

## **CONTRACT MANAGEMENT FRAMEWORK**

### **Contract Management – Top Tips**

#### **1. Consider contract management requirements during the planning stage**

Contract managers should get involved in the procurement process as early as possible. Try and have input in the design and development of contractual requirements during the planning phase as it is often too late, or very costly, to make changes once the contract is awarded. During the planning phase consider things such as:

- What are the measures of success and how will performance be managed?
- What reports will be required?
- How often will meetings be required?
- What are the risks? What could go wrong?
- What insurances are necessary?
- Are there any “lessons learnt” from previous contracts?

#### **2. Understand the role of the contract manager**

- Make sure Contract Managers have the appropriate knowledge, skills, time and support to undertake the role. As a minimum a Contract Manager should ensure that they:
- Manage relationships with all stakeholders as good communication is the key to success;
- Understand the overall scope and nature of the contract, its primary objectives, and the risks involved;
- Monitor, manage, document and communicate contract requirements to maintain continuity of supply, ensure compliance with specified customer expectations, contract deliverables and budget;
- Are proactive, act with due care and diligence and observe all financial and legal requirements during the course of the contract; and
- Manage and resolve any issues or disputes before they escalate.

#### **3. Be aware of requirements**

Contract managers need to be aware of legislative, compliance, governance and audit requirements. This includes internal Warwick District Council’s requirements as well as other legislative requirements.

#### **4. Have a plan**

Develop a Contract Management Plan or Contract Management Workbook and keep it up to date! It will then be the key source of information for anything related to the contract. Good record keeping is important.

### **Contract Manager's Checklist for Success**

I was involved in the contract planning and development phase. I helped identify key factors to be included in the request document that will increase the success of the contract management phase. These include appropriate performance measures and reporting mechanisms and incorporating the lessons learnt from previous contracts.

- I have developed a Contract Management Plan and update it regularly so it is a useful source of information.
- I am aware of the legislative, compliance, governance and audit requirements. This includes internal Warwick District Council's requirements as well as other legislative requirements.
- I am in regular contact with the contractor. I understand the importance of relationship management and appreciate that good communication is the key to contract management success.
- I actively manage the contract.
- I keep detailed records.

I undertake tasks such as:

- Ensuring that the contractor's insurances remain current
- Ensuring invoices for payment are fully supported i.e. goods/services have been delivered, and costs are in accordance with the agreed contract price/s;
- Providing regular reports to management about the contractor's performance and compliance with requirements;
- Managing risks and resolving any issues as soon as possible to prevent escalation. I identify and report any potential major problems to management;
- Ensuring the Warwick District Council's 's established process for contract variations is followed;
- Ensuring that the Warwick District Council's 's contractual obligations are met on time and budget;
- Conducting reviews (including the final review) well in advance of the contract expiry and am involved in any extension, finalisation or redesign requirements;
- Managing the transition in and out of the contract;
- Holding regular meetings with the contractor, informing them of any Warwick District Council's changes that may impact on the contract and identifying areas for improvement;