

Contracts Renewal Guide

What to know when working on renewal for contract

Role: Supply Chain Buyer Staff

Frequency: As Needed

****To renew a contract,** you will need a UK Contract Award Cover Page signed by both parties, an Attachment A of all items under the contract, an approved Cost Analysis showing financial impact of changes, and typically a supplier document that defines clear terms, pricing, capital, etc.

How do I know what contracts are up for renewal?

- GHX will provide up to a 180-day notice of an expiring contract
- Administrative Services Assistant will provide list of expiring contracts
- Use SQ00 transaction to find contracts expiring in a certain timeframe
- Contract documents can be found in the filing cabinet as well as on the Materials Drive

What are the different types of contracts?

- GPO contracts are nationally negotiated through Vizient and we have access as a member
- Competitively bid contracts can be active/renewed up to 5 years, after this a re-bid is required
- Sole-Source contracts are for proprietary items and are often tied to specific capital
- Price Agreements (PA's) are under \$40k annually and do not require a competitive bid by law

Where do I find resources to guide me through the renewal process?

- Find training documents on the drive: UKHC Shared Drive → Purchasing Training Documents

What if I'm renewing a Price Agreement but the spend is over \$40k?

- Notify your sourcing specialist that the spend is now over the threshold
- Contact the rep/supplier to extend the current pricing by 90 days if possible

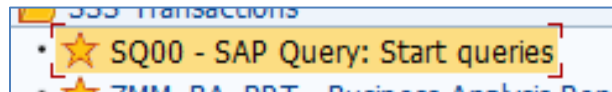
Where do I find templates to build my Contract Renewal?

- There is currently a "Templates" folder under the Materials Drive → Purchasing – PA Folder
- There are templates for the Cover Page, Attachment A, and Cost Analysis
- You can adjust and reuse the last Cover Page file or start fresh with a blank template
- There's a chance the item list has changed over time so best not to use the last Attachment A

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How do I get a current Attachment A item list together for the contract?

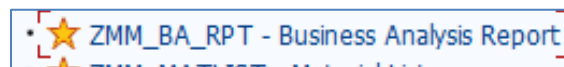
- Go into transaction **SQ00 - SAP Query** to run a list of currently sourced items on the contract



- Go into transaction **ZMM_MATLIST - Material List** to find any items currently sourced to the vendor but not loaded on the contract for your review



- Go into transaction **ZMM_BA_RPT - Business Analysis Report** to run usage for these items



- Create a **Pivot Table** of the BA Report data to quickly process usage
- Go to **Supply Analytics in Vizient** to check benchmarking (PCI) for UK provided price

How do I know who to reach out to for the renewal?

- Use the last cover page for the agreement to find the last noted rep
- There's a chance you communicated with the rep previously, check your emails
- Call customer service, provide them an item from your list, ask who the rep is for that item

How do I know if pricing is appropriate?

- We prefer to be **within the 35th Percentile** when possible, where do we fall in the PCI?
- How does our category market share look with the supplier?
- Include UK's requested pricing on Attachment A if you are negotiating something different
- Receive final approval on your cost analysis from the Associate Director

How do I know what terms we can/cannot agree with?

- There is a legal guideline the Associate Director can provide for your reference

How do I finalize the contract?

- Put all relevant documents in the appropriate folder on the Materials Drive
- Ensure you have a completed Cover Page, Attachment A, and Cost Analysis
- Ensure terms and pricing are agreed upon by both parties
- Combine all relevant files into one final PDF and obtain signatures from both parties
- Send SAP updates to Administrative Assistant and print a hard copy for the filing cabinet