# Purpose

This Checklist can be used to record the activities necessary to manage the transition in and transition out phases of contracts for goods and services.

# Contract transition

Contract transition can be a period of high-risk depending on the complexity of the contract and should be considered during the planning stage of procurement.

Transition in and transition out obligations may be required when:

* commencing a new contract
* transitioning a contract from one supplier to another
* transitioning the same supplier from one contract to another (for the same supply)
* transitioning out the contract permanently (i.e. the supply is ending).

The transition in process for incoming suppliers should coincide with the transition out process with the outgoing supplier, where relevant. Contract transition is generally the responsibility of the public authority’s contract owner or contract manager with the support of the contract owner and procurement offer as appropriate. The same person may have more than one role in this process.

# Transition objectives

The main objectives of transition are to ensure the efficient commencement of a contract and the incoming supplier and the orderly winding up of the previous contract and exit of an outgoing supplier. This can encompass:

* maintaining a continuous supply of goods and/or services during transition
* managing and minimising the impact of changes on end users and other relevant stakeholders
* managing the outgoing supplier’s performance to contract conclusion
* completing the transfer/return of records, equipment and/or assets
* establishing systems and processes for ongoing contract management.

# Transition considerations[[1]](#footnote-2)

Public authorities may consider the preparation of a transition checklist or a transition plan to help outline the necessary tasks, timeframes and resources as well as identify key roles and responsibilities for who will manage the transition process. The incoming or outgoing supplier may also be asked to prepare a transition checklist or transition plan.

Appendix 1 and Appendix 2 (below) are typical transition considerations and tasks outlined in a transition in or transition out checklist or transition plan. Note these are examples only, and the sequence of tasks and responsibilities may vary depending on a public authority’s Internal Procurement Framework, as well as the nature and complexity of the transition.

Transitioning contracts for services has different considerations compared to transitioning contracts for goods, especially those that deliver services to clients (e.g. families and individuals). Service continuity is an important consideration. Where possible, transition arrangements should be organised early to avoid service gaps and potentially placing clients in an emergency situation. Outgoing and incoming service providers may need to:

* arrange case conferences before contract and client hand-over
* safely transfer detailed client records, summaries and support plans
* mentor new employees about client’s care needs and suitable controls
* agree to a period of service overlap for the new supplier to work alongside the outgoing supplier, to acquire as much knowledge about their clients as practicable.

# Appendix 1: Example of a Contract Transition in Checklist

This is an example only, and the sequence of tasks and responsibilities may vary depending on a public authority’s Internal Procurement Framework, as well as the complexity of the transition. Not all checklist items will apply to all contracts.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Contract *Transition-In* checklist and tasks | Responsibility | Supported by |
| * Organise a start-up meeting with the incoming supplier | Contract Manager | Contract Owner |
| * Prepare a timeline of activities/events and obtain a copy of the incoming supplier’s transition in plan – where relevant | Contract Manager | Procurement Officer |
| * Confirm the transition in obligations (including roles and responsibilities, timeframes and resources) set out in the contract | Contract Manager | Procurement Officer |
| * Note the specific differences between the previous contract and the new contract - where relevant (e.g. changes in scope, delivery, timeframes, policies/procedures, and the contract terms and conditions) | Contract Manager | Procurement Officer |
| * Develop other plans if required e.g. Risk Management Plan, Communication Plan, Stakeholder Engagement Plan, Probity Plan, Disposal Plan. | Contract Manager | Contract Owner |
| * Establish contract administration procedures and access to policies, procedures and other instructions | Contract Manager |  |
| * Arrange access to facilities, equipment, assets, systems etc. (including user accounts and other authorisations) | Contract Manager |  |
| * Provide the public authority’s organisational chart, facilities and site locations to the new supplier | Contract Manager |  |
| * Record/Confirm the new supplier’s vendor details inc. banking details, payment terms | Contract Manager |  |
| * Facilitate the transfer / handover of clients and client records from outgoing supplier – where relevant | Contract Manager |  |
| * Conduct staff training – if contract is new or significantly different, or if supply arrangements will change | Contract Manager | Contract Owner |
| * Establish a communication strategy for purchasing under the new contract – where relevant | Contract Manager | Procurement Officer |
| * Ensure WHS and any environmental requirements are addressed with the transition | Contract Manager |  |
| * Manage the transfer of intellectual property during the transition period | Contract Owner | Contract Manager |
| * Review and record any post transition in findings | Contract Manager | Procurement Officer |

Appendix 2: Example of a Contract Transition out Checklist

This is an example only, and the sequence of tasks and responsibilities may vary depending on a public authority’s Internal Procurement Framework, as well as the complexity of the transition. Not all checklist items will apply to all contracts.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Contract *Transition-Out* checklist and tasks | Responsibility | Supported by |
| * Confirm the transition out obligations (including roles and responsibilities, timeframes and resources) set out in the contract | Contract Manager | Procurement Officer |
| * Prepare a timeline of activities/events and obtain a copy of the outgoing supplier’s transition out plan – where relevant | Contract Manager | Procurement Officer |
| * Review the Risk Management Plan, Communication Plan, Stakeholder Engagement Plan and Disposal Plan and undertake any actions | Contract Manager | Contract Owner |
| * Retrieve any relevant documents, reports or information from outgoing supplier | Contract Manager |  |
| * Confirm that all access cards/security badges used by service providers, contractors or suppliers are returned | Contract Manager | Contract Owner |
| * Deactivate systems etc. (including user accounts, passwords and other authorisations) | Contract Manager | Contract Owner |
| * Organise return of any equipment and assets | Contract Manager |  |
| * Confirm that disposal obligations are fulfilled | Contract Manager |  |
| * Facilitate the transfer / handover of clients and client records to the incoming supplier – where relevant | Contract Manager |  |
| * Ensure client records are closed or stored confidentially and accurately – where relevant | Contract Manager |  |
| * Rectify any supplier contractual defects and non-conformances | Contract Manager |  |
| * Issue handover/acceptance certification/s where relevant | Contract Manager | Contract Owner |
| * Document and confirm date of the close-out of all claims (insurance, warranties, guarantees) | Contract Manager | Contract Owner |
| * Release any payments in accordance with the contract - where appropriate | Contract Manager | Contract Owner |
| * Finalise and archive contracts and relevant documents | Contract Manager |  |
| * Review and record any post transition in findings | Contract Manager | Procurement Officer |

1. [Australian Government Contract Management Guide](https://www.finance.gov.au/sites/default/files/2019-11/Australian%20Government%20Contract%20Management%20Guide%20-%20Nov%202019.pdf) [↑](#footnote-ref-2)