

GUIDELINES FOR MANAGING AND OPTIMIZING SUPPLIER PERFORMANCE

Introduction

Managing the performance of suppliers is critical to the operation of UMass. Ensuring suppliers perform or supply goods and services that meet UMass expectations ensures the success of the University and mitigates potential issues during a contract period or after purchases are complete.

This document provides guidance to those responsible for managing the performance of suppliers on the key tasks and best practices for managing and optimizing our supplier relationships and minimizing the University's risk exposure. While UPST is responsible for the overall procurement process and must be engaged with purchases exceeding \$50,000, each individual (or UMass entity) seeking services or products is responsible for managing the performance and relationship with the supplier for these goods and services.

Coordination across the entire supplier relationship lifespan is critical to success: selection and onboarding of suppliers, implementation of projects and/or transactions, and conclusion of supplier relationships ensuring management of risks associated with termination of a supplier relationship.

UPST is here to support you throughout this process for all purchases regardless of the value. Please contact [UPST](#) at upst@umassp.edu or 774-545-UPST (8778) for assistance.

Step 1: Supplier Selection and Onboarding

Action	Description	Related Questions to Consider
Find the right supplier	Follow UMass Procurement Policy (Doc. T92-031) to select the right supplier for your objectives. This policy includes guidance for supplier selection.	<ul style="list-style-type: none"> • What goods or services do I need to solve my problem? • Will an existing supplier meet my needs, or do I need a new supplier? • Should I leave it to the supplier to propose solutions, or do I need to define options for solutions? • Could more than one supplier resolve the problem I am solving for?



Formalize expectations of the supplier with a contract (in partnership with UPST)

It is often best to use the UMass [standard contracting process](#) and templates rather than a supplier-provided contract

Review the draft contract (either completed UMass contract template, or supplier-provided contract) to ensure it details all expectations of the supplier such as:

- a. Deliverables or objectives
- b. Timeframes for deliverable or objectives
- c. Format, standards or expectations associated with deliverables
- d. Transfer of data or related items upon completion of the contract
- e. Any other key performance indicators UMass expects the support to meet, such as:
 - Expected up time for operations or equipment
 - Milestones
 - On-time delivery
- f. Frequency of supplier performance review meetings to review progress against objectives, deliverables and key performance indicators
- g. Expectations can generally be transferred from a supplier's proposal, but should include any negotiated terms and conditions
- h. Detail penalties for nonperformance
- i. Conditions for renewal and termination of contract

- Do I need to request documentation of capabilities such as business continuity, IT security or internal controls?
- Will the supplier accept the UMass standard contract?
- What deliverables do I expect the supplier to provide?
- What is the timeframe the supplier has to meet for objectives and deliverables?
- Will I need the supplier to transition data to UMass during or upon completion of the contract?
- Do I need to establish a regular meeting with supplier reviews, or can these be conducted as needed?
- Do I need the supplier to commit to any uptime for operations or equipment?
- Are there any key milestones expected of the supplier?
- Do I need to set timeframe for delivery of tangible goods?
- Do I want the contract to automatically renew?
- Do I want to require notice for early termination of the contract? If so, how many days/weeks/months?

Set up supplier for purchase

To ensure that suppliers can be paid in a timely fashion, ensure the supplier is set up in BuyWays using guidance on the

- Has the supplier been set up in BuyWays for payment?



orders and payments

[Supplier Registration and Management page.](#)

Step 2: Manage Supplier Performance Throughout Contract Period

Action	Description	Related Questions to Consider
Conduct performance reviews with the supplier	<p>In accordance with the contract terms, and as dictated by the criticality of the product or service that the supplier is providing, conduct performance review meetings with the supplier to review progress against objectives, deliverables and key performance indicators.</p> <ul style="list-style-type: none"> This is an opportunity to correct nonperformance before it becomes a larger issue. If you need to address nonperformance, you should set the agenda and drive the meeting 	<ul style="list-style-type: none"> Are there any issues with the supplier and their performance? What expectations do I have on corrective actions? What other ways can the supplier assist in furthering the University's mission? What are other institutions doing with this supplier that I am not, and how have they benefitted?
Review invoices and ensure submission for payment	<p>Review the Invoice Processing Reference Guide for accuracy. This is especially important when pricing structure is based on volume.</p> <ul style="list-style-type: none"> Flag any inaccuracies in invoicing to UPST. Ensure accurate invoices are submitted for payment in a timely fashion. <ul style="list-style-type: none"> UMass often receives prompt payment discounts 	<ul style="list-style-type: none"> Is the invoice accurate? Have the goods or services which are being invoiced actually been provided to UMass? Have the goods and services been provided in compliance with the contract terms and conditions, and have they been acceptable to UMass?

