

Standard Operating Procedure (SOP): Supplier Contract Review and Renewal Timetable

This SOP details the process for **supplier contract review and renewal timetable**, including the scheduling of contract evaluations, criteria for performance assessment, communication protocols with suppliers, documentation requirements, and timelines for renewal negotiations. The goal is to ensure timely contract reviews, maintain supplier quality and compliance, and support business continuity by proactively managing contract renewals.

1. Purpose

To establish a systematic approach for reviewing and renewing supplier contracts, ensuring supplier performance, legal compliance, and uninterrupted business operations.

2. Scope

This SOP applies to all supplier contracts managed by the Procurement Department.

3. Responsibilities

- **Procurement Manager:** Oversees contract reviews, assigns contract owners, approves renewal decisions.
- **Contract Owner:** Coordinates evaluations, communicates with suppliers, documents reviews.
- **Legal Team:** Reviews contract terms, updates agreements as needed.
- **Finance Department:** Reviews pricing, payment terms, and assesses financial impact.

4. Procedure

1. Contract Register Maintenance

- Maintain an updated contract register with key information: supplier name, contract start/end dates, renewal notice period, contract owner, and performance indicators.

2. Scheduling Contract Reviews

- Review contracts at least **90 days** prior to the expiration date.
- Set automated reminders for all key milestones (review, notice, renewal negotiation dates).

3. Performance Assessment Criteria

- Evaluate supplier based on:
 - Quality and timeliness of goods/services
 - Compliance with contract terms
 - Responsiveness and communication
 - Pricing stability and competitiveness
 - Risk factors (financial, legal, operational)

4. Documentation

- Complete a Contract Review Form for each evaluation.
- Record assessment findings, renewal recommendations, and required actions.

5. Communication Protocol

- Initiate contact with the supplier **at least 60 days** before contract expiration to discuss renewal intent, performance feedback, and possible negotiation items.
- Document all supplier communications in writing.

6. Renewal Negotiation

- Begin negotiations **30-45 days** prior to contract end date.
- Coordinate with Legal and Finance for terms updates and approval.

7. Contract Renewal or Termination

- Finalize renewal or issue notice of non-renewal at least **15 days** before expiration.
- Update contract register and file executed agreements.

5. Timetable Overview

Action	Responsible	Timing
Schedule contract review	Contract Owner/Procurement	90 days before expiration
Supplier performance assessment	Contract Owner	80-70 days before expiration
Initial supplier communication	Contract Owner	60 days before expiration
Renewal negotiation	Procurement/Legal/Finance	45-30 days before expiration
Finalize renewal/termination	Procurement Manager	15 days before expiration
Update records and documentation	Contract Owner	Upon completion

6. Documentation Requirements

- Contract Register (with review and renewal status)
- Completed Contract Review Forms
- Email/communication logs with suppliers
- Final signed contract or termination notices

7. Review & Revision

This SOP must be reviewed annually and updated as necessary to reflect changes in regulatory requirements or business processes.