

Nomination Form
Leadership in Public Procurement – 2007 Summit Award

Nominee Information

Public Sector Procurement Project: **Contract Management Tool Kit**

Project Manager: Heather Barnett
Senior Manager, Contract Controllership
Goods and Services Procurement Branch
Supply Chain Management Division
Ontario Shared Services
Ministry of Government Services

Team Participants: Elaine Mowat, Manager Contract & Services
Glynnis DeJong, Manager Contract and Services
Carol Sabeau, Strategic Sourcing Analyst
Goods and Services Procurement Branch
Supply Chain Management Division
Ontario Shared Services
Ministry of Government Services

Category of Public Sector: Provincial Government

Address: 6th floor, 700 University Ave
Toronto, Ontario M7A 2S4

Telephone: 416-212-7496

Fax: 416-326-4992

Email: Heather.Barnett@ontario.ca

Nomination Submitted By

Name: Heather Barnett
Senior Manager, Contract Controllership
Goods and Services Procurement Branch
Supply Chain Management Division
Ontario Shared Services
Ministry of Government Services

Address: 6th floor, 700 University Ave
Toronto, Ontario M7A 2S4

Telephone: 416-212-7496

Fax: 416-326-4992

Email: Heather.Barnett@ontario.ca

Certification

To the best of my knowledge I certify that the information provided is accurate and correct.

Signature: *Original Submitted by Heather Barnett* Date: June 29, 2007

Submission – The Contract Management Tool Kit

Background

Mandate of Ontario Shared Services and Supply Chain Management Division

Ontario Shared Services (OSS) is a division within the Ministry of Government Services (MGS) that delivers a number of business support services to ministries and agencies across the province to the OPS. Ontario Shared Services replaces the existing system of individual ministries providing their own support services and enables the OPS to deliver a coordinated, consistent and flexible level of service to all its ministry and agency customers, leading to overall business improvement and modernization. One of the strategic business areas within the Ontario Shared Services is Supply Chain Management Division (SCMD). SCMD is responsible for policy development, planning, operational implementation, procurement and controllership of the procurement function with the OPS.

Supply Chain Management Strategic Priorities

Based on the approved June 2005 SCMD strategy, direction was given to each of the SCMD branches to ensure key strategic thrusts were incorporated into all initiatives and activities. In order to ensure strategic alignment with the SCMD strategy, the following business objectives were integrated into the over 60 enterprise-wide Vendor of Record Arrangements, i.e., Corporate Supply Contracts (\$325 million annually, over 400 vendors) managed by the Goods and Services Procurement Branch (GSPB):

- Appropriate accountability; risk management and fiscal results are to be integrated into all program areas.
- Promote and use the most cost-effective means to acquire products and services on behalf of the OPS.
- Promote 'Smart consumption' through tool(s) that will encourage users to procure the most cost effective and environmentally friendly products and services that meet their business needs.
- Integrated programs that will have supporting tools, processes, and systems in place to ensure that issues are identified and can be acted on.

Role of Goods and Services Procurement Branch

GSPB establishes and manages over 60 Vendor of Record (VOR) arrangements worth over \$325 million dollars annually for a wide range of goods and services, e.g., Corporate Card Program, Travel Services, Clothing, Enforcement Supplies, Fleet Management Services, Food, Fuel, Human Resources Services, Business Consulting Services. The management of these agreements commences after the completion of the procurement process.