Step 3: Conclusion of Supplier Engagement

Action	Description	Related Questions to Consider
Option 1: renew contract (if desired)	<p>At the end of the contract period, determine if you want to renew the contract. Take advantage of the opportunity to improve the supplier relationship by updating the terms of the contract - contact UPST for assistance.</p>	<ul style="list-style-type: none"> Do I want the contract to renew with the same terms and conditions? When does the contract end? Does the contract automatically renew?



- Some contracts allow for automatic renewal, or for renewal with notice within a defined timeframe

If you are not renewing the contract but goods and services are still needed, ensure a transition plan is in place (see below) and coordinate with UPST on notification to the supplier.

- Does the contract require notice for renewal?

Option 2: terminate contract

If you determine that you do not want to renew a contract at the end of the contract period, or the contract does not allow for it, discuss with the supplier at least 30 days prior to the contract end.

If you are seeking early termination of the contract, review the terms of the contract regarding early termination, ensure a transition plan is in place (see next step) and coordinate with UPST on notification to the supplier.

- Do I want the contract to end at the conclusion of the contract period?
- Is there a requirement to notify the supplier of nonrenewal?
- Do I want to end the contract prior to the contract end?
- Have I notified UPST?

Develop a transition plan

If you are ending a contract with a supplier, ensure you develop a transition plan prior to informing supplier of termination. Ensure the transition plan addresses:

- Whether another supplier will be needed to provide the goods or services
- Any necessary lead time required for the new supplier to be ready
- Identification of any data or materials currently housed by the supplier that needs to be transitioned to UMass
- Management of any necessary transition of data or materials from the existing supplier to UMass
- How the transition will occur
- When the transition will occur (prior to contract end and/or final payment to supplier)

- Do I need a new supplier to continue provision of goods or services?
- Does a new supplier require any lead time to begin provision of goods and services?
- Is transition of data, materials or other tangible or electronic items required from existing supplier to new supplier? If yes, how can I manage to ensure the transition? How and when will the transition occur?
- Have I notified UPST?



Communicate transition plan	Once transition plan is complete, ensure the plan is communicated internally and externally with appropriate partners, and all understand their roles and responsibilities. Coordinate with UPST on this communication.	Which external partners do I need to communicate the transition plan? Which internal partners do I need to communicate the transition plan? Do all involved partners understand their roles and responsibilities?
Coordinate or ensure transition of data or materials	Coordinate or ensure the coordination of transition of data or materials housed by the existing supplier to UMass. Ideally this should occur prior to the contract end, and before final payment is made to the supplier.	Has the data or materials been transitioned from the supplier to UMass?



Important Definitions

Term/Acronym	Definition
Amendment	Contract amendments are created when changes are required on an approved (Executed) contract and the changes will affect the terms and conditions (duration, language/scope, and/or cost) of the contract.
Approval to Purchase (AtP)	For President's Office (UMPO) ONLY – To maintain budget controls and approval processes, the Approval to Purchase (AtP) form was created as the entry point for initiating or amending contracts for services and requisitions to purchase goods. The AtP form requires basic information about the need for the purchase, along with a justification statement as to the criticality of this purchase.
Attestation of Compliance (AOC)	Documented evidence that a supplier has upheld security best practices to protect cardholder data. It is testimony that a supplier successfully demonstrated exceptional security best practices to secure cardholder data.
Auxiliary Approver	A person authorized by a campus delegation of authority (DOA) to review a transaction (contracts, etc.) before the DOA can approve.
Campus Information Security (InfoSec)	The information security team secures data, systems, and devices at each campus. This includes developing policies, tools, and programs to prepare systems and services for potential emergencies.
Contract Party	The participants of a contract, designated as the first party (UMass) and a second party (the Supplier) for the contract on UMass CFS.
Contract for Service (CFS)	An agreement between UMass and an individual or entity wherein UMass agrees to pay the individual or entity for services to be provided.
Delegation of Authority (DOA)	The University's Delegation of Authority details University personnel authorized to bind the University to contracted terms and conditions with external parties.
Group Purchasing Organization (GPO)	An entity that negotiates favorable contracts on behalf of its members. i.e., MHEC (Massachusetts Higher Education Consortium).
HECVAT	The HECVAT, or Higher Education Community Vendor Assessment Tool, is a questionnaire framework designed to help institutions of higher education measure their vendor risk. HECVAT was developed by EDUCAUSE's Higher Education Information Security Council (HEISC), a team devoted to security, data governance, and compliance in higher education.
HITRUST	HITRUST, or Health Information Trust Alliance, was created and maintains the Common Security Framework (CSF), a certifiable framework that UMass references to help organizations and their providers demonstrate their security and compliance in a consistent and streamlined manner.
Internet Protocol address (IP address)	A numerical label such as 192.0.2.1 is connected to a computer network that uses the Internet Protocol for communication. An IP address serves two main functions: network interface identification and location addressing.
ISO2701 Report	The report, provided by an external auditor, provides insight into whether a supplier has an Information Security Management System (ISMS) - which is a program for establishing, implementing, maintaining and working to continually improve their InfoSec practices.



