

Northern Ireland



Medical & Dental Training Agency

POLICY DOCUMENT

Contracts Management Policy

2018 (Version 3.0)
BM>SMC>Board

Policy Review Schedule

Date first Approved:

Last Approved by the Board:

January 2017

Date of Next Review:

January 2018

Policy Owner: Business Manager

Amendment Overview

Version	Date	Pages	Comments	Actioned
2014 - 1.0	23/07/2014		First draft compiled for internal discussion between Admin Director & Corporate Governance Manager.	Mark McCarey
2014 - 1.1	30/07/2014	16	Reviews after consideration by Admin Director & Corporate Governance Manager. Role of all staff added. Standing Orders 6 added to Policy Influence. Clarifications of some points added and typos fixed. A flow chart was added to the end of the document	Margot Roberts Mark McCarey

2014 – 1.1	01/08/2014	16	Presented to SMT for approval. Approved subject to minor changes.	Mark McCarey
2014 – 1.2	21/08/2014		Role of Admin Director updated. Role of COPE expanded. Role of Corporate Governance Manager expanded.	Mark McCarey
2014 -1.2	16/09/2014	17	Presented to G&R Committee for approval. Approved subject to minor changes	Mark McCarey
2014 -1.3	18/09/2014		Presented to NIMDTA Board. Approved	Mark McCarey
2017 – 2.0	13/01/2016	15	Periodic review. Prepared for consideration of G&R	Mark McCarey
2017 – 2.1	25/01/2017		Updated following G&R, for Board approval. (Approved subject to changes as per comments).	Gillian Kerr
2017 – 2.2	18/10/2017		Amendments made as per comments approved by NIMDTA Board.	Mark McCarey

2018 – 3.0	28/06/2018		Review of policy made to ensure compliance with contract management processes and annual review requirement	Paula Black
2018 – 3.0	02/07/2018		Presented to SMC for approval	Paula Black

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Role of the Northern Ireland Medical and Dental Training Agency

The Northern Ireland Medical and Dental Training Agency (NIMDTA) is an Arm's Length Body sponsored by the Department of Health (DoH) to train postgraduate medical and dental professionals for Northern Ireland. NIMDTA seeks to serve the government, public and patients of Northern Ireland by providing specialist advice, listening to local needs and having the agility to respond to regional requirements.

NIMDTA commissions, promotes and oversees postgraduate medical and dental education and training throughout Northern Ireland. Its role is to attract and appoint individuals of the highest calibre to recognised training posts and programmes to ensure the provision of a highly competent medical and dental workforce with the essential skills to meet the changing needs of the population and health and social care in Northern Ireland.

NIMDTA organises and delivers the recruitment, selection and allocation of doctors and dentists to foundation, core and specialty training programmes and rigorously assesses their performance through annual review and appraisal. NIMDTA manages the quality of postgraduate medical and dental education in HSC Trusts and in general medical and dental practices through learning and development agreements, the receipt of reports, regular meetings, trainee surveys and inspection visits. It works in close partnership with local education providers to ensure that the training and supervision of trainees support the delivery of high quality safe patient care.

NIMDTA recognises and trains clinical and educational supervisors and selects, appoints, trains and develops educational leaders for foundation, core and specialty medical and dental training programmes throughout NI.

NIMDTA is accountable to the General Medical Council (GMC) for ensuring that the standards set by the GMC for medical training, educational structures and processes are achieved. The Postgraduate Medical Dean, as the 'Responsible Officer' for doctors in training, has a statutory role in making recommendations to the GMC to support the

revalidation of trainees. Revalidation is the process by which the GMC confirms that doctors are up to date and fit to practice. NIMDTA also works to the standards in the COPDEND framework for the quality development of postgraduate Dental training in the UK.

NIMDTA enhances the standard and safety of patient care through the organisation and delivery of relevant and valued career development for general medical and dental practitioners and dental care professionals. It also supports the career development of general medical practitioners and the requirements for revalidation through the management and delivery of GP appraisal.

NIMDTA aims to use the resources provided to it efficiently, effectively and innovatively. NIMDTA's approach to training is that trainees, trainers and educators should put patients first, should strive for excellence and should be strongly supported in their roles.

