

Stage 5: Contract Management

Stage 5 is another key stage in the PPP project cycle and its activities start at least during Stage 4, at the latest, and extend to the end of the contract some 20 or 30 years later. It is therefore by far the longest stage and involves the most inputs from Government. Unfortunately it is often the most neglected and forgotten until late in the project cycle.

Stage 5 is intended to help the contracting authority put the appropriate mechanisms in place before contract signing, in order to manage effectively the implementation of the PPP agreement, once it is signed.

The purpose of this module is to provide Contract Management (Contract Management) guidelines for the Contracting Authority (CA) responsible for managing the concession agreement in order to:

- Ensure compliance with laws and regulations
- Ensure delivery of contracted services
- Ensure asset management
- Deal with performance variations
- Ensure and maintain Value for Money
- Handle and resolve disputes
- Ensure proper transfer of ownership of assets (If applicable)
- Manage contract negotiations (If applicable)

This module is primarily aimed at the staff of the contracting agency, who are responsible for preparing and implementing a PPP contract management plan. Whilst each project has unique characteristics, these guidelines set out common principles which may be applied by the appropriate government contracting agency to all projects.

Contract Management is a distinct activity which follows on from procurement but, as noted above, it must be considered and planned for within the procurement process. This is in order to ensure a full understanding of how the services to be provided and that the related monitoring systems are reflected in the contract documentation.

It should be noted that this stage is focused on the organization directly responsible for Contract Management i.e. the Contracting authority. However, it would be useful for the P3 Centre or P3 Node to monitor the effectiveness, problems and successes with Contract Management by Contracting Agencies on a national or sector basis respectively, possibly through the use of a data base of PPP projects. This would allow recommendations for improvement to be made, as needed, as experience with PPP develops over time.