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| Contract review report |
| Queensland Government Procurement |
| General Goods and Services |

To support [extension/renewal] of the following contract(s):

[Insert supplier(s) name]

[Describe goods/services eg. Travel Services]

[Insert Contract No(s)]

[Date]

## Document history

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| --- | --- | --- | --- | --- | --- |
| **Version** | **Date** | **Status** | **Key changes made** | **Author/s** | **Reviewer/s** |
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| 0.2 | 14/06/14 | Update |  | ACKS | Vic Martin |
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# Recommendation

*Briefly explain the reason behind the extension/renewal request and state the recommendation for which you are seeking approval:*

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| **Example:**  *The existing contract(s) between [Customer] and [Supplier(s)] for [goods/services] are due to expire on [date].There is an option in the contract to extend for a further two years. There is a continuing business need for the [goods/services]. Feedback on the supplier’s performance and a review of performance against KPIs has confirmed that [the Supplier] has provided excellent service in accordance with its contractual obligations. Market analysis (including benchmarking activities) also confirm that the pricing offered by the supplier is highly competitive and represents excellent value for money. It is not likely that better value for money will be obtained by going back to market for the [goods/services].*  *On that basis it is recommended that [insert role/position of person that you are seeking approval from] approve:*   * *The extension of [contract # between Customer and Supplier] OR [all contracts under the Standing Offer Arrangement] for [goods/services] to [date].* * *Variations are made to the [contract/Deed of Arrangement] as identified in Section 9: Improvements.* |

# Background

## Basic information about the contract term and extension options

|  |  |  |  |
| --- | --- | --- | --- |
| **Supplier name/ABN:** |  | | **Contract Ref/No:** |
| **Commencement date of original contract** | | DD/MM/YYYY | |
| **Term of original contract** | | [insert] years | |
| **Are there extension options in the contract?** | | Yes/No (if yes provide details) | |
| **Will this extension/renewal result in:**  (tick all that apply) | | An extension of time  Increase in costs (spend)  Change to the original scope | |

## Background to the establishment of the contract(s)

*Insert background information about this contract/arrangement, including the nature of goods/services purchased under the contract and the contract objectives, and the circumstances under which the contract was established (if relevant).*

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| ***(Below is an example from a contract review report prepared for salary packaging services under a Standing Offer Arrangement):***  *In October 1999 the Queensland Government’s Cabinet Budget Review Committee (CBRC) approved the extension of salary packaging to employees within the public sector. One of the principles of this approval was no cost to the Queensland Government either directly or indirectly.*  *Accordingly a whole-of-Government arrangement was established for the provision of salary packaging services. There have been three whole-of-government arrangements implemented by the Queensland Government as detailed below:*   * *SOA # commenced on [date] and expired on [date] with [Supplier A].* * *QP# commenced on [date] and expired on [date] with [Supplier B].* * *QGCPO# (current arrangement) commenced on [date] and is due to expire on [date], with an option under the arrangement to extend for a further period of up to two years.*   *The suppliers under the current arrangement are [Supplier A and Supplier B].*  *Salary packaging is an arrangement whereby existing cash salary is remodelled with the approval of the employer into a combination of cash and non-cash benefits (benefit items) to suit the employee’s individual needs. Employees may obtain a benefit in net remuneration at no cost to the government as the employer.* |

## Value/risk assessment of the contract

*Using the value/risk matrix, classify this contract based on value and risk.*

*Provide a brief explanation of some of the risks associated with the purchase of these goods/services that influenced your assessment of value/risk. Include as an attachment to this report a copy of the value/risk assessment for the contract.*

Attachment [X] contains a copy of the value risk assessment of the contract(s).

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| *Example:*  *This contract is classified as strategic (high value and high risk) mainly for the following reasons:*   * *There is a high expenditure under this contract for the provision of [services] to the Queensland Government under the Standing Offer Arrangement. The estimated annual spend on these services is $X million per year.* * *There is limited suppliers in the market and difficulty in securing supply. There would be a significant impact on customers if a supplier defaults and there is a need to transition to a new supplier – transition risks are high.* |

# 

# Contract value

## Contract value

*Insert details of the annual spend under the contract(s) and total spend under the contract(s) to date. Include any other information that is relevant to explaining spend under the contract. You can include more detailed information about spend under the contract(s) as an attachment if required.*

|  |  |
| --- | --- |
| **Original approved contract value:** | $ |
| **Estimated annual spend under contract:** | $ |
| **Estimated total spend under contract to date:** | $ |
| **Forecast spend under contract extension/renewal period:** | $ |