Policy Influences

This policy has been influenced by the following:

- The Public Contracts Regulations 2006
- The Public Utilities Contracts Regulations 2006
- Managing Public Money Northern Ireland June 2008
- CPD Procurement Guidance Note PGN 01/07 (Grant and Procurement)
- CPD Procurement Guidance Note PGN 03/11 – Direct Award Contracts [As revised August 2016]
- CPD Procurement Guidance Note PGN 01/12 – Contract Management Principles and Procedures + Annexes [As revised July 2017]
- Circular Reference: HSC(F) 05/2012 - Guidance on Approval Requests for Single Tender Action for Goods and Services Procurement by DHSSPS Arm's Length Bodies (February 2012)
- Northern Ireland Public Procurement Policy – Version 11: August 2014
- DFP Guidance – Use of Professional Services Including Consultants – October 2017
- NIMDTA Standing Orders Schedule 6 – Tendering and Contract Procedure
- Business Services Organisation – Service Level Agreement
- Circular Reference: HSC(F) 22-2018 - Requirements and examples for controls in ALB commissioning and procurement.
- NIMDTA Contract Management Guidance

Policies Impacted

This policy may have an impact on the following NIMDTA policies:

- Purchasing of Goods and Services – Guidance for Staff Code of Conduct for NIMDTA employees
- Code of Conduct for NIMDTA employees
- Code of Practice for Board Members
- Gifts and Hospitality - Provision and Acceptance of
- Standing Orders - Schedule 5 - Declaration of Interests and Register of Interests

Executive Summary

Contract management is the phase of the procurement cycle in which a contractor delivers the required goods, services or works in accordance with NIMDTA's specification and Terms and Conditions of Contract. Good management of this operational phase of the procurement cycle is therefore critical for the successful delivery of the benefits to the public purse. It ensures that all parties fully meet their respective obligations as efficiently and effectively as possible, in order to meet the business and operational objectives required from the contract. It involves building an effective working relationship between customer and provider which continues throughout the life of a contract whilst also maintaining an appropriate degree of commercial tension between the parties. Contract management must also aim for the achievement of continuous improvement in performance over the life of the contract.

NIMDTA and the contractor's approach to managing their relationship is critically important to ensuring successful contract delivery and best value for money for the taxpayer. NIMDTA regards contractors not delivering contract requirements as a serious matter. It means the public purse is not getting what it is paying for and when things go wrong, the failure can be expensive in financial terms and management time. The reputation of NIMDTA and the contractor can be damaged by a poorly managed contract that does not deliver the outcomes required for the population and health and social care in Northern Ireland.

This policy sets out the key roles and responsibilities in relation to contract management, as well as the steps to monitor and review this area of work.

Questions for Review

1. What is the definition of public procurement, as used by the Northern Ireland Executive?
2. Who in NIMDTA is responsible for ensuring that there are effective systems in place for contract management?
3. Who assesses the level of management required for a contract, and who the contract owner should be?
4. Who should you escalate matters to if a contractor is underperforming?

1. Introduction

The purpose of this policy is to provide those responsible for the day to day management of goods, works or services contracts with guidance on contract management procedures. The guidance concerns activities after the formal award of a contract, although the foundations for contract management are laid in the procurement stages before contract award. Successful contract management is strongly influenced by the Terms and Conditions of Contract, the contract requirements that have been agreed and the understanding between NIMDTA and the contractor that has been established during the tendering/contract award phase.

All contracts should have a nominated contract manager, whose responsibility it is to ensure full compliance with the contract. The contract manager is also responsible for ensuring value for money for the taxpayer who is paying for these services. It is the contract manager's responsibility to ensure that any failure is dealt with promptly and in accordance with the conditions of contract. This guidance provides a structured approach which will promote best practice contract management.

The policy is guided by the definition of public procurement as adopted by the Northern Ireland Executive:

“Public procurement is the process of the acquisition, usually by means of a contractual arrangement after public competition, of goods, services, works and other supplies by the public service”

The policy is also guided by the principle of best value for money which is defined as:

“the most advantageous combination of cost, quality and sustainability to meet customer requirements”

2. Policy Aims

The aim of this policy is to provide guidance in order to:

- ensure the objectives of contracts are delivered;
- ensure the goods/works/services provided comply fully with NIMDTA's requirements as laid down in the contract specification and the Terms and Conditions of Contract;
- ensure the roles and responsibilities of those involved in the process are clearly defined and understood;
- ensure best value for money is achieved including any equality and sustainable development requirements included in the specification or conditions of contract;
- ensure all anticipated benefits are fully realised;
- ensure accountability and effective control of budgets;
- provide evidence of regular contract monitoring and audit trail of issues raised and resolved;
- ensure, where it is appropriate, that there is a proper handover from a Centre of Procurement Expertise (CoPE) to NIMDTA making clear the distinction between the CoPE's role in putting the contract in place and formally recognising that NIMDTA has responsibility for the commercial day to day management of the contract;
- bring about continuous improvement realisation in terms of quality, cost, sustainability and service; and
- provide identified steps to take when dealing with poor performance by a contractor against the terms and conditions (see Section 5 below).

