**Contract Management Plan**

This document outlines the essential contract management details required to ensure compliance, effective performance monitoring, and successful supplier relationships. This plan is a living document and should be updated as necessary.

**Agency instructions**

* This template is designed to be flexible and adaptable for a range of contract types. Your agency should consider risk, complexity, and segmentation results when determining the appropriate level of planning.
* Lower-value or low risk contracts may not require every section, and users should delete sections that are not needed.
* Your agency may customise this template to reflect its practice and requirements – especially the approvals section.
* When customising, consider including user instructions like the example given below. The blue text and yellow highlighted areas in this example and the rest of the document specify where to customise.

**User specific instructions**

**What the plan is for:**

* A contract management plan contains all the key information about how successful delivery under the contract will be managed and by whom. It establishes systems and processes to ensure that both parties carry out their responsibilities. It draws on information identified by the evaluation panel and key elements negotiated with the successful supplier.
* Having established the contract, it is critical to ensure that delivery is proactively managed. This means managing (1) service delivery, (2) relationships and (3) contract administration. For further assistance refer to the [*Guide to contract and relationship management*](http://www.business.govt.nz/procurement/pdf-library/agencies/contract-relationship-management.pdf)*.*
* A contract management plan [choose: should / must] be completed and approved prior to the start date of the contract.

**What the plan should include:**

* A contract management plan enables the contract manager to:
* ensure continuity of the supply or services
* develop a good understanding of the contract and the responsibilities of the parties involved
* understand key risks and how they will be managed
* understand the framework in which the performance of both parties will be monitored.
* The level of detail included in your contract management plan will vary, depending on the nature of the goods or services being purchased.
* Establishing a new contract creates potential risks that need to be managed.  Good transition management should provide for a seamless implementation, with minimal disruption to stakeholders. The planning phase of a procurement should already consider the requirements for a smooth transition to the new contract. Keep thinking about transition requirements as the procurement progresses. All business process changes and how they impact on users need to be identified and managed.
* If you would like assistance in preparing your plan, or a constructive peer review of your draft, please contact [enter contact details for the procurement team].

|  |
| --- |
| [insert agency logo] |

[Name of agency]

Contract Management plan

[Name of procurement project]

[Insert supplier name]

|  |  |
| --- | --- |
| Document development control | |
| Prepared by: |  |
| Position / title: |  |
| Business unit: | [Insert: business division or group] |
| Document version: | 1.0 |
| Date of last revision: |  |
| Status: | [Choose: draft / final for peer review / final for approvals / final as approved] |

**Acronyms** *[delete/amend as needed]*

The following acronyms are used in this document.

|  |  |
| --- | --- |
| Acronym | Term |
| [Insert: e.g. ROI | Registration of interest] |
| [Insert: e.g. RFP | Request for tender] |
|  |  |
|  |  |
|  |  |
|  |  |

**Approvals** *[delete/amend as needed]*

Approval of the contract management plan

|  |  |  |
| --- | --- | --- |
| Procurement manager / procurement team leader | | |
| **Approval:** | This contract management plan is comprehensive with sufficient detail for the nature, value and size of the procurement. | |
| **Name:** |  | |
| **Position/title:** |  | |
| **Signature:** |  | **Date:** |

**Summary** *[delete/amend as needed]*

|  |
| --- |
| Background |

* The history of this procurement is [insert].
* The [choose: goods/services] to be delivered are [insert].
* The supplier is [insert] operating from [insert address].

|  |
| --- |
| Key documents |

The working files that relate to this contract are [insert name of file/s and reference number/s].

**Key documents supporting this plan**

|  |  |  |
| --- | --- | --- |
| Document | Reference # | File # |
| Contract for service / supply arrangement |  |  |
| License and warranties |  |  |
| Risk register |  |  |
| Issues register |  |  |
| Asset register |  |  |
| Stakeholder engagement plan |  |  |
| Contract management meeting agenda |  |  |
| Annual review of performance template |  |  |

**Contract basics**

|  |  |
| --- | --- |
| Basic contract details | |
| Contract name | [Insert contract title] |
| Contract ID | [Insert contract ID] |
| Contract document links: | [Insert links to where critical contract documents can be found] |
| Supplier name | [Legal name and doing business as (if applicable)] |
| Supplier contact(s) | [Insert Supplier Name and Contact Information] |
| Start – End date | [XX-XX-XXXX to XX-XX-XXXX] |
| Option to extend | Yes No |
| Amendments | [Update in the event of any amendment including additional scope requirements, funding, extensions, or other details that impact performance and oversight] |
| Contract value | [Whole of life cost] |
| Approved annual budget | [Annual value] |
| Payment structure | ​​☐​ Daily rate ​☐​ Monthly invoice ​☐​ Other cost reimbursement ​☐​ Other |
| Objectives *[delete/amend as needed]* | | |