## Arrangement usage

*If the contract(s) you are reviewing are part of a Standing Offer Arrangement, provide information about usage of the arrangement. Include any statistics you have about panel usage, such as:*

* *which Agencies are buying from the SOA (and what % of panel usage does the Agency represent)*
* *a breakdown of goods/services purchased under the arrangements (including as a % of total spend)*
* *any other useful information about buying under the arrangement.*

*You can include more detailed information about the arrangement usage as an attachment if required.*

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| ***(Below is an example from a contract review report prepared for salary packaging services under a Standing Offer Arrangement):***  *There are currently approximately [insert no.] employees participating in salary packaging arrangements with the majority of employees (96.4%) salary packaging with [Supplier A].*  *The agencies with the highest employee participation rates, accounting for 85% of the arrangement usage are:*   * *Department of Health (x%)* * *Department of Education, Training and Employment (x%)* * *Queensland Police Services (x%)* * *Department of Communities, Child Safety and Disability Services (x%)* * *Department of Transport and Main Roads (x%)*   *The arrangement offers employees a choice of FBT Exempt, Full FBT and concessionally taxed salary packaging benefit items (refer to Attachment 3). The following salary packaging benefit items account for approximately 89% of usage:*   * *FBT Exempt + Full FBT Items (xx%)* * *Superannuation Only (xx%)* * *FBT Exempt Items (including Superannuation) (xx%)* * *FBT Exempt + Novated Lease (x%)*   *Full details of usage under the arrangement is provided in Attachment 4.* |

## Leakage

*For Standing Offer Arrangements, identify whether there is any leakage of spend outside of the SOA, including details of where the leakage is occurring (which Agencies) and reasons why. If there is no issue with spend leakage then say so.*

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| ***(Below is an example from a contract review report prepared for salary packaging services under a Standing Offer Arrangement):***  The Public Sector Industrial and Employee Relations (PSIER) Circular No. C1-16 dated April 2016, stipulates all Agencies (other than Government-Owned Corporations) are required to use the salary packaging administrators contracted by Queensland Government Procurement under an SOA.  As such, there is no leakage under this SOA as all Agencies are required to utilise the suppliers under the SOA for their employees’ salary packaging requirements. |

# Performance

## Supplier feedback

*If you have obtained supplier feedback, then explain:*

* *how and when you obtained the feedback, including who was involved*
* *the feedback received (good, bad or otherwise).*

*If there were suggestions for improvements that you are implementing as part of the contract extension/renewal, then make sure they are captured in Section 9: Improvements to Contract Terms.*

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| ***Example:***  *Feedback has been obtained from the suppliers’ at the most recent quarterly review meeting (May 2014). Attendees from the suppliers included [Name, position] from [Supplier A] and [name, position] from [Supplier B].*  *Both suppliers have submitted a number of suggested improvements for the arrangement which have been included in the SOA initiatives (refer to Section 8).* |

## Stakeholder feedback

*You must always obtain stakeholder feedback about the supplier(s) performance. In particular, feedback should be obtained from key customers, and other stakeholders directly impacted by the goods/services.*

*Include the following details in this section:*

* *Which stakeholders did you obtain feedback from?*
* *How did you obtain the feedback (e.g. phone, meetings, surveys)?*
* *What feedback did you obtain from stakeholders (good, bad or otherwise)? Did they raise any concerns? Did they offer any suggestions for improvement?*

*If there were suggestions for improvements that you are implementing as part of the contract extension/renewal, then make sure they are captured in Section 9: Improvements to Contract Terms.*

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| ***Example:***  *The following stakeholders (who purchased goods/services under the contract) provided feedback on the supplier(s) performance via a customer satisfaction survey (and in some cases email, phone and face-to-face meetings):*   * *[Business Unit/Division] at [Agency]* * *[Name, Position] at [Agency]* * *[Salary packaging consultative committee consisting of representatives from Public Service Commission, Queensland Treasury & Trade, Department of Health, Department of Education, Training & Employment, Queensland Police Services, Department of Transport & Main Roads. The salary packaging consultative committee are consulted on and assist in resolving various salary packaging issues that arise.]*   *Overall they were satisfied with the service being provided under the arrangement. However the following areas were highlighted for possible improvement:*   * *…*   *The above areas have also been included in the Continuous Improvement Initiatives in section 10.* |

