



CONTRACT MANAGEMENT AND SUPERVISION

SOLUTION OVERVIEW



Contract management is the process which ensures all parties to a contract fully meet their obligations, in order to satisfy the operational objectives of the contract and the strategic business goals of the customer.

Traditionally contract management systems are used for storing and managing legal agreements - such as contracts with vendors, leases, licensing agreements, and many more. An important function of this kind of systems is the ability to streamline administrative tasks and reduce overhead by providing a single, unified view of each contract's processes.

An effective contract management incorporates identifying, monitoring and managing all risks and opportunities over the life of a contract.

The Armis Contract Management and Supervision solution manages contracts to acquire a specified set of services, with specified objectives, of a defined quantity, quality, and equity, at an agreed-on price, for a specified period.

It includes three characteristics:



Clear definition of a series of objectives and indicators by which to measure contractor performance



Collection of data on the performance indicators to understand if the contractors are successfully implementing the defined services



Performance leading to consequences for the contractor, such as provision of rewards or imposition of sanctions or financial penalties

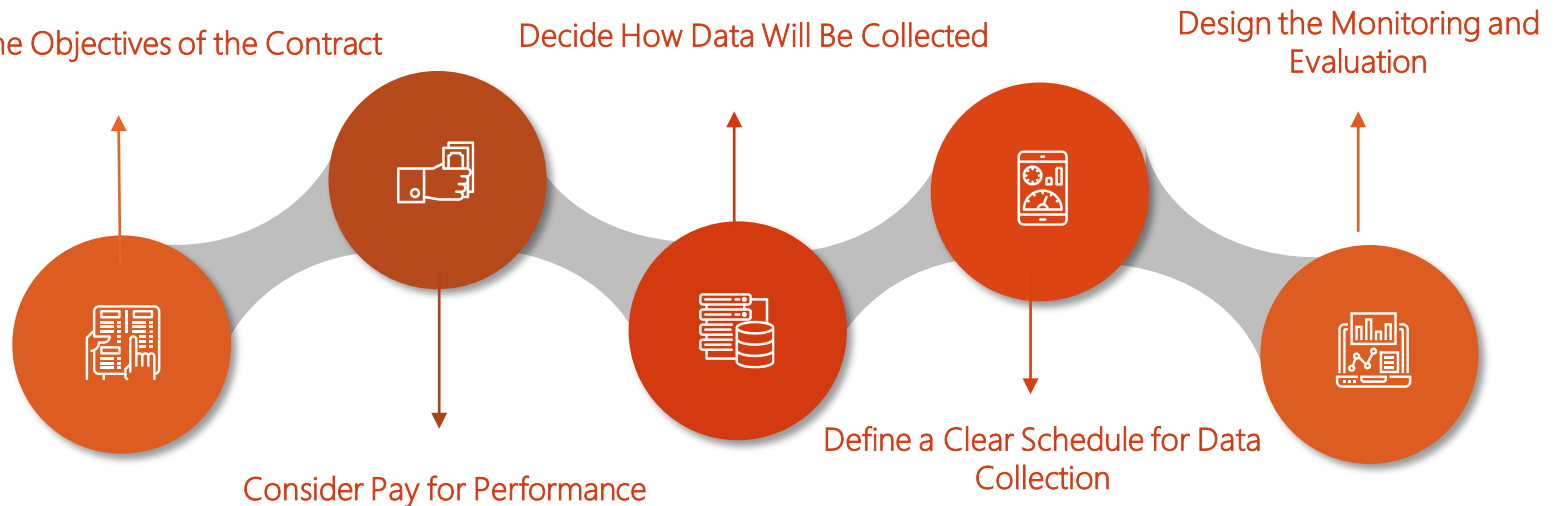
OUR OFFER



For a specific implementation of a contract management and supervision solution a couple of activities are required like defining the objectives of the contract, selecting the indicators of success, and taking equity and defining the scope of services to be delivered.

Developing a contracting plan must address, among other things, how the contracts will be managed and how the monitoring and evaluation will be done.

