#### 6.1 Key Contractual Milestones

*[this should include key activities like go live date, for contracts with implementation lead time(s); benchmark dates; dates of phases, if provision is staggered etc.]*

Milestone	Date

#### 6.2 Key Delivery Stage Activities

*[Provide the reference to location of the CM Planner]*

#### 6.3 Contractual KPIs

KPI Ref. No.	KPI title	What is measured	Measurement period



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*[Provide location in the filing structure of the KPI definitions, if produced, as well as KPI reports/ dashboards provided by the suppliers as part of MI and contract manager's monitoring documentation. Provide contract reference for KPIs/ SLA. Refer to CM Planner regarding details of the performance management regime]*

### 6.4 Management Information/ Reporting

*[provide both details of KPI and other MI reporting regime with supplier and any performance reports which contract manager has to provide to clients and/or internally]*

Document Title	Document Purpose / content headings	Provided by	Provided to	Frequency

### 6.5 Measures available in case of consistent under-performance

*[See also sections 5.5 (Escalation and Dispute Resolution and 7.2 (Performance Incentive Regime)]*

*[Summary and contractual references for: Termination; Step in; Break provisions]*

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### 7. Financial information

#### 7.1 Costing Model

*[List core price components, such as labour, material, overheads and profits, and/or in case of multiple provision under the same contract the different provision headings (e.g. cleaning, maintenance, pest control etc.)]*

Year	Original contract price	Contract price as of [date]
Total		

*[Insert reference to location of the budget breakdown/ financial model in the contract or filing structure. Provide detail of what price fluctuations are allowed for under the contract (e.g. indexation/ benchmarking etc.)]*

#### 7.2 Fixed Rates

Rate heading	<i>[insert different types of rates (e.g. daily/ hourly/ time and materials)]</i>	<i>[Insert caveats (e.g. inclusive of time and materials; expenses on top etc.)]</i>	<b>Indexation</b> <i>[Yes/ no. If Indexation applies, indicate which index and month used]</i>

*[Insert reference to location of the rate details in the contract and/or filing structure. Provide detail of what price fluctuations are allowed for under the contract (e.g. indexation/ benchmarking etc.)]*

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### 7.3 Performance Incentive Regime (deductions/ profit share etc. arrangements)

Contractual Ref.	Title	How measured/ triggered	How calculated	Frequency + month when applies	Ratchet provisions

*[Insert reference/s to location of the relevant information in the contract/ schedules. Provide contact names in P2P/ finance department responsible for authorising payments, which should be informed of contract price changes as a result of application of performance incentives. Include reference to CM planner for prompts relating to performance incentive regime]*

### 7.4 Invoicing

*[Provide process map for the P2P process relevant to the contract, including payment authentication and authorisation process and named parties involved; Outline information to be provided by the supplier with each invoice to validate payment, and the contractual reference to this requirement]*

### 7.5 Open Book Accounting / Audit Rights

*[Insert location of the relevant reference in the contract. Detail who is responsible for requesting and reviewing supplier annual accounts. Refer to CM planner, re prompts for supplier provision and auditing of supplier financial standing data and commercial intelligence)]*

## 8. Value for Money, Benefits Realisation and Continuous Improvement

### 8.1 VFM / Benefits Realisation

*[Outline the benefits to be realised through the contract and how they will be monitored. Refer to CM Planner re prompts for regular benefits reviews. Detail any reporting requirements. Indicate the location of the benefits realisation plan.]*

### 8.2 Benchmarking

*[Insert reference to contractual provisions relating to benchmarking and outline the process, including who conducts it; dates/ frequency; how outcomes will be agreed with contractor. Refer to CM Planner re prompts for benchmarking start date]*

### 8.3 Continuous Improvement

*[Refer to relevant meetings' ToR]*

## 9. Risk and Contingency

### 9.1 Risk Management

*[Insert reference to location of the Risk Register. Refer to CM Planner re prompts for Risk Register review and updates.]*

### 9.2 Contingency and Business Continuity Plans

*[Insert reference to location of the Contingency and Business continuity plans. Refer to CM Planner re prompts for Contingency and Business continuity plans review and updates]*

## 10. Exit and Termination

### 10.1 Exit Details

*[Outline extension options and refer to their location in the contract. List key milestones relating to expiry (notifications; re-procurement timescales; deadlines for supplier obligations relating to exit, such as provision of exit plan, details of transferred staff, data etc.). Refer to CM Planner re: prompts for initiating exit-related activities]*

### 10.2 Exit Plan

*[Refer to exit plan requirements, if included in the contract. Reference to location of Exit information in the filing structure. Exit plan contents summary, including dates of initial plan submission and frequency of updates]*

### 10.2 Soft Market Testing and market intelligence

*[Refer to CM Planner re prompts for conducting soft market testing and gathering related market intelligence]*

### 10.3 Lessons learned

*[Location of Lessons Learned Log and how it will feed into re-provision of the contracted provision]*

### 10.4 Re-provision roadmap

*[Detail who will be responsible for deciding on a re-provision route (procurement; client stakeholders)]*