## Key Performance Indicators (KPIs)

*This section contains your analysis of the supplier(s) performance against KPIs. To analyse performance data you may need to refer to previous reports or data from the supplier, customers, category manager or contract manager. Assessing performance of the supplier against KPIs is a critical step in determining whether there are any performance issues that will need to be addresses as part of the recommendation to extend or renew a contract.*

*If performance issues (or concerns about performance) have been identified, then what steps are being taken or WILL NEED to be taken to address those issues as part of the extension/renewal?*

*If your analysis of performance against KPIs is quite extensive, you may want to include a summary of your findings here, and include further detail as an attachment to the report.*

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| **Example:**  An analysis of the eight key KPIs for the 2013 calendar year is provided in Attachment 5. A summary of this analysis has been provided. |

# Demand analysis

*You must verify that there is still a legitimate business need for the goods/services under the contract. Demand requirements may have changed since the original contract was established. If this is the case, then explain why demand has changed and how this impacts the contract.*

*If there are any changes to the requirements under the contract (e.g. new products added/removed, updated specifications etc.) then insert the details as an attachment.*

*What is the anticipated future demand for products or services? Has there been a change?*

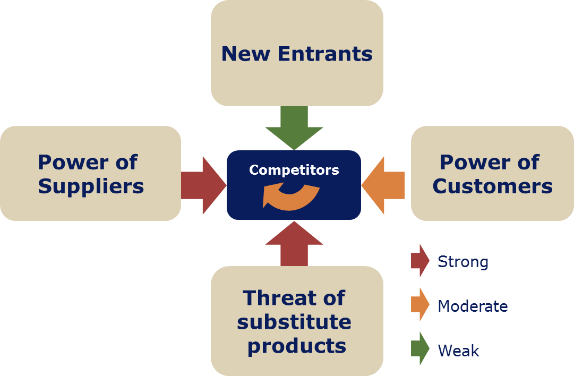
*If the scope is not related or consistent with the original contract, explain the basis of your decision to extend/renew rather than go to market for the new scope.*

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| ***Example:***  *Enquiries made with key customers [identify who they are have confirmed that there is a continuing need for the goods/services over the proposed extension / renewal period. These [goods/services] are used by [customer] in the delivery of [services] to the public, and those services will continue to be delivered by [customer] for the foreseeable future. If anything, the customer is expecting demand for the [goods/services] to increase over the next two years, as a result of the customer’s strategy to increase its regional footprint in delivering the [services].* |

# Market analysis

*This section contains your market analysis. If you are requesting a contract extension/renewal, then you must demonstrate that:*

* *doing so will result in value for money*
* *re-approaching the market would not result in better value for money.*

*It is recommended that your analysis take into account the Porter’s Five Forces approach that analyses the five competitive forces that shape every industry and helps determine weaknesses and strengths of an industry/market. They are:*

1. *Competition in the market*
2. *Potential of new entrants into market*
3. *Power of suppliers*
4. *Power of customers*
5. *Threat of substitute products.*

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| ***(Below is an example from a contract review report prepared for salary packaging services under a Standing Offer Arrangement):***  *The Queensland Government volumes are large enough to assist in building supplier capability within the salary packaging industry, as such consideration will be given to introducing supplier/s to service a particular employer (Agencies) which could assist in the development of supplier capability and increasing competition levels.*   |  |  | | --- | --- | | *1. Competition in the market* | ***Competitive rivalry is low***  *The Australian salary packaging industry is largely unregulated consisting of a limited number of large and medium sized suppliers who can offer the delivery of all services. There are a number of suppliers who focus solely on novated leases and FBT Exempt Items and numerous small suppliers that specialise in particular FBT categories or particular industries (e.g. Charities, Hospitals, Mining Industry).*  *Competition in this industry is based on both price and the suppliers’ capacity to provide the required services.*  *The barriers to exit are not seen to be high; however constraints such as limited supply base and access to substitute products exist.*  *[Supplier A and Supplier B] are considered to be major suppliers within the salary packaging industry, and are rated in the top three strongest competitors within this market.* | | *2. Potential of new entrants in the market* | ***Threat of new entry is low***  *The barriers to entry into the salary packaging market are considered high, due to the size and extent of investment required by suppliers for system developments, licensing requirements and staffing.* | | *3. Power of suppliers* | ***Supplier power is moderate***  *Supplier concentration is low with very little product differentiation.*  *The industry is important to suppliers and switching costs for buyers is considered high* | | *4. Power of customers* | ***Buyer power is moderate***  *Buyer volume is high. There is a low number of buyers with a similar profile.*  *The number of suppliers with the capability to service such volumes is limited.*  *Switching costs for the buyer is considered high* | | *5. Threat of substitute products* | ***Threat of substitution is low***  *The salary packaging benefit items available and the delivery of services needs to be in accordance with relevant Federal taxation legislation and as such the ability for suppliers to offer substitution is limited.* | |