3. Roles and Responsibilities

In determining roles and responsibilities, consideration has been given to the need to ensure that sound contract management procedures are embedded across the functions and services of NIMDTA. These responsibilities should be read in conjunction with the roles set out in NIMDTA's Procurement Policy [Purchasing of Goods and Services – Guidance for Staff]

3.1 Role of the NIMDTA Board

The NIMDTA Board has a fundamental role to play in the management of contracts. Its role is to:

- Set the tone and influence the culture of contract management within NIMDTA through the review of this policy;
- Assess the appropriate level of contract management through holding the Chief Executive and Business Manager to account in this regard; and
- To monitor contract management performance through carrying out an annual review of the contract register.

3.2 Role of the Senior Management Committee

The Senior Management Committee reports to the NIMDTA Board on the operational performance of NIMDTA. In addition, the Committee oversees the system of internal control within which contract management is placed. The Committee is therefore well-placed to provide advice to the NIMDTA Board on contract management issues.

3.3 Role of the Business Support Committee

The Business Support Committee is a sub-committee of the Senior Management Committee, with delegated responsibility to monitor operational aspects of contract management and the performance of contractors against contract terms.

3.4 Role of the Chief Executive

The Chief Executive as the Accounting Officer is responsible for ensuring that contract management is adequately managed and is responsible for dealing with any performance issues brought to his attention. To assist the Chief Executive to fulfil his responsibilities the further duties have been delegated below.

3.5 Role of the Business Manager

The Business Manager is responsible for ensuring NI Public Procurement Policy is adhered to within NIMDTA, this includes reviewing and assessing expenditure patterns, ensuring compliance with Procurement Guidance notes, overseeing Contract Management and instigating tender processes through the CoPE where applicable.

The Business Manager is responsible for providing annual reports to the Board in relation to contract management and for the communication of this policy to NIMDTA staff along with any additional guidance to support its' implementation. Further, the Business Manager is

As the level of risk increases, the benefits which may be derived from reducing these risks through more formal contract management processes also increase. A contract that has little inherent risk attached to it and little opportunity for additional value would not warrant a large amount of contract management resource, as the benefits that could be achieved from greater contract management would be small. However, even if contract risk is low, the potential to generate additional value from the contract should never be overlooked and could, on occasions, justify increasing levels of contract management resources and activities, possibly for short or intermittent periods.

The following framework will be used to assess the level of management required:

Impact of Contract underperformance	Contract RAG	Reporting required
Business critical contract, NIMDTA's operational ability will be seriously impeded if the contract underperforms.	RED	A quarterly report is required to the Business Manager. The contents of this report will be agreed by the Business Manager and the Contract Manager at the outset. The frequency of reports may be increased at the Business Manager's discretion.
NIMDTA's operational ability will be moderately impeded, as in functions may be delayed, or subject to extra support activity.	AMBER	A bi-annual report is required to the Business Manager. The contents of this report will be agreed by the Business Manager and the Contract Manager at the outset. The frequency of reports may be increased at the Business Manager's discretion.
Support Contract, this is a low level support contract that will not impeded operational ability	GREEN	An annual report is required to the Business Manager. The contents of this report will be agreed by the Business Manager and the Contract Manager at the outset. The frequency of reports may be increased at the Business Manager's discretion.

The Business Manager will identify the appropriate Contract Manager for each contract, and ensure that no conflict of interest exists between the appointed person and the contractor.

The Business Manager is responsible for maintaining and updating NIMDTA's contracts register. The contracts register serves as the

central point of reference for all agreements for services that NIMDTA holds, including Single Tender Actions (STAs) or Direct Award Contracts (DACs) and any agreements with CoPEs. The Business Manager will provide regular reports to the Senior Management Committee in relation to the contracts register. These reports will then form the basis of reports to the NIMDTA Board.

The Business Manager is the initial point of contact for communication with CoPEs, and will be NIMDTA's appointed member of any associated Customer Fora, or equivalent groups.

The Business Manager will further delegate support responsibilities of this role to the Business Management Executive Officer, who will manage the register and system of communication with Contract Managers.

In the event of poor performance by a contractor, the Contract Manager will alert the Business Manager who will then lead the process of redress (see section 5 below).

3.6 Role of the Contract Manager

The nominated Contract Manager will be responsible for ensuring best value for money is delivered by adhering to the Contract Management Principles and Procedures that are in place for the Contracts for which they are responsible.

The essential aspects of contract management are:-

- to oversee contract management initiation at the commencement of the management process to ensure there is a clear understanding of contract requirements. This can be done at a meeting or on the telephone, in line with the Business Manager's assessment of the level of management required;
- to ensure that contract delivery by the contractor meets the specification – formal monitoring against the key performance

indicators (KPIs), performance targets to be achieved by the contractor and providing feedback to the contractor. This should be regularly reviewed.

