

# Logistics services contract checklist

This supporting resource provides a checklist of key elements to be included in the contract with your Logistics Service Provider (LSP).

- 1. Scope of Services**
  - Detailed description of logistics services (transportation, warehousing, etc.)
  - Geographical coverage and locations served
  - Specific requirements for handling, storage, and transportation
- 2. Service Level Agreements (SLAs)**
  - Clearly defined performance metrics (delivery times, accuracy, etc.)
  - Penalties and incentives linked to SLA performance
  - Mechanisms for monitoring and reporting SLA compliance
- 3. Pricing and Payment Terms**
  - Complete breakdown of pricing structure (fixed, variable, per service)
  - Payment schedules and terms
  - Provisions for price adjustments (e.g., inflation, fuel cost changes)
- 4. Liability and Risk Management**
  - Liability limits for loss or damage
  - Insurance requirements and coverage details
  - Risk mitigation strategies for supply chain disruptions
- 5. Duration and Renewal**
  - Contract start and end dates
  - Conditions and process for contract renewal
  - Early termination clauses and consequences
- 6. Quality Control and Compliance**
  - Quality assurance measures and compliance standards
  - Audit rights and frequency
  - Compliance with relevant legal and regulatory requirements
  - Asset Verification: Verification of the existence and condition of named assets essential for service delivery
  - Organization Registration and Legal Standing: Confirmation of the service provider's business registration, legal standing, and necessary certifications or licenses
  - Compliance Certifications: Evidence of compliance with industry standards and certifications (e.g., ISO, environmental standards)
- 7. Technology and Data Integration**
  - Requirements for IT systems integration (e.g., WMS, TMS)
  - Data sharing protocols and security measures
  - Real-time tracking and reporting capabilities
- 8. Subcontracting and Third-Party Involvement**

- Conditions and limits for subcontracting services
- Responsibility and oversight of third-party services
- 9. Change Management**
  - Procedures for handling changes in service requirements
  - Process for modifying contract terms
  - Impact assessment for significant operational changes
- 10. Dispute Resolution**
  - Mechanisms for resolving conflicts or disputes
  - Contact points and escalation procedures
  - Arbitration or legal recourse options
- 11. Confidentiality and Intellectual Property**
  - Confidentiality clauses to protect sensitive information
  - Ownership and use rights of intellectual property
- 12. Exit Strategy and Transition**
  - Detailed exit and handover procedures
  - Obligations and responsibilities during transition phases
  - Asset and data transfer mechanisms

#### **Final Review and Approval**

- Legal Review: Ensure the contract has been reviewed and approved by legal counsel
- Stakeholder Sign-off: Obtain final approval from key organizational stakeholders

#### **Implementation and Monitoring**

- Implementation Plan: Outline a plan for contract implementation and monitoring
- Regular Review Schedule: Set a schedule for regular contract reviews and updates