# Benchmarking

*This section contains details of the benchmarking exercise you have conducted to compare pricing under the contract(s) with market rates. The purpose of this section is to:*

* *demonstrate whether or not we are achieving value for money from competitive pricing under the contract(s)*
* *identify whether pricing needs to be renegotiated as part of the extension/renewal.*

*Provide an overview of the data sources and benchmarking analysis performed. You might need to attach more detailed information about the results of the benchmarking analysis as an attachment.*

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| ***Example***  *A benchmarking exercise has been conducted (refer to attachment X). A summary is provided below:*   |  |  |  |  | | --- | --- | --- | --- | | ***Item*** | ***Compared to  WA Govt Rates*** | ***Compared to  NSW Govt Rates*** | ***Is value for money being achieved through competitive pricing?*** | | *[Item 1]* | *Queensland Govt rates lower* | *Queensland Govt rates lower* | *Yes (Queensland Govt rates are the most competitive)* | | *[Item 2]* | *Queensland Govt rates lower* | *Queensland Govt rates higher* | *Yes. Even though Queensland Govt rates are $x.xx higher than NSW Govt rates, the contract scope includes additional services that are not part of the services provided to NSW Govt. It is considered that the nominal price differential represents value for money.* | |

# Value for money

*What opportunities have been identified to improve value for money under the contract?*

*Describe why/how extending/renewing this contract(s) achieves value for money for Queensland Government. For example:*

* *identify how the contract/arrangement helps achieve Government objectives and outcomes (e.g. advancing the Government’s economic, environmental and social objectives, supporting the long-term wellbeing of the community)*
* *identify how the contract/arrangement promotes the principles of the Queensland Procurement Policy*
* *identify cost savings achieved through the contract/arrangement*
* *identify any non-cost factors that are important to recognise as delivering value for money under the contract/arrangement (e.g. effective management of risk, fitness for purpose, quality, delivery, service, support, sustainability impacts)*
* *refer to improvement opportunities that are recommended to be incorporated into the extended term (see Section 9: Improvement to Contract Terms).*

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| ***Example:***  *The benefits to government agencies in being able to offer [services] to their employees is the attraction and retention of staff in competition with other private sector employers.*  *[Customer] has also successfully negotiated cost reductions in the order of [$X] across [Supplier A and Supplier B]:*   * *Removal of [Supplier A] administration fees with an estimated saving of [$X] per annum.* * *Reduction of [Supplier A] and [Supplier B] pricing for [item] with an estimated saving of [$X] per annum.*   *Since the establishment of the contract/arrangement, there have been improvements in service delivery including [insert statistics].*  *A review of supplier performance and feedback from stakeholders and customers confirm that the supplier(s) is providing a high level of service at a competitive price, and that customer satisfaction is high.*  *For all of the above reasons, it is believed that value for money is being achieved.* |

# Improvements to contract terms

*Always seek opportunities to improve value for money under the contract, such as negotiating: cost reductions; improvements to quality of products or services; improved service levels/KPIs; improvements to scope at no additional cost, or other additional value added services.*

*Summarise what improvements have been incorporated into the contractual arrangements to date.*

*Summarise what additional improvements have been identified that will be incorporated into the contractual arrangements as part of the contract extension/renewal, and any timeframes that might apply to implementation of those improvements.*

## Improvements to date

Improvements that have already been identified and incorporated in the contractual arrangements to date are:

|  |  |
| --- | --- |
| **Improvements to date** | **Benefit to the customer/supplier** |
| [Briefly describe the improvement made] | * Streamlined/simplified process by …. resulting in time and cost savings for both the customer and supplier * Reduced red tape by …. * Reduced cost to the customer by …. * Improved quality of service / service delivery by … |
| [insert] | * [insert] |

