


Head of Information Systems in Local Authorities | 3-4 October 2018

M50 Tolling Operation

Contract Management Case Study




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When we started

As a public infrastructure agency we had transport objectives for the free-flow operation – i.e. to relieve congestion,

We also had a **contractual and technical focus** - i.e. technical performance and contractual budgets;




Lack of Experience

“you don't know what you don't know!”

Public agency that primarily built infrastructure with **limited experience of management of an outsourced operation;**


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What we learned

Outsourcing is a “whole new world”


- Managing an outsourced service is about relationships, service delivery processes and effective governance;
- Contract Management requires resources and structure and should be viewed as a ‘tool’ in the governance framework;
- Good governance is a necessity not a hurdle to be overcome and is critical to success;



PWC's 2012 Global study on Project Management trends identified that weak governance was the main contributor to project failure.




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What we put in place

- Holistic framework for managing the operation what we termed the ‘Governance, Risk and Compliance’ Framework;
- Contract and Operational Management Services
- Relationship Charter
- Communications and Reporting



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Governance and Contract Management Model

Governance and Contract Management Map

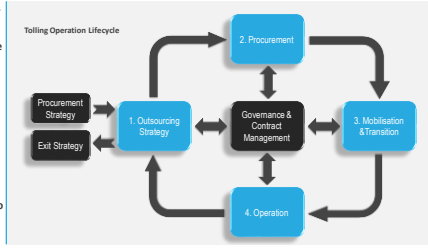
	Authority	Authority <-> Operator	Operator
Governance & Organisation Responsibility & Decisions	TI2 Board TI Project Board TI Risk Committee TI Commercial Operations (CO) CO-Data	Joint Governance Board GIC Steering Team Enforcement Team ICT Projects Team Adhoc Workstream Teams	Leadership Unit GIC Steering Team Audit & Compliance Office Information Security Team Health & Safety Committee CAB and CCS
Management Processes Workstreams	Budget Management GIC Process Management Public Information Management Cybersecurity Audit & Compliance Assurance	Change Management Enforcement Management Contract Variation Management Data Protection Health & Safety Management	IT Service Management Projects Management Compliance Management ERM End of Contract & Exit Management Performance Review Executive Reporting
Governance Tools	MIS/IT Contract Work Plan ICT Common Data Environments	Relationship Charter Budgets Action Log & Risk Register GIC Framework Audit Plan BC/DR Enterprise Risk Register	ERM Framework Business Rules Policies & Guidelines KPIs SLAs SOIs Financial Accounts Performance Reports & Dashboards Confidentiality Agreement

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Operations life-cycle

- Planning & Strategy
- Procurement can be difficult but it is really only a stepping stone
- Invest in a good contractual framework
- And remember all good things come to an end!



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M50 2nd Generation Tolling Contract

Outsourcing Strategy – Tolling as a Service

Governance and Delivery	Mobilisation and Transition	Service Requirements	Performance
Payment	System	Change Control	BCDR
Exit Management	Design and Construction	Health and Safety	Insurance
Trade Marks and Branding	Escrow Agreement	Parent Company Guarantee	Property Licence

Contract Overview

- Outsourced Service Agreement Model
- Long term Agreement
- Encompass all stages of project, including:
 - Mobile and transition phase
 - Operational services phase
 - Exit management phase
- Inbuilt Flexibility – Change Management/Control provisions
- Governance schedule

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M50 Toll – Free Flow

Contract Overview

Regulatory Compliance – national and EU

- Data Protection (GDPR)
- Cybersecurity (NIS Directive)
- Procurement
- Employment (Transfer of Undertakings Regs)
- Financial/Payment
- Health & Safety
- Flexibility to deal with future regulatory developments/obligations

Governance

- Good governance and escalation process
- Audits – Necessary oversight

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Summary

- Resources are critical – you can't manage a contract well unless you have sufficient resources;
- Wrap your contract management activities with a robust governance framework;
- Focus on the people and the relationships;
- Build your network in your area and share knowledge;

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