

THE IN-HOUSE TRAINING COMPANY

Designing contract performance management regimes under the requirements of the procurement act

Overview

The introduction of the Procurement Act 2023 and associated regulations has changed the framework within which public-sector organisations procure, award and manage contracts. For commercial practitioners, understanding the procurement process alone is insufficient. Contract performance requirements must be considered and designed from the outset so that the resulting contract provides clear, measurable and commercially effective mechanisms for managing supplier performance. The course will place particular emphasis on the practical skills required to design and draft Service Level Agreements (SLAs) and Key Performance Indicators (KPIs)

The aim of the course is to enable contract and commercial practitioners to confidently design, document and operate proportionate and effective contract performance management regimes that:

- support operational and commercial objectives;
- contain appropriately drafted SLAs and KPIs;
- enable objective measurement of supplier performance;
- provide effective governance, escalation and remedies;
- align procurement and contract-management activities;
- support transparency and accountability; and
- reduce avoidable procurement, commercial and challenge risk.

Learning objectives

By the end of the course, participants will be able to:

- Explain the key requirements of the Procurement Act 2023 and associated regulations relevant to their procurement and contract-management responsibilities.
- Apply appropriate public procurement principles when planning and undertaking procurement activity.
- Recognise procurement and contract-management decisions that can increase the risk of supplier challenge.
- Explain why contract performance management needs to be designed during the procurement process rather than after contract award.
- Translate business requirements into measurable supplier performance obligations.

- Design a proportionate Contract Performance Management Regime appropriate to the risk, value, complexity and criticality of a contract.
- Draft clear and measurable Service Level Agreements.
- Design and draft effective Key Performance Indicators.
- Establish appropriate performance targets, thresholds, tolerances, measurement methodologies and reporting frequencies.
- Determine suitable data and evidence requirements for measuring performance.
- Identify and correct poorly designed SLAs and KPIs.
- Establish appropriate contract governance and supplier-performance review arrangements.
- Apply escalation, remediation and contractual remedies appropriately when suppliers underperform.
- Understand how contract changes and performance-management decisions can interact with procurement compliance requirements.
- Maintain appropriate commercial records and decision trails to support accountability and defensible decision-making.

Who should attend?

This course is designed to for contract managers, commercial leads, commercial managers, service delivery managers and those who have direct or indirect responsibility for the management of contractor performance and compliance with the terms and conditions of the contract.

Expert trainer

Dr Ray Carter runs his own international training and development consultancy, specialising in procurement. A prolific author, his books include *Practical Procurement*, *Practical Supplier Selection and Relationship Management* (with Sharon Croome), *Practical Contract and Commercial Negotiations* (with Kenny Campbell) and *Practical Contract Management* (with Steve Kirby, Alan Oxenbury and Geoff Kontzle). He has also had numerous articles and papers published in journals such as *Supply Management* and the Centre for Advanced Procurement's *Praxis* publication. Ray is Chairman of the Procurement Best Practice Forum, which is made up of many large blue-chip organisations, the purpose of which is to identify and disseminate supply chain management best practices. Ray's now famous '10 Cs' of supplier evaluation model, first published in 1995, has become an accepted model for the evaluation of suppliers and contractors and has been adopted by many organisations. It is also part of the CIPS level 3 syllabus. Ray is an external examiner for Salford University and a Fellow of Leicester University.

In recent years, he has undertaken training and consultancy assignments across the UK and around the world for organisations such as Prudential, Virgin Media, Cobham, The Home Office, Ministry of Justice, Low Carbon Contracts Company, IBM, Ministry of Defence, NHS, Royal Botanic Gardens Kew, Bapco, AA, Coca-Cola, Foster Wheeler, Pfizer, British Nuclear Group, Honeywell, Total, Qinetiq, John

Lewis, DeLaRue, Serco, Williams F1 Team, Hitachi Rail Europe, Rolls-Royce, Boots, RBS, DWP, NHS, Lucas Engineering and Systems, Abu Dhabi Company for Onshore Oil Operations (ZADCO), NDC, Ericsson, BAe, Marconi, BBC, Magnox, Ordnance Survey, Chevron, Caspian Pipeline Consortium, Tengzichevroil Company, Coca-Cola, Shell International BV, IMechE, African Development Bank, United Healthcare, MLM, SEPA, Yorkshire Water, East Lothian Council, Medway Council, Wigan Council, National Grid, City of Bradford MDC, London Fire Brigade, etc, etc, etc.

Workshop outline

DAY ONE

09:30-10:00 Welcome, introductions and course objectives

10:00-10:45 Procurement Act 2023 – What Commercial Practitioners Need to Know

10:45–11:00 Coffee break

11:00-12:15 Procurement Compliance and Managing Challenge Risk

- Exercise 1 – Challenge Risk Scenario

12:15-13:00 Lunch

13:00-14:15 Designing Contract Performance Management from the Outset

- Practical tool – participants are introduced to a performance regime design matrix

14:15-15:00 Understanding SLAs, KPIs and Performance Measures

- Exercise 2 – KPI or Not?

15:00-15:15 Tea Break

15:15-16:00 Building the Performance Management Framework

Day One Review

DAY TWO

09:30-10:00 How to Draft an Effective SLA

- Exercise 3 – Repair this SLA

10:15-10:30 Coffee break

10:30-12:15 SLA Drafting Workshop

12:15-13:00 Lunch

13:00-14:30 Designing and Drafting KPIs

- Exercise 4 – KPI Drafting Challenge

15:00-15:15 Tea break

15:15-16:00 Governance, Underperformance and Contract Management

16:00-16:30 Final Integrated Exercise – Design the Regime

Any questions?

Please just give us a call on 01582 463463 – we're here to help!

Or visit www.theinhousetrainingcompany.com

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