

Establish the Contract Management Team in Asset Recycling

Full Description

Under the project agreement, the private sector is contractually bound to deliver the required services in accordance with the standards defined in the contract. An effective contract management process is aimed at ensuring that the private sector delivers to the standards defined in the contract.

The Relevant Authority should establish a contract management team to monitor operations under the project agreements and undertake regular reviews and performance monitoring to ensure compliance with the agreements. The contract management team should consist of experienced personnel with relevant skill set to manage these contracts.

Team members should consist of a range of specialists and technical advisors, if required. The contract management team's initial role after contracts have been signed will be supervising the handover of the asset from the Relevant Authority to private sector in accordance with the contract terms.

After that, the team's focus should be on ensuring management and operations of the asset (i.e., the availability of asset to users and delivery of the services) to the required standards. If the project scope includes significant capital expenditure, during these activities the contract management team may need to also monitor quality and timelines. However, it should be noted that as revenue risk falls mostly to the private sector, this should be done on a light touch basis. At the end of the contract period, the focus will shift to the handover of the asset from the private sector to the Relevant Authority.

The overall size and complexity of the project would be the key variable in determining the size and skill set required by the contract management team. The size and composition of the contract management team may evolve through the project lifecycle.

An overview of the types of skills required include:

- Business and product assurance.
- Facilities and services management.
- Statutory safety and regulatory responsibilities.
- Asset management and maintenance.
- Legal and regulatory; and
- Finance.

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Page Specific Disclaimer

The Guidelines have not been prepared with any specific transaction in mind and are meant to serve only as general guidance. It is therefore critical that the Guidelines be reviewed and adapted for specific transactions To find more, visit the Guidelines to Implementing Asset Recycling Transactions [Section Overview](#) and [Content Outline](#), or [Download the Full Report](#).

