

Guideline:
**Monitoring and evaluation
of contract performance**
OSS/CPC

Version 2.0

Target Audience: All Staff

Version	Date of revision	Author (s) / Dept / Unit	Approver	Indicate which section changed compared to previous version
1.0		U.Mijuskovic HQ/GMG/OSS/CPC	A.Janssens HQ/GMG/OSS/CPC	Original Version
2.0	21.05.2018	Elise Pacquetet HQ/GMG/OSS/CPC U.Mijuskovic HQ/GMG/OSS/CPC	Ann Janssens HQ/GMG/OSS/CPC	<ul style="list-style-type: none"> - Modifications threshold- supplier performance evaluation) – - Revised Annex 1: Supplier Performance Report & Payment Approval – Services - Performance evaluation of Long Term Agreements has been removed (is now included in the Guidance on Long Term Agreements)

Context

1. Contract management refers to the series of activities undertaken from the signature of the contract or acceptance of the purchase order to ensure that the contractual parties meet their respective obligations efficiently and effectively, delivering the required goods and services.
2. There are three to five stages in the contract management process (the number of stages depends on the occurrence of contract changes and/or potential dispute(s)):
 - i. monitoring and evaluation of contract performance
 - ii. managing contractual changes
 - iii. dispute resolution
 - iv. invoicing and payments
 - v. contract completion.
3. This procedure serves as reference for Procurement Experts, Procurement Initiators and Responsible / Requesting Officers on how to go about the first stage, namely monitoring and evaluation of contract performance. The Responsible Officer is the Manager or Technical Officer responsible for the definition of the contractual requirements, the monitoring of and interaction with the supplier and for the reception of goods or services.

Contract monitoring

4. Contract monitoring involves continuous observation of the performance of the supplier, i.e. whether the required products or services are delivered as specified in the contract, including whether they are delivered on time, in the right quantity, with the expected quality and as per the contractual requirements including the agreed price.
5. Continuous monitoring allows the responsible or requesting officer to timely identify potential issues and address them with the suppliers. Successful contract monitoring is enabled by the existence of regular and timely communication between WHO and the suppliers.
6. Contract performance of the supplier should be well documented for audit purposes. Such documents may potentially serve as evidence in the event of disputes.

A. Services

7. For contracts for services, the Responsible Officer is responsible for the monitoring of the supplier's performance by the means of verifying the timely receipt of satisfactory deliverables as specified in the contract (including for example progress reports, feedback sessions, reports from workshops or training sessions, video films, final reports, and/ or other deliverables called for in the contract).
8. The objectives/outputs included in the contract and in the Terms of Reference attached thereto are to be regularly monitored during the execution of the contract.
9. Typical performance indicators used for monitoring of services contracts are:
 - Timely delivery of satisfactory outputs as per the contract;
 - Timely response to WHO's requests;
 - Quality and scope of services rendered.

B. Goods

10. Contract monitoring consists of monitoring the shipment and receipt of goods and their quality. Procurement Experts or requesting officers are in charge of this.
11. Typical performance indicators used for monitoring of contracts for goods are:
 - whether the required delivery date and the actual delivery date match;
 - whether the quantity ordered and quantity delivered match;
 - whether the quality (technical specifications) ordered and the quality delivered match.

Evaluation of contract performance (supplier performance evaluation)

12. The evaluation of the supplier's performance is defined as the process of formally assessing the supplier's fulfilment of the contractual requirements at the agreed price, including with regard to quality, quantity, delivery, and timeliness, as well as other performance indicators listed above.
13. For any procurement activity above US\$ 200,000 for goods, US\$ 50,000 for services and for global goods Long-Term Agreements the supplier performance evaluation is to be formalised by completing, signing and recording in ECM (by attaching it to the relevant PO) the Supplier Evaluation Forms annexed to this procedure (Annex 1 for services, and Annex 2 for goods).
14. It is good practice to also formalise the supplier performance evaluation (i.e. complete the forms) for procurement activities of a lower value.

A. Services

15. The Responsible Officer must complete and sign the form included in Annex 1 when evaluating the supplier's performance of contracts for services. The following elements are to be addressed under box A:
 - Adherence to the contractual timelines;
 - Quality of services provided in accordance with the Terms of Reference;
 - Compliance with contractual terms and conditions;
 - Adherence to any post-delivery services or support arrangements included in the contract;
 - Timely response to WHO requests;
 - Collaborative relationship during the assignment;
 - Professional and ethical behaviour of the supplier;
 - Measuring performance against any service level agreements (SLA's), if applicable.
16. The Responsible Officer is also expected to give approval and conditions for payment under box B. A choice must be made between four possibilities:
 - i. Services rendered satisfactorily to date and release of the requested payment is authorized;
 - ii. Services rendered satisfactorily to date and no further payment is to be released: is the option to select if the contract is brought to an end prematurely and on a mutually-agreed basis (*last deliverables are not needed any longer, or cannot be delivered because of unforeseen impediments that are beyond the supplier's control*). The initially planned final payment is therefore not needed any longer;¹
 - iii. Services NOT rendered satisfactorily, however, requested payment is authorized: this option may be considered if the supplier could not, for reasons beyond its control, deliver satisfactory

¹ In such situations, the Requesting Unit is advised to attach a Financial Statement to the Registration Page in GSM, and to verify if Purchase Order (PO) closure is needed.

