

# ARF012 Contract Management Risks

## Risk Status Progress Report January 2020

### Description of risk and impact

Contract management is the process of managing contract creation, execution and ongoing operational and financial performance of contract deliverables, to reduce financial and delivery risk, and enhance the contract outcomes.

Local Government organisations work on complex, costly and often politically and socially sensitively multi-faceted issues requiring multiple parts of the organisation to work together effectively.

Breakdowns in cohesion can lead to costly delays and additional impacts such as communication overheads, lower morale, trust and churn.

Current/recent operational contract activity:

- awarding a new swimming pool contract
- awarding a new Ferry contract
- developing a register of district facilities contracts and key terms
- recruitment commenced for new District Facilities contract management specialist to manage the swimming pool contract service delivery, relevant relationships and contract administration.

### Existing Treatments

High level treatment plan:

- Appointment by Corporate Services of a Corporate Contract Management Specialist.
- Increasing the commercial expertise through-out FNDC
  - recruiting commercial expertise e.g.: Manager Infrastructure Operations, Manager Infrastructure Capital Development
- CouncilMARK improvements:
  - 12. Contract Management Improvement
  - 13. Conflicts of Interest Improvement
  - 34. Process Management Framework Improvement
  - 19. Three Waters Alliance Improvement

### Where are the gaps? / what more could we be doing?

<b>Inherent Risk:</b>	<b>Trend</b>	<b>Residual Risk:</b>	<b>Accountable:</b>	CEO	<b>Date raised:</b>	29/11/18	<b>Report frequency:</b>
	—		<b>Responsible:</b>	GM IAMs	<b>Date accepted:</b>	30/05/19	2 monthly