



Vendor Orientation Guide



Presentation to: Department of Community Health's Contract and Grant Vendors
Presented by: Office of Vendor Management



Mission

The Georgia Department of Community Health

We will provide Georgians with access to affordable, quality health care through effective planning, purchasing and oversight.

We are dedicated to A Healthy Georgia.

The Office of Vendor Management

- The Department of Community Health's (DCH) Office of Vendor Management is charged with ensuring vendor compliance with contract terms.
- Each contract is assigned a **Vendor Management Professional** who partners with the contract's Business Owner to provide performance oversight.



The Office of Vendor Management

- Vendor Management works collaboratively with internal stakeholders to:
 - Ensure contract terms, deliverables and responsibilities are aligned with the business need, performance based, measurable and enforceable.
 - Mitigate the risk of performance concerns.

The Office of Vendor Management

- Promptly address performance issues to prevent adverse impact to the successful achievement of contract purpose.
- Ensure contract payments are aligned with contract specifications and vendor's progress.
- Facilitate the corrective action process which may include the assessment of liquidated damages if required by contract.

Vendor Management Structure

- Generally, Contract Business Owners have primary responsibility for vendor monitoring.
- Desk audits and Onsite Visits are routinely conducted to ascertain vendor compliance.
- Contracts are monitored based on assigned risk.

Vendor Management Structure



- Risk is calculated based upon contract's: (1) Term (2) Cost and (3) Consequence of Failure.
- The intensity of monitoring is directly correlated to the level of risk (i.e., riskiest contracts receive the highest level of monitoring).

Vendor Management Structure

- Contracts are categorized into three risk levels:
 - Level 1 (Low Risk): Performance is monitored by the Business Owner; therefore invoices are approved and performance assessments are conducted solely by the Business Owner. Performance Reports are submitted annually.


Vendor Management Structure

- Level 2 (Medium Risk): Performance is monitored by the Business Owner; therefore invoices are approved and performance assessments are conducted solely by the Business Owner. Performance Reports are submitted twice per year.


Vendor Management Structure

- Level 3 (High Risk): Vendor Management and the Business Owner partner in monitoring Level 3 contracts.
- The VMP and Business Owner jointly:
 - Communicate and meet with Vendor
 - Monitor and assess vendor's performance
 - Review invoices for payment
 - Conduct onsite audits


Performance Report Process




Step 1
Business Owner reviews vendor's performance and assesses compliance with contract terms




Step 2
Vendor Management Professional reviews assessment and develops Performance Notice to Vendor which will outline if any follow up action is required



Step 3
Vendor receives Performance Notice and provides a Corrective Action Plan if requested



Step 4
CAP is reviewed and approved jointly by VMP and Business Owner



Step 5
Approved CAP is incorporated into Performance Report so progress is officially monitored for compliance in future assessments

¹ For the agency's riskiest agreements

(Level 3), Vendor Management is directly involved with this assessment



Vendor Role

- DCH's vendor management strategy relies heavily on vendor participation.
- Vendors are required to:
 - Obtain a thorough understanding of the contract and its requirements.
 - Participate in meetings with DCH representatives, upon request.
 - Respond in a timely fashion to requests for follow up action, information or other type of requests.

Vendor Role

- Perform in accordance with contract responsibilities, deliverables and other terms.
- Produce invoices that are compliant with invoice terms.
- Perform work that is outlined in the contract or amendment (vendors should not perform any work outside the contract or amendment{s}).
- Understand and comply with relevant agency policies.
- Report performance matters that may impact ability to successfully meet contract objectives in a timely fashion.

DEFINITIONS

- **Business Owner-** A member of the DCH Performance Monitoring Team who, along with the Vendor Management Professional, is responsible for the monitoring of an assigned agreement.
- **Contract-** Any vendor agreement where there is a legal obligation to provide services to DCH on behalf of its members or citizens of Georgia. This includes both contract and grant agreements.
- **Internal Stakeholders-** A term used to refer to the Business Owner, Vendor Management Professional, Contract Specialist, and Procurement Specialist involved with the activities of the contract.

DEFINITIONS

- **Performance Monitoring Team-** A term used to refer to the DCH Business Owner and Vendor Management Professional responsible for the monitoring of a specific agreement.
- **Vendor-** The entity who has a contract to provide services to DCH on behalf of its members or citizens of Georgia. A vendor may be a contractor or grantee.
- **Vendor Management-** The practice of monitoring and managing assigned agreements.

Next Steps

- You may contact your Vendor Management Professional by electronic mail, telephone, or request an in-person meeting to obtain additional information about Vendor Management and its processes.
- You may submit general questions regarding the monitoring of contracts to vendormanagement@dch.ga.gov.