Case for Action

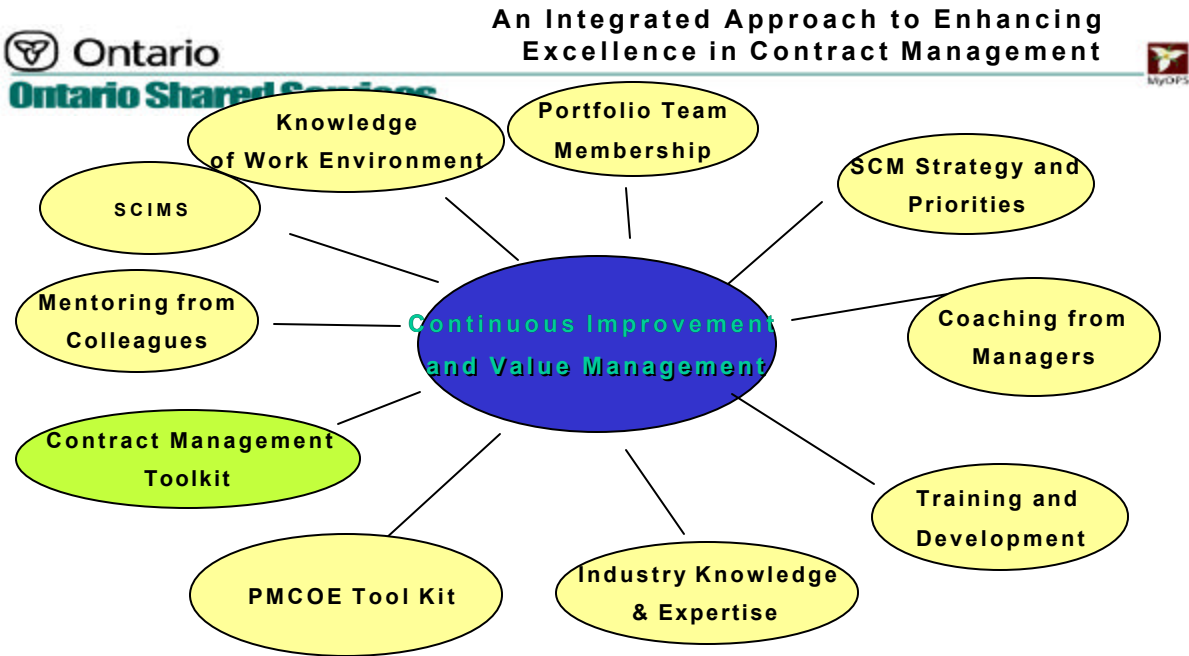
Contract Management in OSS has concentrated on the day-to-day contract administration, including monitoring, record keeping and being reactive to issues. However, that approach was providing little value add to the client, vendor and SCM's strategic business initiatives. What was required was a process that would ensure:

- Adequate mutual understanding of the expectations of customers and vendors

- Established metrics that give early warning of potential problems
- Defined and proactive processes for problem resolution
- A structured approach to assessing impacts of changing conditions on contracts (market, economic, technical etc.)
- Adequate information flow and knowledge management in relation to contract obligations and experience
- Adequate methodologies and tools

Building the Centre of Excellence for Contract Management - Context for the Tool Kit

The decision was made to build a Centre of Excellence for Contract Management that would be based on several components (see diagram below).



4

A key deliverable in driving excellence in contract management is the Contract Management Tool Kit - an integrated suite of processes and tools that would be available on-line through the Ontario Public Service’s MyOPS employee portal and which would embody the following guiding principles:

- SCM strategy and priorities embedded in toolkit content
- Simple, pragmatic, web-enabled, easy-to- use, access and sustain
- Raise the bar on performance expectations (both for staff and suppliers)
- Aligned and anchored with validated business processes
- Showcase existing internal best practices
- Optimize stakeholder engagement
- Foundation for building OPS-wide contract management excellence

Project Objectives

The objectives of the project then were to develop a Contract Management Tool Kit - an effective integrated suite of processes and tools based on contract management best practices (both internal and external) to support three identified best practice areas:

Service Delivery Management

- Define steps in developing enhanced supplier performance by establishing metrics.
- Defined pro-active processes and steps on managing service level agreements to provide early warning of potential problems
- Process/ tools and steps to identify opportunities for cost reduction from supplier development and continuous improvement initiatives
- Best practices on how to standardize specifications and service levels enabling reduction in total life-cycle costs

Contract Administration

- Records management processes for increased corporate controllership through consistency, transparency and record management

Relationship Management

- Communication protocols for establishing improved stakeholder (internal customer) and supplier relationships culminating in an effective understanding of needs and expectations
- Tools for developing enhanced business intelligence to enable GSPB to better respond to changing business needs and the impact of changing supply market conditions.
- A structured approach to assessing impacts of changing conditions on contracts (market, economic, technical, environmental or regulatory, political, societal, etc.)

Project Description

The project was conducted from January to April 2007 and the following activities were conducted:

- Process maps were reviewed to identify practices, processes and tools to be updated or developed to support the management of contracts within OSS
- Indepth focus groups were conducted with GSPB's Contract Controllership staff and all branch staff to identify what was working/not working with present tools and processes
- The Tool Kit prototype was drafted including content, format, and "look and feel" for web design. The tool kit comprises the following modules along with close to 100 forms and templates with detailed instructions for staff to complete to ensure consistency in approach:
 - Role of Contract Management
 - Procurement Strategy
 - RFX Development
 - Contract Implementation
 - Client Management
 - Contract Performance Management

- Vendor Management
- Reporting and Information Management
- Financial Management
- Issue and Risk Management
- Contract Renewal/Transition Out
- In-depth review and testing of templates and forms by Contract Controllership staff
- A “User Acceptance Testing” workshop was conducted to assess useability and navigability of the tool kit against four key contract management scenarios.
- A review of the tool kit by Legal Services Branch
- Posting the on-line tool kit on the Supply Chain Management Website on the Ontario Public Service’s MyOPS Employee Portal.