* This contract relates to the following business needs [insert].
* Our key objectives are to [insert].
* The key outcomes are to [insert].

|  |
| --- |
| Terms and conditions *[delete/amend as needed]* |

* This is an [choose: input / output] based contract. It is based on the agency’s [insert the name of the agency’s template or state that it is a bespoke contract].
* The duration of the contract is [insert: e.g. three years with the option to extend twice for one year each (i.e. 3+1+1)].
* Unique features of this contract are [insert].
* Variations to the contract will be dealt with by [insert].

|  |
| --- |
| Price *[delete/amend as needed]* |

* The approved budget (for the whole-of-life) for this contract is $[insert]. This is based on total capital costs of $[insert] and total operational costs of $[insert].
* Payment will be subject to satisfactory delivery and made on [choose weekly / monthly / quarterly invoice / the successful delivery of milestones / at the end of the contract].
* Provide a breakdown of costs over the duration of the contract. [delete/amend as needed]

**Contract delivery**

A detailed statement of requirements is contained in the contract [insert: schedule / appendix #]

## Key Contract Deliverables *[delete/amend as needed]*

The key purpose of this contract is to [insert brief, overarching summary of purpose of contract]. The following key deliverables have been identified as supporting the achievement of the contract’s outcome and will be the key focus of contract management activities.

|  |  |  |
| --- | --- | --- |
| Deliverable | Standard / quality | Due date |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

## Continuous improvement and innovation *[delete/amend as needed]*

Both the agency and the supplier are committed to ensuring continuous improvement in the efficiency and effectiveness of delivery under the contract, as well as investigating opportunities for innovation. Continuous improvement focuses on refining internal processes and practices that impact contract outcomes, often led by the agency but informed by supplier feedback and collaboration. Both parties agree to discuss options for continuous improvement regularly and report on improvement initiatives.

**Initial areas that could benefit from continuous improvement**

|  |  |  |
| --- | --- | --- |
| Area for improvement | Improvement initiative/approach | Timeframe |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

## Supplier development *[delete/amend as needed]*

Both the agency and the supplier are committed to ensuring the ongoing development of the supplier’s ability to successfully deliver against the contract requirements. This includes building supplier capacity, strengthening performance, and supporting alignment with agency standards or long-term outcomes. Both parties agree to discuss options for ongoing supplier development regularly and report on initiatives.

**Initial areas that could targeted for supplier development**

|  |  |  |
| --- | --- | --- |
| Area for supplier development | Development support/action | Timeframe |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

**Key personnel**

## Roles and responsibilities of agency and supplier *[delete/amend as needed]*

Specific roles have been assigned in relation to management of the delivery under the contract and management of relationships with the supplier and key stakeholders.

Refer to the contract for the full scope of roles and responsibilities. This section highlights internal roles not specified in the contract.

| Name and title | Role | Responsibilities |
| --- | --- | --- |
|  | E.g. Contract manager | * Overall responsibility to manage delivery under the contract and act as a first point of contact for the supplier. * Manage relationships with key stakeholders. * Keep records of important phone calls, meetings and correspondence. * Report to senior management on the supplier’s performance and delivery under the contract. * Escalate issues that cannot be resolved at contract manager level. * Report to the Manager of the business unit [identify]. |
|  | * E.g. Financial analyst | * Check invoices and reconcile them against the contract deliverables. * Make payment. * Keep a note of all costs including price variations and ensure that there is sufficient delegated authority to make payment. * Report to the Contract Manager. |
|  | * E.g. Evaluation analyst | * At times agreed in the contract evaluate delivery in accordance with agreed criteria. * Report to the Contract Manager. |

**Key stakeholders**

## Roles and level of engagement for internal stakeholders *[delete/amend as needed]*

The contract manager will manage relationships with internal stakeholders. The key internal stakeholders are [insert].

|  |  |  |
| --- | --- | --- |
| Role | Characteristics | Stakeholders |
| **Responsible** | The person/s responsible for undertaking the procurement. |  |
| **Accountable** | The person/s with authority to make decisions and is accountable for the outcomes. |  |
| **Supportive** | The person/s that does the *real work*. |  |
| **Consulted** | The person/s that needs to be consulted to add value or get buy-in. |  |
| **Informed** | The person/s or group/s that need to be kept informed of key actions and results but are not involved in decision-making or delivery. |  |

## Roles and level of engagement for external stakeholders *[delete/amend as needed]*

The contract manager will manage relationships with external stakeholders. The key external stakeholders are [insert].

|  |  |  |
| --- | --- | --- |
| Role | Characteristics | Stakeholders |
| **Responsible** | The person/s responsible for undertaking the procurement. |  |
| **Accountable** | The person’/s with authority to make decisions and is accountable for the outcomes. |  |
| **Supportive** | The person/s that does the *real work*. |  |
| **Consulted** | The person/s that needs to be consulted to add value or get buy-in. |  |
| **Informed** | The person/s or group/s that need to be kept informed of key actions and results but are not involved in decision-making or delivery. |  |

## Communications *[delete/amend as needed]*

* The agency will communicate with internal stakeholders by [**choose** regular informal updates / regular newsletter / regular user satisfaction surveys / ad hoc when required.
* The agency will communicate with external stakeholders by [**choose**: regular informal updates / regular newsletter / regular user satisfaction surveys / ad hoc when required.

