



Contract Transition

Once a contract is awarded, a process should commence to implement the contract with minimal issues or disruption to the Agency. This is the transition phase.

Transition refers to the changeover from:

- one contract to another; and/or
- from one contractor to another; or
- the induction of an inaugural contract.

For every contract, consideration should be given to both the transition in and out requirements.

Considering a transition

The transition requirements for a contract should be considered during the planning stage of the procurement with the final transition strategy decided prior to contract award.

Consideration needs to be given to both the transition in and transition out requirements, and the extent of the requirements will depend on the value, complexity and risk of the contract. A formal contract transition plan may be required which identifies what is to be done, by whom and by when. A transition plan may also be included as part of a contract management plan. Formal transition plan templates will be available on the Department of Finance website in the near future.

Transition objectives

The main objectives of transition are to:

- Ensure the efficient commencement of a contract and/or incoming contractor and if relevant, the orderly winding up of the previous contract and/or exit of an outgoing contractor.
 - Ensure a smooth transition and continuation of essential contracted goods and/or services.
 - Minimise the risk of any misinterpretation or miscommunication.
 - Minimise the impact on end users and/or stakeholders.
 - Schedule or complete the transfer/return of records, information, equipment and/or assets.
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- Establish the relationships, systems and procedures that will be used for the ongoing management of the contract.

Transition tasks

Some of the tasks that need to be considered include:

- Identifying potential transition issues and risks as well as an appropriate strategy to manage them.
- Developing a contract transition plan outlining tasks, timeframes and resources.
- Establishing who is going to manage the transition process, whether an individual or a transition management team is appropriate.
- Establishing a communication strategy if required.
- Implementing the plan.

Transitioning in

Where possible, as a minimum to managing the transition in of a new contract and/or contractor, the contract manager should convene a contract management meeting with the contractor, the public authority's representatives and appropriate stakeholders to ensure all parties have a common and clear understanding of their responsibilities and obligations. This should be done as soon as possible after the award of a contract. The meeting is important to establish a good working relationship.

Below are suggested agenda headings and/or confirmation/clarification points for an initial contract management meeting. The introductory meeting should be used to confirm and/or clarify contract details, not to renegotiate or change the contract.

Suggested meeting agenda

Introduction

Participants should introduce themselves and describe their role in relation to the contract.

Contract Details

Confirm the contract details with the contractor. This should include reaffirming the scope/specifications and deliverables as well as any procedures that need to be followed for the acceptance/approval process. Also confirm the terms and conditions (including special conditions) and the rights and obligations of both parties. Clarify and document any issues.

Monitoring and Evaluation of Performance

Confirm the process for monitoring performance including the feedback approach that will be used. Any consequences for unsatisfactory performance also need to be confirmed.

Reporting and/or Meeting Requirements

Confirm the reporting and/or meeting requirements for the contract.

Contract Administration

Provide a brief overview of the public authority's contract administration processes and/or procedures, particularly for exercising any extension option/s and requests for contract variations.

Payments

Confirm with the contractor the invoicing and payment requirements particularly where there is a payment schedule associated with the achievement of specific deliverables and/or milestones.

Contacts and Authorities

Both parties should confirm their contract management representatives. This should include their name, contact details, role, responsibilities and decision making/approval authority.

Potential Problems

Both parties should raise any issues that they think may generate future problems and jointly agree on how they may be handled or what a proposed solution could be.

Minutes for this meeting should be prepared, distributed to all attendees and filed in the contract file. The minutes should reflect the names of attendees, topics discussed, decisions made, further actions required, who is responsible and the deadlines.

Remember, at the meeting you should only confirm/clarify details, not renegotiate or alter the contract.

Transitioning out

If there is an outgoing contractor and/or a contract is ceasing, arrangements should be made to discuss and finalise any transition out and/or contract closure requirements. Some of the steps and tasks that may need to be considered in finalising a contract include:

- Review the contract deliverables to ensure that they have been delivered and met as required.
- Arrange and complete the return and/or transfer of the public authority's required records, information, equipment and/or assets supplied, used and/or generated under the contract.
- Ensure outstanding issues are resolved, particularly if it may result in a claim against the public authority.
- Return any financial and/or other guarantees and/or securities.
- Make arrangements in regard to warranties available under the contract.
- Make arrangements regarding any legal rights and/or obligations that may survive after the contract has expired, such as intellectual property rights or professional indemnity insurance obligations.
- Make all final payments payable under the contract.
- Ensure security/access rights to premises and/or systems are terminated or revoked.

- Document any improvements (i.e. the lessons learnt) for future contracts.
- Provide an opportunity to give and/or receive feedback.

Other resources

Resources available to assist with planning and actioning the transition process can be found in the following Finance web pages:

[I Manage a Contract - Resources](#)

- Planning for Contract Management

[Goods and Services Templates and Guides](#)

- Risk Workbook – Template (Contract Planning)
- Contract Management Plan - Template (Contract Management)
- Contract Review (low risk) – Form (Contract Management)
- Contract Review Report – Template (Contract Management)