## New improvements

In addition, the following improvements have been identified and will be incorporated into the extended/renewed contract(s) (if approved), which will enhance the value proposition under this contract/arrangement. These improvements will be documented in a Deed of Variation.

|  |  |
| --- | --- |
| **New improvements** | **Benefit to the customer/supplier** |
| [Briefly describe the improvement made] | * Streamlined / simplified process by …. resulting in time and cost savings for both the customer and supplier * Reduced red tape by …. * Reduced cost to the customer by …. * Improved quality of service / service delivery by … |

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| ***Example:***   |  |  | | --- | --- | | ***New improvements*** | ***How this will improve the delivery of goods/services under the contract/arrangement*** | | *Removal of administration fees* | *Reduced costs to the customer* | | *Reduced frequency of reporting (from monthly to quarterly)* | *Reduction of red tape for Queensland Government and suppliers from reducing reporting frequency from monthly (12 times a year) to quarterly (four times a year). Quarterly reporting is sufficient based on the value and risk of services provided.* | | *Increased scope of services to include [insert] at no extra cost (i.e. value-added service)* | *Improved service for customers now that customers can obtain free [value-added services] from the suppliers. This is highly valued by customers/stakeholders and addresses a need identified by stakeholders to be able to access this expertise on an ad hoc basis at no cost.* | | *Amendment to key performance indicators (KPIs)* | *Improved service delivery by setting higher targets for service levels and KPIs, based on feedback from customers and suppliers.* | | *Streamlined reporting requirements to simplify the provision of data provided* | *Reduction of red tape for Queensland Government and suppliers by simplifying reporting requirements making it easy for suppliers to provide data and for the Queensland Government to analysis the data.* | |

# Continuous improvement initiatives

*As part of the feedback obtained from suppliers and customers/stakeholders, a number of opportunities for improvement may have been identified. Those opportunities might relate to improvements in:*

* *internal processes/procedures (e.g. streamlining current processes, improving demand management, addressing other inefficiencies that are negatively impacting the supply arrangement); or*
* *arrangements between the customer and supplier, where some further work needs to be done before the ‘requirement’ can be clearly defined and the necessary changes to the contract identified and agreed with the supplier.*

*In this section, identify what other initiatives are on the agenda (to be addressed during the contract extension/renewal period) to improve value for money, or to make it ‘easier to do business’ under the contract/arrangement. Identify the initiative, who is responsible, the anticipated timeframe to implement the initiative, forecast implementation date and the outcome that will be achieved from the initiative.*

*If there are a lot of continuous improvement initiatives identified you might want to include as an attachment.*

Based on feedback from customers, key stakeholders and supplier(s), it is recommended that the following initiatives are implemented during the extended/renewed contract term to improve value for money and/or make it easier to do business under the contract:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Continuous improvement initiative** | **Who is responsible?** | **Time to implement initiative** | **Due Date** | **Outcome** |
| [insert] | [insert] | [insert] | [DD/MM/YY] | [insert] |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Example***   |  |  |  |  |  | | --- | --- | --- | --- | --- | | ***Continuous Improvement Initiative*** | ***Who is responsible?*** | ***Time to implement initiative*** | ***Due Date*** | ***Outcome*** | | *Employee communication in relation to supplier arrangements* | *Customer* | *One month* | *[DD/MM/YY]* | *Improve awareness of supplier arrangements to reduce leakage* | | *Introduce on-line claims.* | *Suppliers and customer* | *Two months* | *[DD/MM/YY]* | *Simplify and streamline the claims process.* | | *Consider value-added services to be included under the contract* | *Customer* | *One month* | *[DD/MM/YY]* | *The expansion of value added services to benefit customers* | | *Create operational process changes guidelines* | *Suppliers and Customer* | *Two months* | *[DD/MM/YY]* | *Reduction of red tape in the facilitation of changes to suppliers’ operational processes.* | | *Include additional [items] in the scope of [goods/services] provided* | *Customer* | *Four months* | *[DD/MM/YY]* | *Providing employees with a greater choice of salary packaging benefit items (subject to the support of the Salary Packaging Consultative Committee).* | |

# Risks and mitigations

*A risk assessment should have been performed (or any previous risk assessment updated) as part of the contract extension/renewal process. If any new risks have been identified (or if the risk profile has changed), then explain those changes here, including the nature of the risk, mitigation strategies and who is responsible.*

