

Competency 9– Knowledge Management Summary

PCTshave secure procurement skills that ensure robust and viable contracts

Procurement and contracting processes ensure that agreements with providers are set out clearly and accurately with both commissioner and provider clear about what is expected. By putting in place excellent procurement and contracting processes, PCTs can specify quality standards and outcomes and facilitate good working relationships with their providers, offering protection to service users and ensuring value for money.

Competency Overview

The key pieces of information that are necessary for effective procurement are timely reports that inform the PCT about any provider’s performance against KPIs identified in the contract and deviations thereof. The timeliness of these reports will help the PCT and provider take remedial action in case of deviations from the established thresholds.

The table below summarises the KM-related inputs and outputs that relate to this Competency.

Competency 9 – Knowledge Management Overview		
Category	Components	Information Requirement
Input	a) Data on provider performance	A proposed provider database should contain provider KPIs on performance.
Outputs	b) Negotiation of contracts around defined variables	Negotiation variables should be contained in provider database such as cost, quality, target price and provider trend analysis.
	c) Understanding of providers economics	Combine provider database with PbR database for cost baseline and monitoring including capacity, average and marginal cost, financial and forecasting results. A cost benefit analysis can be based on the performance – cost relationship. A financial model is required for financial impact analysis on activity change. An application for challenging payment is required that records challenge states.
	d) Creation of robust contracts based on outcomes	All previous contract KPIs actuals, targets, outcomes and performance improvements should be available for new contract negotiations.