Summary of Project Experience

Contract Management staff were fully engaged through out the process – from the first focus groups to identify what was working/not working with current practices, to inputting suggestions for content, to reviewing draft prototypes and confirming the useability of the tool kit. Staff were determined that this product would not sit on a shelf, but become a dynamic, on-going product that would be sustained as a cornerstone of the centre of excellence in contract management continues to evolve.

Contract management staff have embraced the ready access to tools and templates to assist them with the day-to-day management of their contracts. Managers have observed that the cycle time has been reduced considerably for developing key contract documents and they have been produced with fewer rewrites. The tool kit has become an excellent tool for new staff orientation. With a short overview/introduction, new staff can review specific modules of the toolkit depending on the lifecycle of a particular contract – hence they can obtain the information they need to know, when they need it. It is very easy for experienced contract management staff to coach and mentor new staff using the modules concept and the templates.

Contribution of Contract Management Tool Kit to Key Criteria

High Degree of Innovation

- Streamlines operational processes that result in reduced operating expenses and greater efficiencies
- An excellent tool for new staff orientation. With a short overview/introduction, new staff can review specific modules of the toolkit depending on the lifecycle of a particular contract – hence they can obtain the information they need to know, when they need it – just in time training
- Plans are underway to work with the OSS Privacy Office and the ministry of Government Services Legal Services team to integrate privacy concepts and contract management performance measures into the tool kit

Measurable and Significant Benefits

- This project has been aligned with the Ministry of Government Services (MGS) priority of “ Transform and Improve Government Services as this project will improve the delivery of internal government wide services and ensure enterprise programs

are delivered in a standardized, effective and efficient way. As well, this project has been aligned with the MGS Priority to “Deliver on results & fiscal priorities by ensuring enterprise contracts are managed to meet government fiscal priorities. Standardization, processes, protocols and tools are being developed that support modern controllership with integration to corporate governance and risk management.

- Consistency regarding contract management processes, data and service delivery
- Improved information related to contracts and the activities governed by those contracts - better information and more of it.
- Standardization of specification and service levels enabling reduction in total lifecycle costs.
- Maximum realization of cost savings potential by maximizing the benefits of each contract through event management and performance and compliance monitoring.
- Increased corporate controllership minimizing risks and ensuring corporate objectives and policies are incorporated into agreements
- Ability to identify aggregation opportunities resulting in greater purchasing leverage with suppliers ultimately driving lower total costs
- Maximize buying power through better-managed contracts
- Business Intelligence through proper analysis of information about contracts and contracted activities.

Transferability

- From Goods and Services Branch to Supply Chain Management Division - based on a decision by the Assistant Deputy Minister, Supply Chain Management Division, GSPB’s Contract Management Tool Kit has now become the standard for all division staff who are managing enterprise-wide contracts for the Ontario Government.
- From Supply Chain Management Division to Ontario Government-wide: a multi-ministry team will soon be formed to develop a version of the Tool Kit for all staff in ministries who manage contracts
- From the Ontario Government to the Broader Public Sector - The tool kit will become available to the Broader Public Sector (BPS) for use in managing contracts.

Advancing Professionalism Within the Community

- Improved relationships with all stakeholders including staff, customers and vendors
- An estimated 75% of the tools were existing tools in use by GSPB’s Contract Management staff; staff worked to standardize and enhance the tools they were already using and identified new ones to complete the suite.
- The tool kit has become an excellent tool for new staff orientation. With a short overview/introduction, new staff can review specific modules of the toolkit depending on the lifecycle of a particular contract – hence they can obtain the information they need to know, when they need it. It is very easy for experienced contract management staff to coach and mentor new staff using the modules concept and the templates.

