

# Management of Sub-Contractors Process

PHX018

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## Purpose

The purpose of this process is to confirm the selection and appointment of sub-contractor for IT Projects

## Scopes

This process applies to all sub-contractors which impact on sales and customers.

## Responsibility

It is the responsibility of IT Services personnel to ensure the process of appointment and engagement is correctly followed.

## Procedure

Validate the project and contractor requirements. If these are not available in-house to then review the available sub-contractors.

## Selection

Phoenix Software has compiled a list of preferred technical partners that act as sub-contractors in solution areas not covered by the in-house IT Services team and even some areas where we do provide them but wish to have additional capacity or higher levels of accreditation for a given project.

Phoenix work with multiple vertical marketplaces and partnerships should be drawn up to reflect the needs of each. As such Phoenix have a matrix of subcontracting partners that are relevant to each: Local Government, NHS, Police, Fire, and Housing Associations, Charities and Education.

Phoenix assesses the market by engaging with the technology vendors for regular partner lists of their most highly accredited partners to ensure we are working with the 'best in class' for our client's needs. This may also include utilising the vendors own Support Services and Consultancy if it is deemed relevant and best value for a Contracting Body's requirements. Where required we will ask for recommendations of suitable partnership from the vendor partner community in line with our go to market strategy and Phoenix in house skills, or skills from the vendor that complements Phoenix's on specific projects.

# Appointment

Phoenix seeks references to determine the competence of sub-contracting partners from both vendors and customers. Phoenix may run a test project with potential sub-contractors before adding to the approved to use list.

Once satisfied with a selected partner, we proceed with a partnership agreement that specifies the commercial relationship, operational procedures, terms and conditions and legal obligations. The scope of the partnership agreement will typically cover the following:

- Sub-contractor agreement
- Sub-contractor responsibilities
- Accounts validated
- Information Security Audit Template
- Resource Capacity requirements
- Fees and payment schedule (including penalty or incentive schemes for under-performance or over-performance)
- Procedure for resolving disputes
- Mutual confidentiality/non-disclosure agreement
- Confirmation of Accreditations and references within the desired work space and vertical sector experience
- Project specific objectives, scope of the work and key deliverables expressed as a project schedule with milestones
- Project specific resources to be provided if the Sub-contractor requires access to Phoenix Software staff or equipment

To ensure best possible fit with a customer's requirement, the sub-contractor is fully involved with the creation of the detail project documentation, including a Statement of Works (SOW) and Project Initiation Document (PID).

The SOW comprises a technical specification that may include any or all of the following: Technical Architecture, Hardware list (required or optional), Software list, Consultancy days'/pricing calculation.

The PID defines project requirements & milestones to be agreed by the customer before the project delivery phase. Contractual commitments are therefore defined by the project deliverables included in the SOW and project milestones stated in the PID; the quality of sub-contractor performance is monitored against these commitments throughout the project delivery phase.

# Management

Phoenix Software Ltd protects both its customers and its own standing and reputation by employing a rigorous assessment of subcontracting partners prior to engaging with them on a customer work programme. This is achieved by engaging with reputable consulting partners that

have high levels of professional and technical accreditation and preferably ISO9001 and ISO27001 accredited. We also ask them to sign up to the Phoenix sub-contractor agreement that enforces suitable behaviours and standards.

In addition to complying with all applicable statutory and legal requirements, Phoenix's selected sub-contractors must comply with this agreement as an absolute minimum and take reasonable steps to ensure that those with whom they have a business relationship do likewise.

Phoenix will work with sub-contractors to help address non-compliance but reserves the right to terminate its relationship with them in the case of breach of this agreement. Phoenix keeps this agreement under ongoing review and may amend or add to this agreement at any time.

Furthermore, Phoenix requires references to determine the competence of subcontracting partners from both vendors and customers. Phoenix may run a test project with potential sub-contractors before adding to the approved to use list. The agreement is managed by a Project Manager covering the following:

- Sub-contractor responsibilities (underscoring their capabilities)
- Sub-contractor agreement
- Accounts validated
- Information Security Audit Template
- Typical capacity requirements (number of man days and duration) of an average project
- Fees and payment schedule (including penalty or incentive schemes for under-performance or over-performance).
- Procedure for resolving disputes.
- Confidentiality/non-disclosure agreement.
- Project specific objectives, scope of the work and key deliverables expressed as a project schedule with milestones.
- Project specific resources to be provided if the sub-contractor requires access to Phoenix Software staff or equipment.

The sub-contractor is fully involved with the creation of the detailed project documentation, including a Statement of Works and Project Initiation Document.

The Statement of Works comprises a technical specification that may include any or all of the following: Technical Architecture, Hardware list (required), Hardware list (optional), Software List, IT Services Consultancy days and pricing calculation.

The Project Initiation Document defines project requirements and milestones to be agreed by the customer before the project delivery phase. Contractual commitments are therefore defined by the project deliverables included in the Statement of Works and project milestones stated in the Project Initiation Document; the quality of sub-contractor performance is monitored against these commitments throughout the project delivery phase.

# Monitoring

The procedure for monitoring sub-contractors working on large contracts are based on cost/performance and supervised by a Phoenix project manager, who is PRINCE 2 certified and uses these methodologies. The project manager ensures the project scope remains consistent with the estimated number of consultancy days or total solution price. A weekly Phoenix management report is compiled from information gathered from Phoenix consultants and any used subcontracting parties.

This is checked by the Phoenix project manager and distributed to all relevant stakeholders. This report reviews capacity and delivery of all work in the schedules including sub-contracted work. This allows complete monitoring of all work progressing within the schedules. If any deviation to schedule is identified, it is acted upon by the Phoenix project manager to define what the deviations are and what has to be done to bring back on schedule.

Phoenix Software delivers the majority of consultancy projects on a fixed price basis to assist with customer's budgetary requirements to eliminate the risk of budget overspend. Sub-contractors must comply with a clear and precise Statement of Works and Project Initiation Documents (PID), adhering to the fixed costs presented to the customer. By providing fixed price projects, Phoenix takes all possible steps to avoid any unanticipated cost increase to the customer.

At each milestone defined in the PID, project deliverables are assessed against contractual time commitments.

## Version Control

<u>Author</u>	<u>Version</u>	<u>Date</u>	<u>Description</u>
QMS	1.0	01/05/2016	Original Document
Jayne Goddard	1.0	30/12/2017	Annual review – no changes
Jayne Goddard	1.0	30/12/2018	Annual review – no changes
Jayne Goddard	1.0	05/12/2019	Annual review – no changes
Jayne Goddard	1.0	11/11/2020	Annual review – no changes
Jayne Goddard	2.0	11/11/2021	Removal of Adequate Insurance Cover
Jayne Goddard	2.0	08/11/2022	Annual review – no changes

## Document Approval

<u>Name</u>	<u>Version</u>	<u>Date</u>	<u>Position</u>
Sam Mudd	1.0	01/05/2016	Managing Director
Sam Mudd	1.0	30/12/2017	Managing Director
Sam Mudd	1.0	30/12/2018	Managing Director
Sam Mudd	1.0	05/12/2019	Managing Director
Sam Mudd	1.0	11/11/2020	Managing Director
Sam Mudd	2.0	11/11/2021	Managing Director
Clare Metcalfe	2.0	18/11/2022	Operations Director

Signed: *Clare Metcalfe* Clare Metcalfe, Operations Director

Dated: 18/11/2022