

BUSINESS CONTINUITY PLANNING IN CONTRACTS.

Introduction

A recent Internal Audit report covering a selection of the Department's non-IT critical supply and service contracts highlighted the importance of effective Business Continuity Planning (BCP) in our goods and service contracts, and requires us to ensure that all contracts have terms in them covering continuity and recovery.

The importance of BCP cannot easily be overstated, especially for those contracts where a supply failure would seriously impact the Department's ability to function effectively. Obvious critical examples include postal services, the printing of instruments of payment, and the courier service, but there are many others. The level and depth of BCP should be commensurate with the risks attached to supplier failure.

Required actions

The following clause will be added to the Department's standard Conditions of Contract for Goods and for Services, and must be included in all contracts:

The Contractor shall have robust contingency plans in place, agreed with the Authority, to ensure that the service to the Authority will be maintained in the event of disruption (including, but not limited to, disruption to information technology systems) to the Contractor's operations, and those of sub-contractors to the Contractor, however caused. Such contingency plans shall be available for the Authority to inspect and to practically test at any reasonable time, and shall be subject to regular updating and revision throughout the currency of the contract.

Additionally, all contracts for critically important goods and services, of the type defined in the second paragraph above, must contain a specific Schedule to Contract covering the supplier's BCP plans.

The BCP plans must be regularly reviewed and updated, in line with contract management best practice.

Summary

This has been a timely reminder of how important BCP is and the attention, which should be devoted to it. DWP is a very large Department undertaking socially sensitive work, where operational failure caused by supply failure could have potentially massive impact. So BCP should always be at the heart of our contract management activity and should be a standing item for regular meetings with suppliers.