A communication plan for stakeholders and suppliers is attached at [insert Appendix X and remember to attach the appendix].

**Transitioning**

## Impact *[delete if not applicable]*

The previous supplier of the [**choose**: goods / services] is [insert] This contract will come to an end on [insert]. The likely impact of the transition to the new supplier will be [insert].

## Action Plan

* The transition will be managed by [insert name and title of transition team].

## Key actions supporting the transition

|  |  |  |
| --- | --- | --- |
| Action | Person responsible | Due date |
|  | Name and title |  |
|  | Name and title |  |
|  | Name and title |  |

## How the previous supplier will support the transition

|  |  |  |
| --- | --- | --- |
| Action | Person responsible | Due date |
|  | Name and title |  |
|  | Name and title |  |
|  | Name and title |  |

## How the new supplier will support the transition

|  |  |  |
| --- | --- | --- |
| Action | Person responsible | Due date |
|  | Name and title |  |
|  | Name and title |  |
|  | Name and title |  |

## Communications management with internal and external stakeholders during the transition

|  |  |  |
| --- | --- | --- |
| Action | Person responsible | Due date |
|  | Name and title |  |
|  | Name and title |  |
|  | Name and title |  |

**Monitoring and evaluation** *[delete/amend as needed]*

## Frameworks *[delete/amend as needed]*

* The standards and quality the supplier is required to meet in the delivery of the [**choose**: goods / services] is described in the contract [insert: reference clause X / annex Y of the contract).
* The key performance criteria are [insert].
* The supplier has the primary responsibility to ensure that these standards are met. Our contract manager will monitor delivery against the contract to check that the standards are being met.

## Monitoring and reporting *[delete/amend as needed]*

* The contract managers will meet [**choose**: monthly / quarterly / 6 monthly / annually / on an ad hoc basis] to review performance. For each meeting the supplier’s contract manager shall prepare a report for the previous period summarising performance, targets met and identify any issues to be addressed.
* On [**insert**: the anniversary of the contract start date, and every year thereafter], we will undertake an annual review of delivery. We will do this by [**insert**: state how the review will be done].
* Three months before the end of the contract we will undertake a contract completion review. We will assess [**choose all that are relevant**: overall performance, budget against actual price, outcomes achieved, benefits delivered, lessons learned and implementation of continuous improvement]. A report will be prepared by [insert name] and presented to [insert name] by [insert date].

## Underperformance *[delete/amend as needed]*

* Performance will be measured against the standards and quality the supplier is required to meet in the delivery of the [**choose**: goods / services].
* Where underperformance has been identified, the contract manager for the supplier will:
* investigate the cause
* identify options to rectify
* clearly communicate the cause, and what action is to be taken by when in order to rectify
* continue to monitor performance to ensure the problem has been rectified
* seek opportunities to motivate better performance via incentives.

**Contract completion**

## Exit strategy *[delete/amend as needed]*

* At the end of the contract there will be no further requirement to provide these [choose: goods / services]. The contract will be allowed to run its full term and then expire. ***OR***
* It is anticipated that there will be an ongoing need for the provision of these [choose: goods / services]. Subject to the review/s of performance the contract term may be extended by [insert: e.g. two plus one years].
* At the end of the contract assets will be transferred to [insert: say who will get any assets].
* The strategy to exit from the provision of these [choose: goods / services] in the long run is [insert]
* Special issues that may arise include [insert]

**Dispute resolution** *[delete/amend as needed]*

Dispute resolution [choose: is / is not] dealt with in the contract. Refer to clause [insert]. If a dispute arises, contract managers will act to identify the issue and seek resolution directly with each other. In doing so, each agrees to use their best efforts to:

* clearly communicate the background facts leading to or causing the dispute
* set out clearly what action is required to resolve the dispute and by when
* identify measures to prevent the issue arising in future.

If the dispute cannot be resolved by the contract managers, it will be escalated to senior managers. For the agency that will be [insert: name and position or just the position]. For the supplier that will be [insert: name and position or just the position].

If senior managers are unable to resolve the dispute, the matter will be referred to MBIE’s in-house legal team, who will seek to resolve the dispute with regard to the contract’s dispute resolution provisions.