Attachment: Letter from Project Sponsor - Karen Owen, Director, Goods and Services Procurement Branch, Supply

Ministry of Government Services

Ontario Shared Services
Supply Chain Management
Goods and Services Procurement Branch

700 University Avenue
6th Floor
Toronto, Ontario M7A 2S4
Tel.: (416) 325-0889
Contract Centre: (416) 326-9300
Fax: (416) 326-4992

Ministère des Services gouvernementaux

Services communs de l'Ontario
Gestion de la chaîne d'approvisionnement
Direction des politiques globales d'approvisionnement

700, avenue University
6e étage
Toronto, Ontario M7A 2S4
Tél. : (416) 325-0889
Renseignements: (416) 326-9300
Télécopieur: (416) 325-1612



June 29, 2007

To: 2007 Summit Award for Leadership in Public Procurement

From: Karen Owen

Director, Goods and Services Procurement Branch
Supply Chain Management Division, Ontario Shared Services

Re: Letter to Support Submission for the Contract Management Tool Kit

As the executive sponsor of the Contract Management Tool Kit Project for Supply Chain Management Division (SCMD), Ontario Shared Services (OSS), Ministry of Government Services (MGS), I am very pleased to endorse the attached submission regarding the Contract Management Tool Kit. This tool kit is a key deliverable in driving excellence in contract management through an integrated suite of processes and tools that are available on-line through the Ontario Public Service's MyOPS employee portal. The tool kit embodies the following guiding principles:

- OSS Supply Chain Management Division strategy and priorities are embedded in toolkit content
- Simple, pragmatic, web-enabled, easy-to-use, access and sustain
- Raise the bar on performance expectations (both for staff and suppliers)
- Aligned and anchored with validated business processes
- Showcase existing internal best practices
- Optimize stakeholder engagement
- Foundation for building OPS-wide contract management excellence

It is expected that this tool kit will become the standard not only for the Ontario Shared Services Supply Chain Management Division, but also the Ontario Government and eventually the Broader Public Sector (BPS).

The tool kit supports all four key criteria as required by the submission guidelines:

High Degree of Innovation

- Streamlines operational processes that result in reduced operating expenses and greater efficiencies
- An excellent tool for new staff orientation. With a short overview/introduction, new staff can review specific modules of the toolkit depending on the lifecycle of a particular contract – hence they can obtain the information they need to know, when they need it – just in time training

- Plans are underway to work with the OSS Privacy Office and the ministry of Government Services Legal Services team to integrate privacy concepts and contract management performance measures into the tool kit

Measurable and Significant Benefits

- This project has been aligned with the MGS Priority of “ Transform and Improve Government Services as this project will improve the delivery of internal government wide services and ensure enterprise programs are delivered in a standardized, effective and efficient way. As well, this project has been aligned with the MGS Priority to “Deliver on results & fiscal priorities by ensuring enterprise contracts are managed to meet government fiscal priorities. Standardization, processes, protocols and tools are being developed that support modern controllership with integration to corporate governance and risk management.
- Consistency regarding contract management processes, data and service delivery
- Improved information related to contracts and the activities governed by those contracts - better information and more of it.
- Standardization of specification and service levels enabling reduction in total lifecycle costs.
- Maximum realization of cost savings potential by maximizing the benefits of each contract through event management and performance and compliance monitoring.
- Increased corporate controllership minimizing risks and ensuring corporate objectives and policies are incorporated into agreements
- Ability to identify aggregation opportunities resulting in greater purchasing leverage with suppliers ultimately driving lower total costs
- Maximize buying power through better-managed contracts
- Business Intelligence through proper analysis of information about contracts and contracted activities.

Transferability

- From Branch to Supply Chain Management Division - based on a decision by the Assistant Deputy Minister, Supply Chain Management Division, GSPB’s Contract Management Tool Kit has now become the standard for all division staff who are managing enterprise-wide contracts for the Ontario Government.
- From Division (Supply Chain Management Division) to Ontario Government-wide: a multi-ministry team will soon be formed to develop a version of the Tool Kit for all staff in ministries who manage contracts
- From the Ontario Government to the Broader Public Sector - Once that is complete, the tool kit will become available to the Broader Public Sector (BPS) for use in managing contracts.

Advancing Professionalism Within the Community

- Improved relationships with all stakeholders including staff, customers and vendors
- An estimated 75% of the tools were existing tools developed by GSPB’s Contract Management staff; staff worked to standardize and enhance the tools they were already using and identified new ones to ensure a complete set of tools.

- The tool kit has become an excellent tool for new staff orientation. With a short overview/introduction, new staff can review specific modules of the toolkit depending on the lifecycle of a particular contract – hence they can obtain the information they need to know, when they need it. It is very easy for experienced contract management staff to coach and mentor new staff using the modules concept and the templates.

I would like to acknowledge the work of the project team lead by Heather Barnett, Manager, Contract Controllershship and the expertise and guidance of managers and staff of the Contract Controllershship team for successfully launching the tool kit.

Sincerely,

Original signed by Karen Owen

Karen Owen
Director
Goods and Services Procurement Branch