



Contract Renewal Process

Ensuring Compliance,
Correct Pricing, and Proper
Documentation



Purpose and Overview

Timeline

- Start the process 90-100 days before the contract renewal date.
- Adjust for additional time depending on complexity of commodity/services.





Initial Assessment (3-4 Months Before Renewal)

- Gather and Review Essential Documents
- Review Current Contract
- Assess Compliance
- Evaluate Performance
- Check Legal and Regulatory Changes
- Identify Changes in Needs

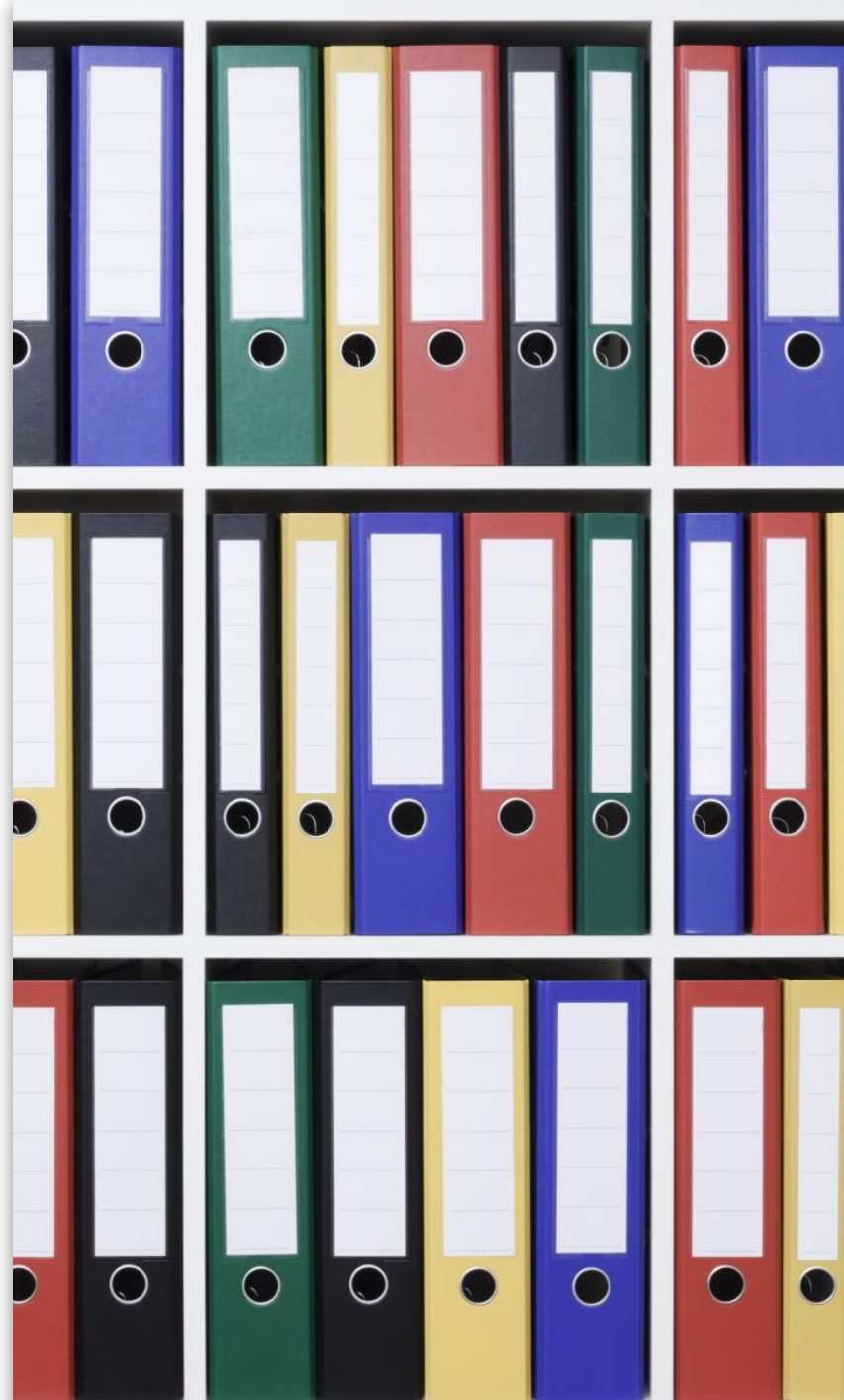


Documentation Review

- Audit for Completeness
- Update Internal Records

Documentation Review

- Ensure all necessary documents are up to date and properly filed, both physically and electronically.
- Update Internal Records: Make sure internal systems like procurement databases or contract management software are updated with the latest contract information.
- Ensure Insurance information is up to date



Financial Assessment



- Review Contract Costs
- Compare with Market Rates
- Identify Potential Savings

Financial Assessment



- Analyze the financial aspects of the contract, including payments made, remaining budget, and any discrepancies.
- Assess if the contract pricing is competitive compared to current market rates. Tie back to indices (PPI, CPI). Utilize this information if a price increase is requested.
- Look for renegotiation opportunities that could lead to cost savings or improved service.
 - Specifically look for opportunities to deescalate costs if escalations were approved throughout the contract period.



