



Contract Management Policy and Procedure

Background

The EDC ensures contracts are effectively managed so as to offer good service delivery which demonstrates value for money. This policy and procedure has been developed to assist staff in managing relationships with contractors and providing a structure for reporting compliance to Senior Managers and Board Members.

Our Commitment

This policy should be read alongside the EDC procurement policy and procedure.

The EDC recognises 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 member of EDC staff will take on the formal role of Contract Manager to offer a primary point of contact to the contractor. This will primarily be the Project Manager defined in any EDC tender.

With effective contract management critical to the success of the EDC all contracts will be subject to robust performance monitoring with good relationship management at the centre. Monitoring arrangements will continue to be strengthened throughout the length of the contract; the importance of meaningful indicators will be created and highlighted, evidencing improvements through sustainable outcomes will be built upon and demonstrable continuous improvement will become a core requirement of all contracts. The relevant member of staff acting as a Contracts Manager will ensure that notes are kept of all meetings and these will be stored in the relevant file on the EDC shared computer drive. The relevant EDC contracts Manager will usually be from within the Projects Team, however on occasion it may be from other teams within the Corporation depending on the activity. The Finance Team will retain the copy of the signed contract.

Focus will be placed on developing the skills required for a consistent approach to contract and relationship management within the EDC.

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.

In support the Senior Responsible Officer (usually a Director) will be appointed to oversee any significant contracts and attend at minimum a quarterly performance meeting. The EDC recognises that demonstrating a top level interest is likely to result in a more dedicated service delivery. It also highlights the EDC's commitment to partnership working at a senior level whilst ensuring Contract Managers are fully supported.

Contract Management Principles

Robust contract management will support the service delivery through continuous improvement in the quality of goods, works and services delivered to or on behalf of the EDC. 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 EDC and the 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 (Inception Meeting)

The Contract Management stage of the procurement and commissioning cycle will be initiated by a 'pre-contract' meeting between representatives of both the EDC and contractor. From this point the EDC 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. This may however be part of a wider framework such as SCAPE, where specified milestones and KPI's are measured. This will be reported to IIP through the Highlight Reports.

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. Through Directors from both parties attending the quarterly contract review meeting, issues should be resolved quickly.

Requests for Information

All requests for information are directed to the Contract Manager. 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 EDC 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 Finance 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 EDC and the contractor. Contract amendments should be in writing and approved by the relevant Director following consultation with Finance and the Project Director.

Reporting procedure

Contract Managers will ensure that the relevant reporting information is recorded on the shared drive within the relevant project folder and recorded on the monthly project highlight report. Reporting on a monthly basis will therefore be provided to the Infrastructure Investment Panel on contracts.

Storage of Documents

The Finance Team will retain the hard copy of the signed contract. A database of contracts will be maintained by the EDC.