SOP: Vendor and Third-Party Service Coordination

This SOP defines the process for **vendor and third-party service coordination**, covering vendor selection and evaluation, contract management, communication protocols, scheduling and delivery oversight, compliance and quality assurance, risk management, and performance monitoring. The objective is to ensure seamless collaboration, timely service delivery, and adherence to organizational standards and regulatory requirements, thereby optimizing operational efficiency and minimizing risks associated with external service providers.

1. Purpose

Establish a standardized process for managing vendor and third-party relationships to ensure effective service delivery, compliance, and risk mitigation.

2. Scope

- Applies to all departments engaging with external vendors or third-party service providers.
- Covers selection, onboarding, communications, contract and performance management, and offboarding.

3. Responsibilities

Role	Responsibility
Vendor Manager	Oversee vendor selection, evaluation, and contract management.
Project Lead/Requestor	Define requirements; monitor service delivery and performance.
Procurement Team	Facilitate selection process and ensure compliance with procurement policies.
Legal/Compliance	Review contracts for regulatory compliance and organizational policy alignment.
IT/Security	Evaluate information security and data protection considerations when necessary.

4. Procedure

1. **Vendor Selection & Evaluation**
   - Define service requirements and evaluation criteria.
   - Solicit and review proposals or quotations.
   - Assess vendors based on capability, experience, compliance, and risk factors.
   - Document justification for selected vendor.
2. **Contract Management**
   - Prepare contract outlining scope, deliverables, timelines, pricing, SLAs, and compliance expectations.
   - Legal/compliance review and sign-off.
   - Store executed contract in a central, accessible repository.
3. **Communication Protocols**
   - Assign internal point(s) of contact.
   - Establish regular communication cadence and escalation procedures.
   - Document all communications and decisions related to the partnership.
4. **Scheduling and Delivery Oversight**
   - Define and communicate delivery timelines and milestones.
   - Monitor progress and resolve scheduling conflicts.
   - Track deliveries and confirm receipt of services/products as per agreement.
5. **Compliance & Quality Assurance**
   - Ensure vendor complies with organizational and regulatory requirements (e.g. data privacy, safety, sustainability).
   - Implement periodic reviews and quality inspections as applicable.
6. **Risk Management**
   - Identify risks with each vendor engagement and maintain a risk register.
   - Implement mitigation measures and monitor risk status.
   - Escalate high-risk issues as per escalation procedures.
7. **Performance Monitoring**
   - Track key performance indicators (KPIs) and service level agreements (SLAs).
   - Conduct regular performance reviews and provide feedback.
   - Document performance issues and initiate corrective action if required.
8. **Offboarding & Contract Termination**

- Initiate offboarding procedures upon contract completion or termination.
- Retrieve organizational assets and data from the vendor.
- Conduct post-engagement review and archive documentation.

5. Documentation

- Vendor evaluation forms and selection Justification
- Contracts and amendments
- Meeting notes and communications
- Performance monitoring reports
- Risk registers and compliance audit results
- Offboarding and closure documentation

6. Review and Revision

This SOP shall be reviewed annually or upon significant process/organizational/legal changes, with updates approved by the Vendor Management Committee.

7. References

- Procurement Policy
- Data Privacy and Security Policy
- Compliance Manual
- Risk Management Framework