Stakeholder Consultation

- Gather Feedback
- Decision on Renewal



Stakeholder Consultation

- Consult with internal stakeholders who interact with the contract. Collect feedback on vendor performance, service quality, and any issues.
- Based on feedback and performance, decide whether to renew, renegotiate, or terminate the contract.

Approval and Renewal



- Internal Approvals



- Renewal Documentation



Approval and Renewal

- Obtain necessary approvals for contract renewal or amendment from senior management or other relevant authorities.
- Prepare and sign the renewal documentation, including any amendments.
 - Determine if “in-writing” is required for renewal, or if “auto-renewal language” was included in original contract documentation.
 - If “auto-renewal” was NOT included, prepare a change order for all future renewals.

Vendor Communication

- Notify Vendor

- Negotiate Terms

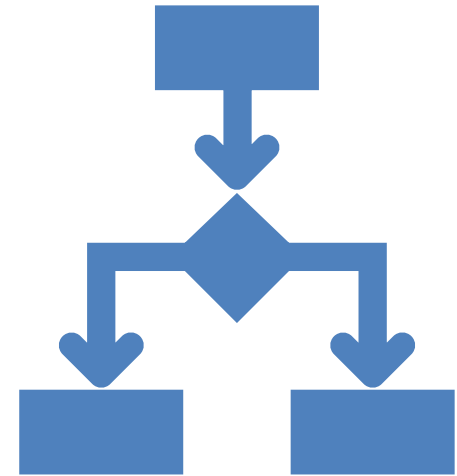
- Document Changes

- Update Records

Vendor Communication

This is culmination of the research and decisions made prior to this point of the process:

- Inform the vendor of your intentions regarding contract renewal.
- Negotiate Terms (if needed): If renegotiating, discuss new terms, prices, or conditions.
- Document Changes: Ensure any agreed-upon changes are documented in a contract amendment or new contract.
- Update Records: Update all records and systems with the renewed contract information.



Ongoing Monitoring

- Set Review Schedule

- Track Performance

- Maintain Communication

Ongoing Monitoring



Establish regular intervals for contract performance review and monitoring.



Continuously assess vendor performance against the contract terms.

Established vendor performance schedule should be followed.



Keep open lines of communication with the department and vendor for ongoing management and issue resolution.

Archiving and Record Keeping

- Archive Documentation
- Update Electronic System(s)



Archiving and Record Keeping



- Properly archive all relevant documents at the contract's end for future reference and compliance purposes.
- Ensure your contract management system reflects the contract's status.
 - Don't forget Insurance!



Non-renewal Process

- Formal Decision
- Notification to Vendor
- Transition Planning
- Financial Settlements
- Debrief and Feedback
- Asset and Data Retrieval.

Non-renewal Process

Formal Decision and Documentation

- a. Document the decision not to renew the contract.
- b. Ensure the decision is based on thorough evaluation and in line with organizational policies.

Notification to the Vendor

- a. Inform the vendor about the non-renewal decision in writing.
- b. Provide sufficient notice as per the terms of the contract.
- c. Offer a clear explanation for the decision, if appropriate.

Internal Communication

- a. Notify relevant internal stakeholders about the non-renewal decision.
- b. Prepare for any questions or concerns from internal teams impacted by this decision.



Non-renewal Process

Contingency Measures

- a. Implement any necessary contingency plans to ensure uninterrupted operations.
- b. Communicate these measures to affected stakeholders.

Transition Planning

- a. Develop a transition plan to mitigate any operational impacts due to the contract ending.
- b. Identify alternative solutions or vendors to fill the gap left by the non-renewed contract.
- c. Plan for the transfer of services, data, or resources from the current vendor.

Review Contractual Obligations

- a. Ensure all contractual obligations have been met by both parties.
- b. Review the contract for any terms regarding termination or non-renewal.

Financial Settlements

- a. Settle any outstanding payments or financial obligations.
- b. Conduct a final audit or review of financial transactions related to the contract.

Non- renewal Process

Debrief and Feedback

- a. Conduct an internal debrief to understand the reasons for non-renewal and lessons learned.
- b. Optionally, provide feedback to the vendor for their future improvement.

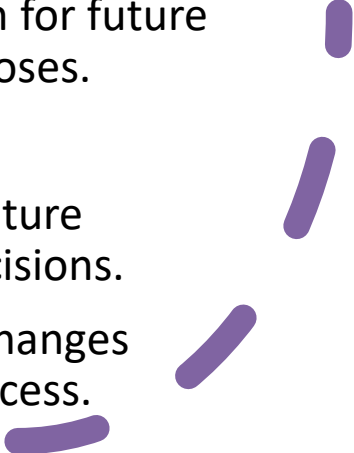
Asset and Data Retrieval

- a. Secure the return of any assets, property, or data belonging to your organization.
- b. Ensure proper and secure transfer or destruction of sensitive information.

Update Records and Systems

- a. Update internal systems and records to reflect the end of the contract.
- b. Archive relevant documentation for future reference and compliance purposes.

