SOP: Process for Contract Renewal, Amendment, or Termination Communication

This SOP details the **process for contract renewal, amendment, or termination communication**, covering the identification of contract expiration dates, notification timelines, stakeholder roles and responsibilities, documentation requirements, approval workflows, and communication protocols. It ensures timely and clear communication to facilitate smooth contract management and minimize risks associated with contract lapses or disputes.

1. Purpose

To establish a standardized process for communicating regarding contract renewals, amendments, or terminations, ensuring all stakeholders are informed and actions are completed within required timeframes.

2. Scope

This SOP applies to all contracts managed by the organization that require renewal, modification, or termination.

3. Roles and Responsibilities

Role	Responsibility
Contract Owner	Monitor contract expirations, initiate renewal/amendment/termination process, liaise with stakeholders.
Legal Team	Review and approve proposed changes or terminations; ensure compliance with legal requirements.
Procurement/Contract Management	Track contract deadlines, ensure notifications are sent, update contract records.
Finance	Review financial implications of renewal/amendment/termination.
Stakeholders	Provide required input, review and acknowledge communications.

4. Process Steps

1. **Identify Expiration/Amendment/Termination Triggers:**
   - Contract management system alerts or manual tracking of key dates.
2. **Review Contract Terms:**
   - Determine notice periods and obligations for renewal, amendment, or termination.
3. **Notify Relevant Stakeholders:**
   - Issue internal notifications at least 90/60/30 days prior (as appropriate) to contract expiration or change.
4. **Document and Approve Proposed Actions:**
   - Gather required documentation and obtain necessary internal approvals (use approval workflow as applicable).
5. **Communicate with Contract Counterparty:**
   - Send formal written notification (renewal, amendment proposal, or termination) in accordance with contract terms.
6. **Record Communication and Outcome:**
   - Archive all notifications, responses, and agreement documentation in the contract management system.
7. **Update Contract Records:**
   - Amend contract records to reflect new terms, renewal, or termination as applicable.

5. Documentation Requirements

- Copies of all formal communications (emails, letters, signed amendments, or termination notices).
- Internal approval records and meeting notes.
- Updated contract or termination confirmations.
- Stakeholder acknowledgment (where required).

6. Approval Workflow

1. Contract Owner drafts request with supporting justification.
2. Legal and Finance teams review and sign-off.
3. Executive/Management approval obtained for significant changes or early terminations.
4. Contract Owner executes communication to counterparties upon approval.

7. Communication Protocols

- Use official letterhead or standardized templates where required.
- Respect contractual notice periods and delivery methods (e.g., email, registered mail).
- Maintain professionalism and confidentiality in all communications.
- Log all outgoing and incoming communication in the contract management system.

8. Timeline Summary

Milestone	Recommended Timeline
Initial Internal Notification	90 / 60 days before contract expiration/change
Formal Communication to Counterparty	As specified in contract (typically 30â€"60 days prior)
Completion of Renewals/Amendments/Terminations	No later than current contract end date
System Update/Archiving	Within 5 business days of final action

9. References

- Contract Management Policy
- Contractual Terms and Templates
- Legal and Regulatory Requirements

10. Revision History

Version	Date	Description
1.0	2024-06-07	Initial SOP release.