

# CONTRACT MANAGEMENT, “No More Let and Forget”

**Ian Simpson**

**Head of Procurement**

**Staffordshire County Council**

*the knot unites*

At a time of public spending constraints  
there is an obligation on government to  
secure better deals for the taxpayer!!

“As much as £300 million could be saved  
each year if contracts were managed  
better”

**(National Audit Office)**

*the knot unites*



# How We Used to Let and Manage Contracts

- Compliance, Compliance, Compliance
- Award
- File the documents
- If you hear nothing it's a good contract
- Dust off the documents, and start again
- Repeat as above
- So, "if it aint broke, don't fix it?"

*the knot unites*

# So, Why Do We Need to Manage Contracts?

- The Council spends c.£400m p.a. on goods, works and services
- Officers more interested in letting compliant contracts than managing them afterwards
- Failure to manage contracts results in:-
  - poor performance
  - non-compliance
  - additional expense
  - dissatisfied customers
  - failure to achieve VFM

We cannot afford such a laissez faire approach to the management of VFM

*the knot unites*

# So, How Do We Do It Better?

- Adopt a constructive approach/culture
- Effective communication
- It's not an adversarial exercise – use it to build relationships/understanding
- Involve all key stakeholders (customers/clients, provider(s) service users.  
“Do it with them, not to them”
- Aim to build and maintain strong relationships

Poor relationships and poor performance go hand in hand

*the knot unites*

# So, What Do You Need To Do?

- Understand the contract
- What is it required to deliver?
- What does “good” look like?

*the knot unites*

# So, How Do You Measure Performance?

- How is performance motivated and value protected?
- What happens if performance fails?
- Is that happening?
- Why is it happening?

**Look for a fix, not more deductions**

*the knot unites*



# Top Tips for Successful Contract Management

- Focus on outcomes rather than outputs
- Measure effectiveness (doing the right things) and efficiency (doing things right) in parallel
- Seek efficiencies through partnership working
- Ensure that any cost savings don't erode service quality or VFM
- "What does good look like?" – benchmark, network, share information - "knowledge is power and power is knowledge"
- If contract changes are required – agree suitable cost transparency
- Treat it as you would your own money
- Its about not just managing the contract but also the relationship – who wants to be in an unhappy relationship?

*the knot unites*

# How It Can Work

- Partnership with Pell Firschmann – 2 schools PFI contract
- 25 years, c.£42 million value
- Monthly meetings to review performance and progress
- All stakeholders play an active role (Provider, School + SCC)
- All aspects of FM provision are discussed and agreed
- Continuous improvement e.g. Utilities
- Benchmarking contract performance “what does good look like”
- Communication, honesty and transparency
- As said previously, the relationship is everything

*the knot unites*

**So, When Should You Review Your Contracts?**

**NOW!**

*the knot unites*



# QUESTIONS?

*the knot unites*