- to manage and supervise the delivery of the contract – this will include regular routine monitoring of contract delivery (as above) in association with the contractor and client audits;
- to verify payment – checking invoices, times, rates, workload and paying for the goods/works/services within the agreed timeframe;
- to generate records – keeping appropriate records for audit purposes;
- to confirm that the goods/works/services have been completed/delivered to the required standards and within the contracted timescales.
- to manage any extensions and price increases allowed under the Terms and Conditions of Contract;
- to inform the Business Manager of any incidents of contractor failure/default, to allow for risk mitigation and/or the management of an exit strategy;
- to ensure that the Business Manager is kept updated with the information in relation to the contract so that the contract register may be kept updated; and
- to establish a benefits realisation plan, if appropriate, to clearly detail what the contractor has offered.

3.7 Role of Business Services Organisation (BSO) – Contracts Management

Some elements of Contract Management may be delegated to the Business Services Organisation as set out in the Service Level Agreement between NIMDTA and BSO. The NIMDTA Contract Manager remains responsible for ensuring delivery of value for money and that each party delivers its' commitments as set out within the Contract.

NIMDTA Contract Managers will agree BSO's role in managing the Contract with clearly defined responsibilities.

3.8 Role of all staff

All staff have a duty to follow the guidance and information issued by Contract Managers in relation to any contracts that impact their area of work.

Further staff must be explicitly clear when dealing with contractors that they do not have the authority to add services to existing contracts, as these would have to be procured in line with NIMDTA's policies, or through the relevant COPE.

3.9 Role of the Business Management Executive Officer (s)

The Business Management Executive Officer(s) will support the Business Manager and are responsible for the maintenance of the Contracts Register and Contracts Reporting; they will act as a point of reference for any follow up guidance and support that may be required from time to time.

3.10 Role of the Centre of Procurement Expertise (CoPE)

NIMDTA will make use of the services of CoPEs in order to ensure the provision and development of efficient and effective services in line with jointly agreed development of priorities, targets and objectives, which represent value for money for NIMDTA, and for the HSC in general.

CoPEs will ensure that there is a proper handover to NIMDTA, and that there will be a clear distinction between the CoPE's role of putting the contract in place, and formally recognising that NIMDTA has responsibility for the day to day management of the contract at a local level.

Contractual agreements with CoPEs will be reviewed annually, and will be detailed on the contract register. Further, all contracts that are locally

adopted by NIMDTA, but that have been regionally negotiated by a CoPE, will be detailed on the contract register.

Many contracts that NIMDTA will have in place at any given time will have been put in place by a CoPE. In the event of underperformance in relation to a contract, the Business Manager will communicate with the CoPE in order to resolve such issues.

4. Conflict of Interest & Probity

It is important that the potential for conflict of interests is managed through the procurement process. Everyone involved in the procurement process is required to register any external interests to ensure transparency and to allow the risk of conflict to be assessed.

For further information see Standing Orders - Schedule 5 - Declaration of Interests and Register of Interests

5. Monitoring Contracts

Contracts should be monitored in line with the guidance set out by the Central Procurement Directorate (CPD) of the Department of Finance and Personnel (DFP) in Guidance Note PGN01/12. All of CPD's guidance notes are available at the following link:

<http://www.dfpni.gov.uk/cpd>

The Business Manager, having ascertained the level of management required for a contract, will instruct the appointed Contract Manager as to the frequency and format of the monitoring that is to be used as outlined in the above guidance.

6. Dealing with issues and underperformance

The Business Manager will co-ordinate the review of any contract where it is thought a contractor is underperforming. Contract Managers should therefore communicate any incident or issues to the Business Manager at the earliest opportunity, in order to give NIMDTA the opportunity to address such issues at an early stage.

The Central Procurement Directorate of the Department of Finance and Personnel have published a flowchart which identifies a process for dealing with underperformance, as well as including a number of template letters that can be tailored at each stage of the process. This is the process that NIMDTA will follow in such circumstances and is contained in Guidance Note PGN01/12

7. Policy Review and Monitoring

7.1 Policy Awareness

All new and existing staff have access to this policy on the NIMDTA Intranet. A copy of this policy statement will be given to interested third parties. Existing staff and any relevant third parties will be advised of any changes to the policy which will be posted on the intranet. All staff and relevant third parties must be familiar with and comply with this policy at all times.

7.2 Review

This policy will be reviewed annually, and submitted to the NIMDTA Board for approval.

Annex 1

Contract Management Responsibilities

