

# Contract Corner: An Overview of Benchmarking for Customers and Suppliers

“Often included in long-term outsourcing/managed services agreements but sometimes overlooked as a contractual right, in this post we look at benchmarking provisions, including what benchmarking is, common rights and restrictions, and other considerations for customers and suppliers,” writes Vito Petretti and Oliver Bell in Morgan Lewis’ *Blog*.

“What Is Benchmarking?”

“Benchmarking provisions grant the customer a right to appoint a third-party organization (the benchmarker) to undertake a review of the price and/or the level of service that is being offered by the supplier under a contract as compared to the price and/or level of service offered by comparable suppliers for comparable services.”

“Benchmarking provisions aim to give the customer the right to ensure that the services it receives are a ‘good value’ (as defined by the parties in the agreement).”

“How Does It Work?...”

***Read the article.***