*You may wish to include as an attachment more detailed information about management of risks identified.*

|  |  |  |
| --- | --- | --- |
| **Risk** | **Mitigation** | **Responsible party** |
| [Describe risk] | [Describe risk mitigation strategy] | [Insert who is responsible for managing the risk (customer, supplier, contract manager)] |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Example:***  *“There was one instance where [describe event] which was mitigated through [explain how risk was mitigated]. There was also one instance where the unauthorised release of employee personal information occurred, which was mitigated through the privacy clauses inserted on the salary packaging forms.*   |  |  |  | | --- | --- | --- | | ***Risk*** | ***Mitigation*** | ***Responsible party*** | | *Unauthorised release of employees personal Information* | *Compliance with IS42 – for privacy requirements.*  *Suppliers have completed a Deed of Confidentiality and Deed of Privacy.*  *Privacy clauses have been inserted on those salary packaging forms which capture personal information.* | *Contract manager and suppliers* | | *Missing Trust Fund amounts* | *Ensure suppliers have the required crime and fidelity insurances.*  *Execution of Deed of Confirmation which clearly identifies the roles and responsibilities of all parties (e.g. trustee, employer, employee) in relation to the Trust.*  *Suppliers conduct the relevant employee security checks when recruiting staff.* | *Contract manager and suppliers* | |

# Ongoing contract management

## Contract manager

The contract manager for this contract/arrangement is [insert name, position].

[If there is a supplier relationship manager for the supplier(s) under this contract/arrangement then insert “The supplier relationship manager for this contract/arrangement is [insert name, position”].

## Contract management plan

*If a contract management plan for the contract(s) to be extended/renewed already exists then insert:*

The existing contract management plan for the contract(s) will be updated by [person responsible] to reflect any changes to the contractual arrangements, should the request to extend/renew be approved.

*If a contract management plan for the contract(s) does not already exist, then insert:*

A new contract management plan will be created for the contract(s) by [person responsible] if the request to extend/renew be approved. The new contract management plan will incorporate any changes to the contractual arrangements identified as requirements for the extension/renewed term.

*Explain how customer satisfaction, supplier performance and value for money will continue to be monitored as part of the contract management plan. :*

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| ***Example:***  ***Customer satisfaction:*** *The contract manager will:*   * *continue work with [stakeholders] and the supplier to implement continuous improvement initiatives.* * *continue to seek feedback from key stakeholders / customers to ensure customer satisfaction it maintained.*   ***Supplier performance:*** *The contract manager will monitor and address supplier performance through KPIs, stakeholder feedback and supplier meetings as set out in the contract management plan.*  ***Value for money:*** *The contract manager will benchmark pricing annually against other state jurisdictions to ensure value for money for customers. In addition the contract manager will continue to work with key suppliers and stakeholders/customers to identify opportunities to improve value for money.* |

# Endorsement

*By ticking the boxes in this section the person that prepared this contract review report and the person endorsing this contract review report verify that:*

*the analysis necessary to make an informed recommendation supporting the request for extension or renewal has been undertaken*

*by granting the extension or renewal they are satisfied that the Government will achieve the best value for money.*

The people identified below as responsible for **preparing** and **endorsing** this request for an extension/renewal confirm the following:

We confirm there is a valid business need for this extension/renewal.

We have reviewed market conditions, explored the available procurement options and determined that this extension/renewal is the most appropriate option.

We confirm that this extension or renewal will continue to deliver outcomes which are consistent with, or improve achievement of, the objectives of the original contract.

We confirm that we have reviewed market conditions and pricing, and the cost associated with this extension/ renewal is comparable to market rates.

We confirm that the supplier(s) is/are performing satisfactorily under the existing contract arrangements.

We confirm that a contract management plan has been put in place / updated for this extension or renewal.

We confirm that this extension/renewal represents value for money for Queensland Government.