Future Procurement Planning

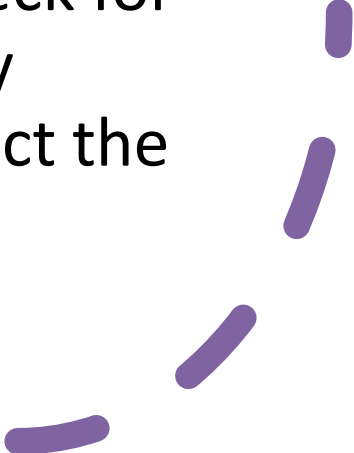
- a. Use the experience to inform future procurement strategies and decisions.
 - b. Identify any improvements or changes needed in the procurement process.
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Special Considerations

Scalability: Adjust the process based on the contract's complexity and value.

Technology Use: Leverage contract management software for tracking, reminders, and performance metrics.

Compliance : Regularly check for changes in laws or industry regulations that might affect the contract.





Conclusion

This process ensures thorough evaluation and decision-making, leading to well-managed contracts that align with organizational goals and provide optimal value.

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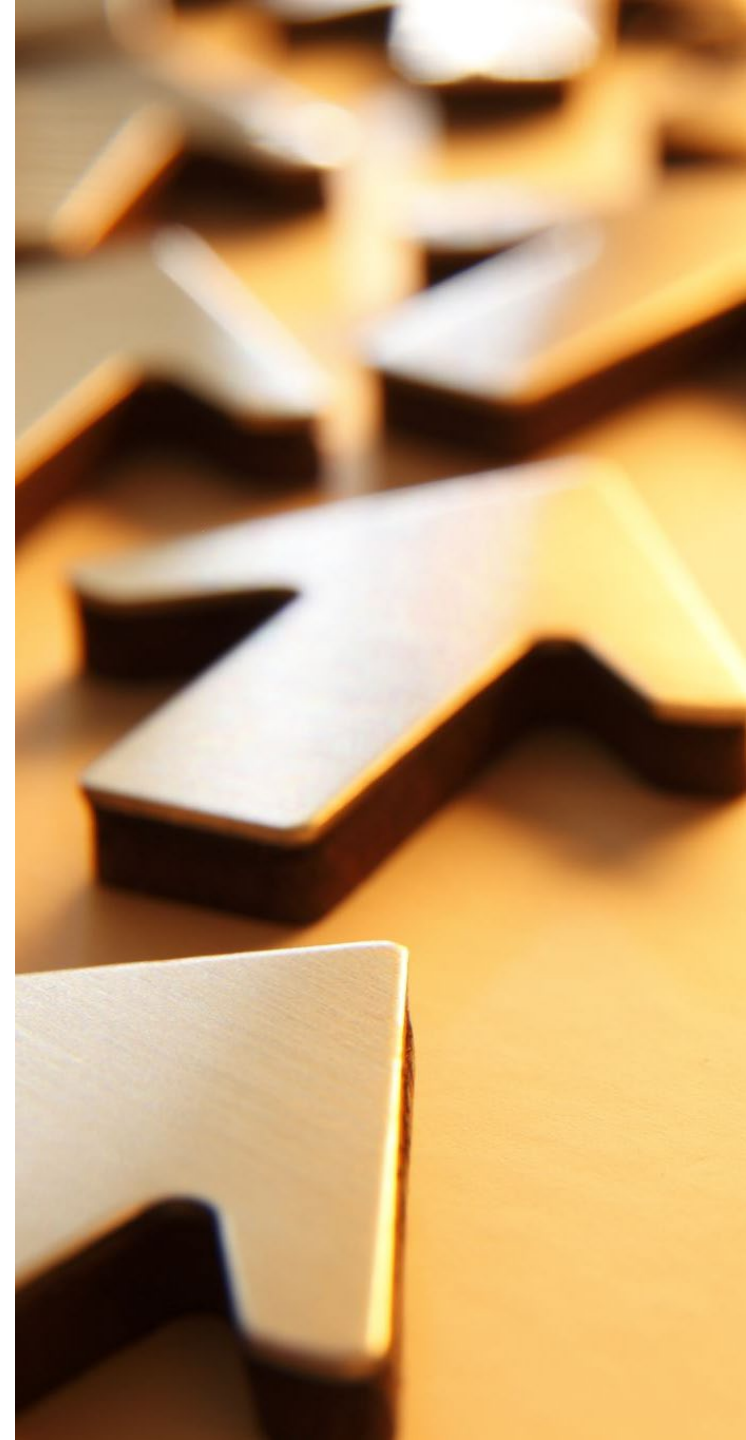
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Centers of Excellence: We refine your operations by evaluating and enhancing policies to boost efficiency and reduce waste.

Continuous Improvement & Support: Beyond identifying inefficiencies, we offer retainer services for ongoing improvement and support, ensuring smooth operations.

Strategic Planning: We streamline your path to excellence with a clear, strategic roadmap, prioritizing your goals for quick, effective achievement.

Organizational Health: Effectively building a cohesive team, establishing clarity among the team, communicating that clarity and putting in place just enough structure to reinforce that clarity going forward.



Q&A



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