



South Lakeland District Council Contract Management Policy and Procedure

The Council is aware that it has an obligation to ensure contracts are effectively managed so as to offer good service delivery which demonstrates value for money to the residents of South Lakeland.

This policy and procedure has been developed to assist officers in managing relationships with contractors and providing a structure for reporting compliance to Senior Managers, Members and all other key stakeholders. This policy should be read alongside the Council's Constitution (predominantly the Contract Procedure Rules and Financial Procedure Rules) and Sustainable Procurement and Commissioning Strategy.

Our Commitment

With effective contract management critical to the success of any service arrangement all contracts will be subject to robust performance monitoring with good relationship management at the centre.

Monitoring arrangements will continue to be strengthened; the importance of meaningful indicators will be highlighted, evidencing improvements through sustainable outcomes will be built upon and demonstrable continuous improvement will become a core requirement of all contracts.

Meanwhile focus will be placed on developing the skills required for a consistent approach to contract and relationship management. The results from monitoring arrangements and our relationships with suppliers will act as a measurement of the effectiveness of the procurement function and inform future procurement decisions.

The Council will recognise the importance of strong client-contractor relationships and that these are critical to the success of partnership working and service delivery. As a starting point a relevant officer will take on the formal role of Contract Manager to offer a primary point of contact to the contractor, internal officers, Senior Managers, Members and all other stakeholders.

In support an appropriate member from the Senior Management Team will be appointed to oversee any significant contracts and attend at minimum a quarterly performance meeting. The Council recognises that demonstrating a top level interest is likely to result in a more dedicated service delivery. It also highlights the Council's commitment to partnership working at a senior level whilst ensuring Contract Managers are fully supported.

Contract Management Principles

Robust contract management will support improved service delivery through continuous improvement in the quality of goods, works and services delivered to or on behalf of the Council. Through good contract management we will:

- Maintain a valuable source of information concerning the effectiveness and quality of services being provided
- Regularly review the strength of the working relationship between the Council and contractor
- Offer a preventative function to support the avoidance of failures in service delivery

To manage the contract effectively, Contract Managers will balance a positive working relationship with robust performance monitoring to ensure all work is completed within the requirements of the contract as a minimum.

Contract Management Procedure

Tender Stage

The contractual terms and conditions and specification will come directly from the tender process and will form the basis for what is to be monitored. At minimum initial priorities and measurable outcomes will be identified and encapsulated in the tender documents. However, it is recognised that providing tenderers with details of the anticipated frequency and level of detail likely to be required throughout the life of the contract can manage expectations and offer support in preparing a bid.

Pre-Contract Meeting

The Contract Management stage of the procurement and commissioning cycle will be initiated by a 'pre-contract' meeting between representatives of both the Council and contractor. From this point the Council and contractor can agree the monitoring arrangements and a regular meeting schedule. It is recommended that the frequency of meetings is relative to the complexity of the contract or service to be delivered. A positive working relationship can also begin to develop, leading to a partnership approach as appropriate.

Monitoring Arrangements

Ensuring outcomes and cost control within the project schedule will be key objectives of the contract monitoring. The tender as submitted should supplement the contract to ensure that any added value which was proposed in the tender over and above the original specification is included in the contract monitoring procedures. Milestones may also be identified in a way which is relevant and proportional. As a general principle only data which is required and meaningful is to be measured.

Reviewing Monitoring Reports

The Contract Manager will review the contractor's reports to determine that outcomes and cost are in line with the contract schedule. Regular reporting will enable the Contract Manager to oversee the work and its progress, whilst maintaining a positive dialogue with the contractor is vital should there be any unperceived gaps in reporting. Contractors will be encouraged to approach the Contract Manager should they identify any obstacles enabling both the Contract Manager and contractor to act promptly with any corrective action taken as applicable.

Requests for Information

The Contract Manager will respond to the contractor's requests for information in a timely manner to avoid unnecessary confusion and project delays.

Risk Management

Risk Management principles will run through the full procurement and commissioning cycle. Carefully managing risk throughout the process will support the Council and contractor in identifying and managing any events that may have an adverse effect on the contract and its outcome.

Payment

Contract Managers will be continually involved in the payment process and will liaise with the relevant Financial Services Officer to ensure services remain within budget and to confirm the correct processes are used.

Changes to Contract

Non-material changes to the contract may be necessary to match expectations of the Council and the contractor (process in Appendix 1(b)). Contract amendments should be in writing and approved by the relevant director or committee following consultation with Procurement, Finance, Legal and HR as appropriate.

Role of the Procurement Team

Contract Managers will ensure that the relevant reporting information is forwarded to the Procurement Team within the agreed timescale to meet any relevant reporting deadlines. The Procurement and Contracts Manager will include in the Quarterly Procurement Update to Senior Management Team, an overarching contract monitoring report highlighting any issues, contract variations and any exceptional performances.