

QMS-343: ESCALATION PROCEDURE

DOCUMENT CONTROL

Policy Custodian (Responsible): Procurement Manager	Policy Owner (Accountable): Executive Director – Commissioning	Version: 1.1
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REVISION RECORD

Date	Version	Revision Description
28/08/2025	1.00	New document. Initially put on a 6 mthly QMS review cycle for the next 12 months (so reviewed and updated twice in the next 2 years), then annually after that.
05/11/2025	1.1	Minor change made to scope

1. PURPOSE

The purpose of the escalation procedure is to ensure the right people with the right expertise, authority and influence are involved when a Contractor is not meeting the requirements of a contract. The proactive and planned management of a contract can prevent issues escalating and disputes from arising.

The correct escalation at the right time can help avoid or minimise the negative consequences of a dispute, such as delays, penalties, losses, damages or litigation.

2. SCOPE

This escalation procedure applies to all GCPHN staff in the commissioning, special projects and primary health care teams involved in managing a contract and/or contractor relationship.

3. CONTRACT COMPLIANCE

Prior to starting any escalation process it is recommended that a review of the relevant termination, dispute resolution and delay clauses in the contract are read and understood. Failure to follow the agreed obligations of the contract can result in:

- GCPHN being in breach of contract.
- Loss of legal standing in a tribunal hearing.
- Unenforceable outcomes.
- Wasted time and money.
- Damaged relationships and reputation.

4. PROCESS

Appropriate actions should be taken by the Relationship Manager to address issues as they arise by following the escalation pathway set out and documenting or recording the issues, actions and outcomes.

At any stage in this process, it is important to consider the following:

- Escalate issues in a timely manner in order to mitigate ongoing risk to delivery.
- Engage the contractor in an open, transparent and constructive conversation.
- Outline the issue or potential issue.
- Give the contractor an opportunity to explain the cause or nature of the non-performance or non-compliance.
- Ensure the correct level of representation from both sides is present at any meetings.
- Work with the contractor to develop a mutually agreeable solution to address the issue(s).
- Seek assistance from other subject matter experts to ensure the action plan is suitable and fit for purpose.
- Document all discussions, agreements and outcomes
- Seek contract termination as a last resort.

Under-performance must not be overlooked for the sake of the relationship. Clear, solution-focused communication that leads to improved performance will support the professional working relationship between all parties.

Where contract performance issues arise, it is the responsibility of the Relationship Manager to initiate discussions with the contractor to resolve them. Where there is a possibility that the performance issues may result in unsatisfactory outcomes a formal performance management process should be undertaken and detailed in an action plan.

Level 1 Trigger - Low Risk

Minor issues that do not impact on overall contract performance or compliance. Relates to a one-off low risk issue eg a late deliverable, minor documentation issues but the contractor is otherwise performing.

Decision threshold and steps:

- No impact on scope, cost, quality or timelines
- Relationship Manager initiates a preliminary discussion with the provider
- Issues and/or concerns are discussed and support offered
- Agreed timeframe to rectify the issue
- No formal escalation required however Program Coordinator is made aware, Program Manager is briefed
- Monitor contract as per usual

Level 2 Trigger - Moderate Risk

Issues with the potential to affect performance, cost or timelines are identified, or previous issues remain unresolved. Examples include consistently late deliverables, minor scope creep, moderate non-compliance.

Contractor is considered to be underperforming, for example:

- KPI levels 5-10% below required target
- Issues from Level 1 remain unresolved
- Service delivery will be impacted

Steps:

- Relationship Manager issues a formal notification of underperformance
- Meet with contractor and agree on measures to address performance issues
- Meetings remain quarterly
- Program Coordinator involved, Program Manager advised

Level 3 Trigger Point – High Risk

Significant issues with an immediate impact on key deliverables. Contractor performance is failing or there are safety concerns. Elevated risk of a complaint or reportable incident. Contractor is not performing, for example.

- KPI levels are 10-25% below required target Discuss the specific non-compliance and/or performance issues
- There is a remedial breach

Steps:

- Program Manager and/or Director Commissioning are involved in discussions with the contractor focussed on performance issues.
- Meetings moved to monthly including timeframes for implementation and develop a [Performance Improvement Plan](#)
- Agree dates for performance review
- Executive Director and CEO notified, Board may be notified at CEO discretion

Report as an amber activity. Procurement to review contract conditions and prepare a Notice.