We present here our implementation approach for this type of solutions:



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Define the Objectives of the Contract

The biggest advantage of contracting is that it allows purchasers and contractors to focus on results. This focus means that objectives need to be explicit and measurable, which is why managing a contract should start with a clear definition of the objectives and the indicators by which they will be assessed.



Consider Pay for Performance

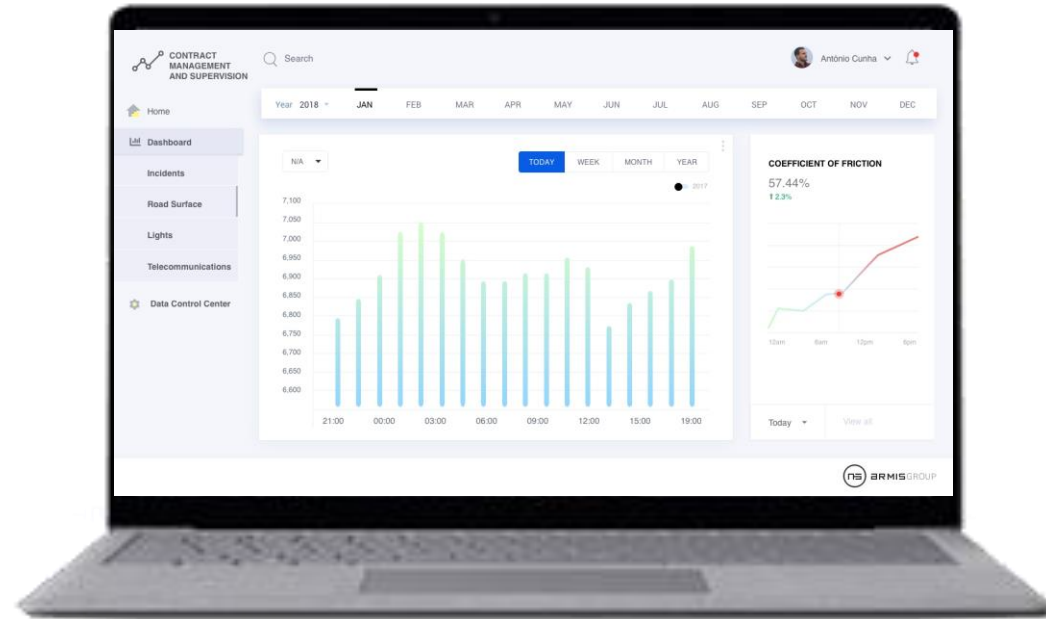
Once the effort has gone into defining the objectives of the contract, it is important to ensure that purchasers and contractors actually pay attention to achieving those results.

One way of doing this is by paying for performance, sometimes referred to as performance-based financing (PBF) or output-based aid (OBA)



Decide How Data Will Be Collected

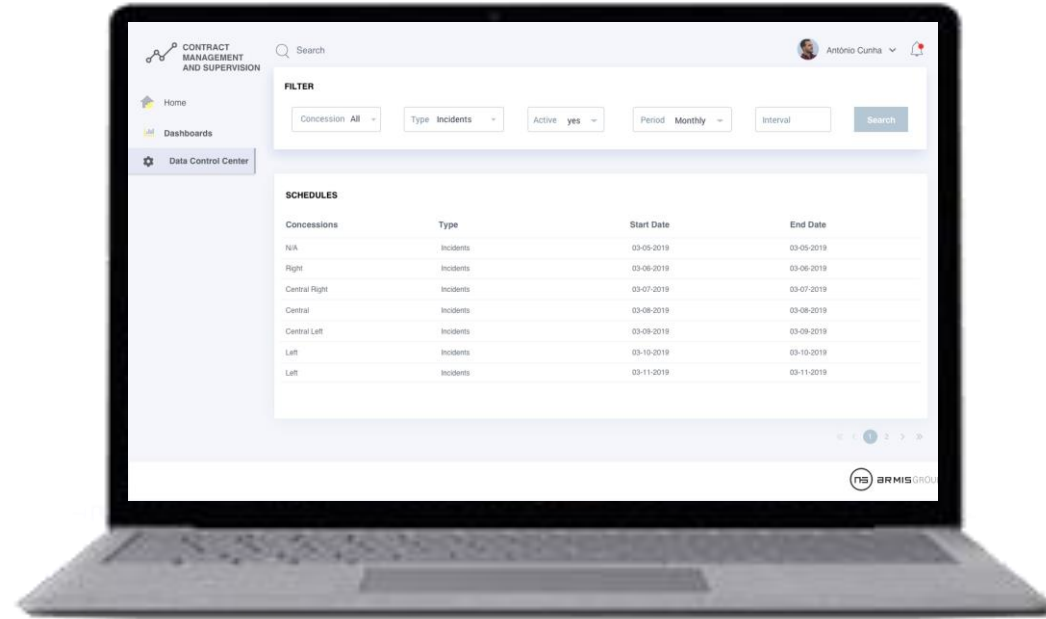
A number of different methodologies can be used to collect information on the selected indicators. It is usually necessary to use a few different approaches to collecting information, even for the same indicator. One thing to keep in mind in designing data collection mechanisms is ensuring consistency over time.





