

Appendix 2 – Resources available

1. Commercially Minded – The Learning Hub

- 1.1 Under the Commercialisation Programme a dedicated area titled [Commercially Minded - The Learning Hub](#) ① was developed to provide a platform to hold templates, tools, resources and training resources to support and promote “Being more commercially minded”.

2. Contracts Database

- 2.1 Details of contracts are required to be inputted into the Council's contract database (called “Accord”). The database provides the ability to run data reports such as: forward plan of contract expiry and break points; forward plan of procurement activity – anticipated and actual; number of contracts per Directorate; to name but a few. It forms the basis of the Council's forward plan of commercially activity, both contracts and procurement.

- 2.2 The responsibility of managing contracts and maintain contract data lies with individual business areas. Maintaining contract data is importance as that is how the Council can be assured that contracts are being managed in terms of: any contract extensions; modifications; criticality assessment; etc. Also, the data forms the Council's commercial pipeline of when contracts are due to expire or have break points.

- 2.3 This database is available via an internal access for business areas to input granular contract detail on operation and management, and via an external read only view to show basic information that is not commercially sensitive.

2.4 Resource

[Accord Contracts Database – Learning Pathway | Dorset Council](#) ①

[Doing business with Dorset Council - Dorset Council](#) ②

[Dorset Council: \(accordcontracts.com\)](#) ②

3. Contract Management Procedure Guide

- 3.1 The Contract Management Procedure Guide sets out the Council's corporate approach to third-party arrangements. However, this does not mean that all contract management is centralised but means that that there is a centre-led approach to support staff who are responsible for managing contracts within business areas.

It is centre lead to ensure that there is an overview of all contracts and spend, with clear ownership of contracts and roles and responsibilities for their management.

- 3.2 Foundations of contract management are laid during the commissioning and procurement process including contract planning, specification and setting service levels / key performance indicators.
- 3.3 The guide defines that Contract Management concerns the management of an individual contract whereas Supply Relationship Management concerns the management of the supplier.

Contract Management focuses on the management of the supplier's performance under a contract, specifically ensuring the compliance of both the Council and the supplier with the agree terms of the contract. Using only this approach is suitable for arm's length and transactional contracts. However, for contracts that are critical to the Council (as defined by the Council's Guide to Managing Contract Criticality) Supplier Relationship Management will need to be applied in addition to Contract Management.

3.4 Resource

Contract Management Procedure Guide

A corporate approach to effective contract management will ensure that the Council maximises commercial opportunities and secures optimum value for money in the delivery of goods, services and works.

[Contract Management Procedure Guide | Dorset Council \(learn.link\)](#) ①

4. **Guide to Managing Contract Criticality**

- 4.1 The Guide to Managing Contract Criticality sets out the Council's corporate approach in respect of assessing and managing contract criticality.
- 4.2 To understand how critical a contract will be to the Council and maximise the benefits from contract management and develop contract management plans, contract risk needs to be determined at the early stages of commissioning and procurement planning.
- 4.3 The Guide sets out a contract should be assessed by using the Contract Criticality Assessment Tool (CAAT). This tool considers two factors: impact and spend.
- 4.4 To assess impact, the CAAT addresses several questions based around the Council's risk management to reach a position of low or medium or high impact. This together with the annual contract spend identifies the contract's

position within the four-box model of the tool and the contract type, and this is recorded in the contracts database.

- **High Impact / High Value = contract type “Strategic”**
Examples: social care; waste management; housing; ICT capital projects; outsourcing; property construction
- **High Impact / Low Value = contract type “Bottleneck”**
Examples: specialist equipment; research and testing; vital spares
- **Low Impact / High Value = contract type “Leverage”**
Examples: utilities and fuels; IT equipment and services; telecommunications; catering and hire facilities; vehicle suppliers; landscaping and grounds maintenance
- **Low Impact / Low Value = contract type “Routine”**
Examples: stationery and office supplies; furniture and fittings; cleaning, janitorial and hardware; plant, tools, and machinery; health and safety; security; storage and removals

The most significant contracts will be those that are both high value and high impact.

- 4.5 This assessment, along with the Guide, determines the appropriate level of contract management strategy that should be invested to mitigate supplier failure.
- 4.6 Whatever strategy is used, the Guide sets out that there should be high emphasis on managing the supplier performance, relationship, and risks. However, the balance of power, between the Council and a supplier, will not always be equal therefore it is important to understand where the balance is mutually compatible and when it is not, i.e., not in favour of the Council.
- 4.7 Resource

Guide to Managing Contract Criticality

A corporate approach to effective management of contract criticality will ensure that the Council has plans in place to respond to potential service impact due to contract failure.

[Guide to Contract Criticality | Dorset Council \(learn.link\)](#) ①

Contract Criticality Assessment Tool (CCAT)

[Contract Criticality Assessment Tool | Dorset Council \(learn.link\)](#) ①

5. **Managing Contract Price**

- 5.1 The Guiding Principles to Managing Contracts Price set out the corporate approach of managing contract price, in that price is a key commercial decision, from the perspective of commissioning, procurement, and contract management.
- 5.2 For many years, inflation rates in much of the world remained low. Specific commodities would experience sharp price increases, but those forces typically eased before they would trigger broad-based price pressures across swathes of the economy. That has now changed. The Council is having to work with suppliers amid one the hardest inflationary environments that supply markets have seen for decades. Equally there are cost pressures for the Council. It is therefore a requirement to set out in any pre-commissioning / pre-procurement project plans the following:
- the proposed contract pricing model
 - support rationale on the approach
 - considerations in respect of any inflation impact
 - the proposed contract price adjustment clause (if one is to be applied)

and these are followed through in-contract by the means of contract management.

- 5.3 The Guide sets out key considerations for when establishing price in relation to risk, and that for price to be effectively managed, risk lies where it is best controlled and there an appropriate contract price control within the contract. Also sets out that where possible price adjustment and negotiating mechanisms should be defined in the contract terms – this then provides clear rules of engagement.

5.4 Resource

Guiding Principles to Managing Contract Price

A corporate approach to effective management of contract price. To optimise value for money for the Council in the delivery of goods, services and works.

[Guiding Principles to Managing Contract Price | Dorset Council \(learn.link\)](#) ①

6. **Modern Slavery – risk in contracts**

- 6.1 In accordance with the Council's 2021/22 [Modern Slavery Transparency Statement](#) ② (as agreed by Cabinet on 26th July 2022), and the Government's [PPN 02/23: Tackling Modern Slavery in Government Supply Chains - GOV.UK \(www.gov.uk\) \(as published February 2023\)](#) ② assessment should be made to whether there is a modern slavery risk to within a contract delivery. Knowing the risk of modern slavery guides the approach to contract

① Internal only link (internal DC resources); ② External link (resources in the public domain)

management and how to work with suppliers to identify and mitigate the risk during the life of a contract.

- 6.2 A learning pathway has been established in the Council's Learning Hub to provide some background on the Modern Slavery Act and the implications of the Act in terms of engaging with suppliers and their supply chains, whether through commissioning, or procurement, or contract management.

Resource

[Modern Slavery - Commercial considerations | Dorset Council \(learn.link\)](#) ①

Details on the Tackling Modern Slavery in supply chains is also available via:

[Modern slavery - Dorset Council](#) ②

7. **Commercial Network**

- 7.1 A commercial network has been established by the programme to provide means to update colleagues on commercial matters and a platform for collaboration to deliver the Council's commercialisation aims. A place to share ideas, identify opportunities, inspire future learning, encourage discussion etc.

Resource

[Commercial Network](#) ①