Level 4 Trigger Point – Severe Risk

Continued underperformance, non-delivery, fraud, corruption or regulatory breach. There is non-achievement of performance and/or delivery by the contractor. Report as a red activity.

Executive Director Commissioning and CEO are involved in discussions and decision making, Board will be notified.

- Meet with providers Executive Officers to discuss concerns
- Review Performance Improvement Plan
- Reinforce contractual requirements
- Issue a Notice of Remedial Breach

- Consider contract termination

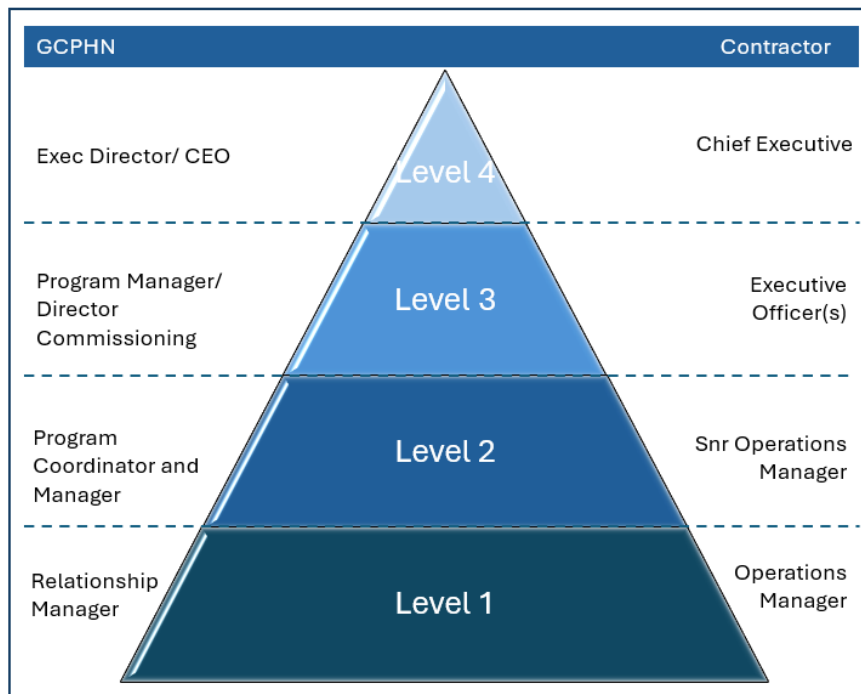
The management of disputes is generally defined in the terms and conditions of a contract however formal dispute resolution should be a last resort.

Important note: All performance discussions should be documented in writing through meeting minutes, file notes or follow up email correspondence and linked to the contract in Folio. This will provide necessary evidence for potential contract disputes and/or contract termination.

5. SUMMARY

Performance monitoring activities should increase during the period agreed for performance improvement, and communication with the supplier and key stakeholders should be maintained on a regular basis to address any issues or concerns at the operational level.

Refer to the following diagram for the appropriate level of representation from both parties at each level of escalation. These are indicative roles, noting that some organisations may not have the same positions due to size however there must be a senior company representative in discussions at the appropriate time.



6. ROLES AND RESPONSIBILITIES

Role	Responsibilities
GCPHN CEO	Decision maker regarding legal action, termination and/or inform Board
GCPHN Executive Director Commissioning	Provide leadership and direction on Level 4 risks. Determine strategic response considering legal, financial and reputational implications. Inform GCPHN Chief Executive Officer (CEO)
GCPHN Director Commissioning	Oversee escalation and management of Level 3 and Level 4 risks.
GCPHN Program Manager	Lead resolution of Level 2 risks issues. Assist with Performance Improvement Plan and determine escalation timeline
GCPHN Program Coordinator	Support and assist Relationship Manager is assessing Level 1 and Level 2 risks. Escalate unresolved or recurring issues to Program Manager
GCPHN Relationship Manager	Monitor day to day contract performance. Identify and assess emerging risks and issues

7. DOCUMENT CONTROL - MONITORING, EVALUATION AND REVIEW

This Procedure has been classified as a Level 1 document under the Controlled Documents Procedure and should be reviewed every year or otherwise as improvements arise.

8. ASSOCIATED DOCUMENTS

[Performance Improvement Plan](#)

9. RELEVANT LEGISLATION

Not applicable.