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NSW



**INFORMATION TECHNOLOGY  
THIRD PARTY SERVICE MANAGEMENT POLICY**

Version 1.0

**FEBRUARY 2007**

<b>Document Title:</b>	Information Technology <b>Third Party Service Management</b> Policy
<b>Summary:</b>	This policy defines the Institute's expectations and requirements for <b>Third Party Service Management</b> with respect to Information Technology (IT) systems.  This policy helps ensure effective management of third-party services and the mitigation of business risk associated with non-performing suppliers.
<b>TRIM Record No.:</b>	E07/00820
<b>Date of Issue:</b>	February 2007.
<b>Version Control:</b>	Version 1.0.
<b>Contact Officer:</b>	Information Technology Manager
<b>Relevant References:</b>	➤ Government Chief Information Office Guidelines: <a href="http://www.gcio.nsw.gov.au/content/2.0.Pol-Gui.asp">http://www.gcio.nsw.gov.au/content/2.0.Pol-Gui.asp</a>
<b>Main Legislative Implications:</b>	None.
<b>Applicable Delegations of Authority:</b>	Refer to Delegations Guideline Manual
<b>Related Cancer Institute NSW Policy</b>	Service Level Management

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*Information Technology "Third Party Service Management" Policy*

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## 1 POLICY

The Institute's need to assure that services provided by third parties meet business requirements requires an effective third-party management process. This process shall be accomplished by clearly defining the roles, responsibilities and expectations in third-party agreements as well as reviewing and monitoring such agreements for effectiveness and compliance.

## 2 POLICY BENEFITS

This policy helps ensure effective management of third-party services and helps mitigate business risk associated with non-performing suppliers. These benefits are realised by establishing relationships and bilateral responsibilities with qualified third-party service providers and monitoring the service delivery to verify and ensure adherence to agreements. These benefits shall be achieved by:

- Identifying and categorising supplier services
- Identifying and mitigating supplier risk
- Monitoring and measuring supplier performance

## 3 POLICY BENEFITS MEASUREMENT

The achievement of this policy shall be measured by assessing:

- Number of user complaints due to contracted services;
- Percent of major suppliers meeting clearly defined requirements and service levels; and
- Percent of major suppliers subject to monitoring

## 4 POLICY DETAILS

### **(a) Identification of All Supplier Relationships**

The Institute shall identify all supplier services and categorise them according to supplier type, significance and criticality. Formal documentation of technical and organisational relationships shall be maintained, covering the roles and responsibilities, goals, expected deliverables and credentials of representatives of these suppliers.

### **(b) Supplier Relationship Management**

Formalise the supplier relationship management process for each supplier. Relationship owners must liaise on customer and supplier issues and ensure the quality of the relationship is based on trust and transparency (e.g., through service level agreements).

### **(c) Supplier Risk Management**

Identify and mitigate risks relating to suppliers' ability to continue effective service delivery to the Institute in a secure and efficient manner on a continual basis. Ensure contracts conform to NSW Government and universal business standards in accordance with legal and regulatory requirements. Through the application of risk management disciplines, the Institute shall further consider non-disclosure agreements (NDAs), escrow contracts, continued supplier viability, conformance with security requirements, alternative suppliers, penalties and rewards.

**(d) Supplier Performance Monitoring**

Establish a process to monitor service delivery to ensure the supplier is meeting the Institute's current business requirements and is continuing to adhere to the contract agreements and service level agreements. This process must also help ensure that performance is competitive with alternative suppliers and market conditions.