KPMG	KPMG is the official external auditor of the UMass system. Each Campus Controller's office needs to be aware if we are engaging with them for any other work.
Master Service Agreement (MSA)	A set of standard Terms and Conditions that can be used for multiple campuses or Systemwide – in this instance, a unique Statement of Work (SOW) or Scope of Services is drafted and linked to the MSA so that the terms apply, but the PO is unique to the Stakeholder who wrote the SOW.
No-Bid Justification (NBJ)	An exception to competitive procurement that justifies why you need to purchase from a specific supplier without going through a formal competitive bid process as required in the UMass Procurement Policy . Formerly known as the Sole Source process.
Office of General Counsel (OGC)	UMass group that advises and provides guidance on numerous issues to ensure that the University acts in accord with state and federal law and regulations, applicable University procedures, and best practices.
Office of Management (OOM)	Specific to UMass Chan Medical School, OOM works collaboratively with the campus to help address and resolve on-campus risk management and legal issues.
Payment Card Industry (PCI)	Half of the compliance standard PCI-DSS or Payment Card Industry Data Security Standard. The standard is a framework that defines the types of security required to ensure that payments, when accepted, transferred, stored, and processed, are secured responsibly.
PCI QSA Attestation	A PCI Attestation of Compliance (AoC) is a declaration of an organization's compliance with PCI DSS. It serves as documented evidence that the organization's security practices effectively protect against threats to cardholder data. This document must be completed by a Qualified Security Assessor (QSA) or the business's merchant.
Personally Identifiable Information (PII)	Any data that can be used to identify, contact, or locate a single person such as names, birth dates, social security numbers, etc.
Protected Health Information (PHI)	Any data that can be used to associate a person's identity with their health care such as health plan, beneficiary numbers, device identifiers, serial numbers, biometric identifiers, etc. Learn more about PCI, PII, and PHI
Real Property (Real Estate)	Includes (but is not limited to) land, buildings, air rights, water rights, and mineral rights owned by the University and is property of the Commonwealth of Massachusetts, which has been entrusted to the University for stewardship. All procurement transactions related to Real Property must comply with the Capital Planning, Land and Facilities Use Policy (T93-122, as amended).
Renewal	Renewals should be triggered by the original contract renewal terms. For example, a contract may be extended for 2 one-year periods at the end of the original term as indicated in the original terms.
Second Party	The individual or entity/organization that the University is entering into the contract with.
Statement of Work (SOW)	A contract type used for a specific service/project when an MSA already exists with the supplier/vendor. It is a comprehensive legal document that details the specifics of the project/service including scope, deliverables, timeline and should always be linked to an MSA.
Scope of Service (SOS)	Used to gather and agree on scope details to be included in any purchase agreement i.e., Purchase Order (PO), Contracts for Services (CFS), SOW, or MSA. It details the overall objective and description of the work a supplier/contractor will provide.
SOC2 Report	SOC reports are the output provided by an external auditor documenting internal financial controls around information that impacts financial statements. SOC2 reports put a higher focus on the cybersecurity aspect of an organization. This includes information security, availability, process integrity, confidentiality, and privacy controls.



Sub-Award/Sub-Contract	When a portion of UMass' sponsored project is passed through to another entity in order to complete a portion of the sponsored project's scope of work. Please reach out to your campus grant accountant in the Controller's Office for additional questions.
University Official	The University Official exercising managerial and budgetary control for the Contract. The individual named in the contract has responsibility for the performance of this contract. This individual is also the primary contact for the supplier as it relates to this contract.
Vendor Breach Notification Policy	A set of guidelines that dictate how a company will handle and report data breaches. This provides insight into how/when the vendor in question has committed to informing their clients should a breach occur.
Vendor Cloud/Hosting Provider Security Attestation	Host Attestation Service checks by validating a compliance statement (verifiable proof of the host's compliance) sent by each host against an attestation policy (definition of the secure state). This ensures the cloud/host environment the vendor is utilizing has been verified as secure.
Vendor Privacy Policy	A privacy policy document states whether and in what manner a site gathers, utilizes, disseminates, or monetizes the personal data of its visitors. These documents are required under most global laws, such as the GDPR, CPRA, and LGPD.