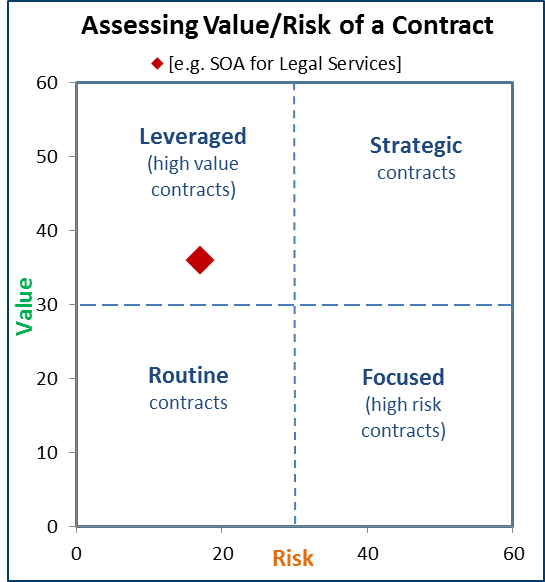
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| **Prepared by:**  [Name]  [Position]  [Agency]  Date: ………………….. | **Endorsed by:**  [Name]  [Position]  [Agency]  Date: ………………….. |

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| --- | --- |
| **Approved / Not approved:**  [Name]  [Position]  [Agency]  Date: ………………….. | **Comments:** |

**EXAMPLE ATTACHMENT**

***Value Risk Assessment***

*[Insert copy/paste of the questions and answers to the contract value/risk assessment using the value risk matrix]*

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**EXAMPLE ATTACHMENT**

***Example: Key Performance Indicators***

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Jan - Mar 2013 Quarter | | Apr - Jun 2013 Quarter | | Jul - Sep 2013 Quarter | | Oct - Dec 2013 Quarter | |
| No. | KPI | Target | Supplier A | Supplier B | Supplier A | Supplier B | Supplier A | Supplier B | Supplier A | Supplier B |
| 1 | Call centre performance | 80% GOS (80% of calls answered within 20 seconds) | 82% | 96% | 78% | 96% | 83% | 85% | 76% | 80% |
| 2 | Abandoned calls | 5% | 1.70% | 4% | 3.50% | 4% | 1.67% | 3% | 2.83% | 4% |
| 3 | Processing applications | Applications processed within two business days | 84.08% | 100% | 94.27% | 100% | 98.35% | 100% | 97.45% | 100% |
| 4 | Response to emails | Emails responded to within two business days | 100% | 96.20% | 100% | 99.70% | 100% | 99.60% | 100% | 97.40% |
| 5 | Payment of reimbursement claims | Reimbursement claims paid within three business days | 90.78% | 99.90% | 98.97% | 100.00% | 99.57% | 98.00% | 99.39% | 98.60% |
| 6 | Payment of scheduled payments | 100% scheduled payments made on the scheduled date or day payroll monies deposited to the value to be paid | 99.99% | 99.80% | 99.90% | 100% | 99.97% | 100% | 99.98% | 100% |
| 7 | Processing of salary packaging amendments | Salary Packaging Amendments Processed within five business days | 95.17% | 99.80% | 94.80% | 100% | 98.62% | 100% | 93% | 100% |
| 8 | Reconciliation of employee accounts upon cessation | Reconciliation of employees accounts within two business days from notification or cessation date. | 42.13% | 100.00% | 89.69% | 100% | 93.14% | 100% | 58.60% | 100% |

**EXAMPLE ATTACHMENT**

**Risk Management**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Risk Title | Description  (The risk is that…) | Existing Controls | Additional risk treatment | Likelihood | Consequence | Risk Rating |
| 1. | Access to information | Through the term of the Arrangement, the supplier will have access to sensitive information that could be misused leading to significant legal costs. | IS42 – for privacy requirements  Deed of Confidentiality and Privacy executed with suppliers.  Privacy clauses inserted on salary packaging forms. | Principal ensure supplier compliance with privacy requirements. | Rare | Moderate | Medium |
| 2. | Service delivery | Should service delivery levels fail this will lead to difficulties for employees and departments/ agencies. This could impact on:   * The accuracy and timeliness of employees salary packaging payments/reimbursements; * The workload for department/agency payroll, HR and taxation areas; and * The attractiveness of salary packaging to employees, thus impacting on the utilisation of the SOA by the department/agency in the recruitment and retention of staff. | Supplier experience and capability and continuity strategies in place. | Monitor quarterly KPIs.  Regular supplier meetings.  Stakeholder feedback. | Rare | Moderate | Medium |
| 3. | Inexperienced key personnel | If inexperience personnel are utilised in the provision of Salary Packaging Services, this will increase the risk of incorrect information being provided to both the employees and employer. Resulting in customer dissatisfaction. | Supplier employee retention procedures and policies.  Supplier employee training. | Principal monitor through regular supplier meetings. | Rare | Minor | Low |

Insert additional text here if required