/timely services.²The final procurement authority must be consulted before authorising this payment;

- iv. Services NOT rendered satisfactorily and requested payment is NOT authorized: LEG must be consulted on the basis of duly documented performance issues.

N.B.: Options ii. iii. and iv. are to be duly justified and documented as indicated on the template.

17. For contracts with a value above US\$50,000, the supplier performance evaluation is mandatory in order to request the release of the final payment. The completed, signed and scanned form must be uploaded in the Enterprise Content Management (ECM) from the GSM Registration Page, using the document type : “Deliverable-Other Deliverable” and entering the following mandatory naming convention “-SEF-” in the Comments field. This will allow other WHO staff and Requesting Units to verify past performance of a specific supplier in GSM.

B. Goods

18. The Procurement Expert or the Requesting Officer, must complete and sign the form included in Annex 2 when evaluating the supplier performance of contracts for goods with a value above US\$200,000.
19. The following elements are to be addressed:
 - Fulfilment of delivery schedule/timely delivery;
 - Quality of goods provided in accordance with the contract at the agreed price;
 - Compliance with contractual terms and conditions;
 - Adherence to any post-delivery services or support arrangements included in the contract;
 - Timely response to WHO requests.
20. The signed and scanned form must be uploaded in the Enterprise Content Management (ECM) from either the GSM Registration or the Purchase Order pages , using the document type : “PO Related” and recorded with the following mandatory naming convention: “ -SEF-” in the Comments box. This will allow other staff of WHO to verify past performance of a specific supplier in GSM.
21. The Procurement Expert or the Requesting Officer must complete and upload the form in ECM in a timely manner, i.e. latest 1 month upon hand-over to freight forwarder or arrival of the goods at the port of entry.

Annex 1 – Supplier Performance Evaluation Form for services

Included on the next page

² LEG may be consulted if need be. The Requesting Unit is advised to verify if PO closure is needed.

This document is issued for the purpose of:			
<input type="checkbox"/> Final Payment:	Complete Sections A + B + C	<input type="checkbox"/> Reporting on a Long-Term Agreement:	Complete Sections A + C
		<i>(eManual VI.1.3 para 460):</i>	
<input type="checkbox"/> PO Closure:	Complete Sections A + B ii + C		

Supplier's name & Site:			
Report date:	Click here to enter a date.	Service contract type:	Choose an item.
PO #:		LTA No. <i>(only in case of LTA performance reporting)</i>	
Contract Dates:		Contract currency and value:	Value of contract (US\$):

A. Supplier performance report / Contract compliance	Yes	No	N/A*
1. Was the service delivery made in accordance with contractual timelines?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Did the supplier deliver in conformity with Terms of Reference?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Was the service delivered in compliance with the contractual terms and conditions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Has the supplier performed in accordance with any post-delivery service or support arrangements incorporated in the contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Was the supplier receptive and responsive to queries during Service period?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Has the supplier established and maintained collaborative relationships during the execution of the contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Has the supplier been acting professionally and ethically all along the execution of the contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Would you deal with the supplier again? If not, attach an explanation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Was the end user satisfied with the quality of service? If No, state reason given by end user:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Any other comments:			
(*) If ticked, please justify:			

Where appropriate, attach a supplementary sheet, related documentation or correspondence giving details.

B. PAYMENT APPROVAL
<input type="checkbox"/> i. Services rendered satisfactorily to date and release of the requested payment is authorized.
<input type="checkbox"/> ii. Services rendered satisfactorily to date and no further payment is to be released. Please give reasons and ensure submission of a Financial Statement:
<input type="checkbox"/> iii. Services NOT rendered satisfactorily, however, requested payment is authorized. Please justify below or refer to comments under A.:
<input type="checkbox"/> iv. Services NOT rendered satisfactorily and requested payment is NOT authorized. Please explain <u>and</u> refer to comments under A.:

C. SIGNATORY	
Signatory	Responsible Officer:
Name:	
Signature:	
Date:	

* To be used only for APWs to Companies or Institutions (not to Individuals), TSAs and Non-Grant LoAs when their value equals or exceeds US\$ 50,000.

Annex 2 – Supplier Performance Evaluation Form for goods

Included on the next page



SUPPLIER PERFORMANCE REPORT - GOODS

STRICTLY CONFIDENTIAL, NOT FOR RELEASE OUTSIDE WHO

Supplier's name & Site:			
Report date:	Click here to enter a date.	Type of Service:	Choose an item.
PO #:		Long-Term Agreement No. <i>(only in case of LTA performance reporting)</i>	
Contract Dates:		Value of Contract (US\$):	

A. CONTRACT COMPLIANCE	Yes	No	Unknown (*)
1. Was delivery made in accordance with contract timelines?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Did the supplier supply in conformity with the specifications?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Did the supplier deliver the goods, including any post-delivery service or support, at the agreed price?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Have shipping and related documents been communicated in time?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Has the supplier performed in accordance with any post-delivery service or support arrangements or warranty provisions incorporated in the contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Was the supplier receptive and responsive to queries during supply period?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Would you deal with the supplier again? If not, please attach an explanation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Was the end user satisfied with the quality of service? If No, state reason given by end user: _____ _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Any other comments: _____			
(*) If ticked, please justify: _____			

Where appropriate, attach a supplementary sheet, related documentation or correspondence giving details.

B. SIGNATORY		
Signatory	Procurement Assistant	Reviewed by Procurement Expert
Name:		
		Comments, action if any:
Signature:		
Date		