Define a Clear Schedule for Data Collection

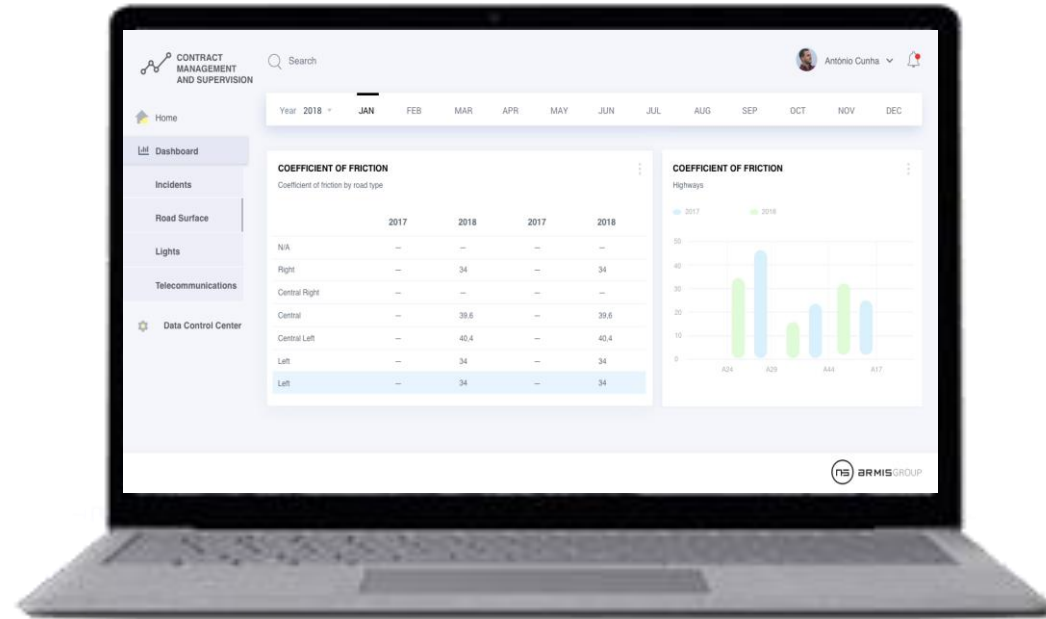
It is important to have a clear
schedule for data collection





Design the Monitoring and Evaluation

Agreeing on indicators is the first part of monitoring and evaluation, but this approach is meaningless if data are not actually collected, analysed, and used for making decisions.



PRODUCT VALUE



Planning, Information Collection and Analysis



Service Level - Setting out clearly the expected performance and quality



Performance Reporting and Monitoring



Allow the dissemination of information and collaboration with other entities

Regularly revision of the quality of the service as measured against the KPIs and output specifications

CUSTOMER BENEFITS



Performance measures lie at the heart of performance management and are linked to strategic objectives, or to desired outcomes.

Understand if the contractors are successfully implementing the defined services



Having assessed the data collected through these monitoring activities, the customer takes appropriate action to mitigate or control any risks that are materialising

Performance leading to consequences for the contractor that are automatically calculated by the system

Relationship management, dispute resolution and issue management

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