2020-2021 Annual Contract Administrator Training

UNIVERSITY OF MARY WASHINGTON | Procurement Services

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Introduction

Who is this course for?

Annual training is required for all persons at UMW who are or will be designated as a contract administrator. A "contract" in this context may be any agreement enforceable by law.

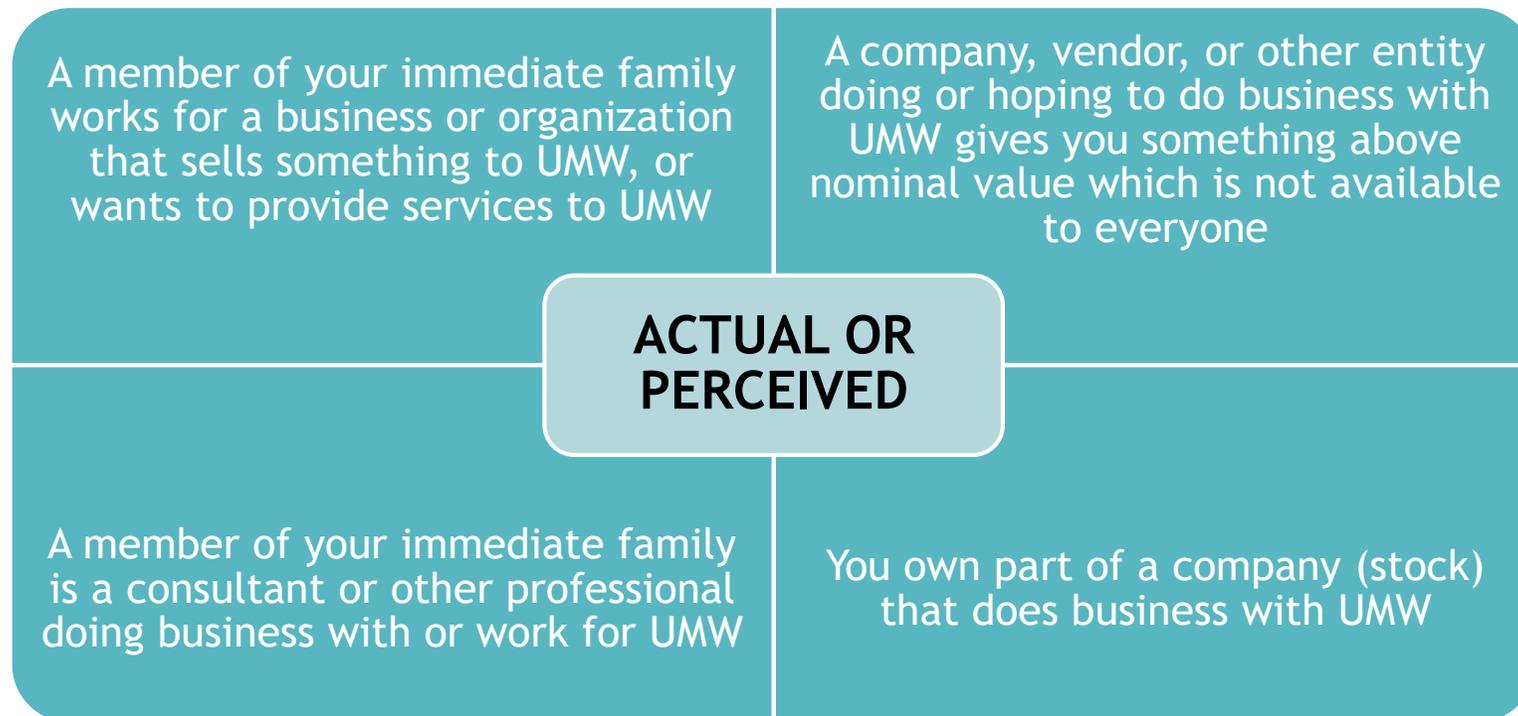## Learning Objectives

Learning objectives for this course include:

- An overview of contract administration
- Conflict of interest and how it relates to you as a contract administrator
- Your responsibilities and limitations in this role
- Tools that can help you carry out your role effectively
- Contract language that you need to be aware of
- Understanding sections of the contract that are important for your role
- Common assumptions/issues and how to prevent them
- How you can help protect UMW
- Your crucial role in the contract renewal process

Overview

▶ Contract administration is comprised of planning, performance monitoring, quality assurance, and other key phases.

▶ Contract administration activities are goal oriented, aimed at ensuring enforcement of the contract terms and conditions, while giving attention to the achievement of the stated output and outcome of the contract.

▶ Successful contract management starts at the beginning of the procurement process and lasts until after a contract ends.

▶ Poor contract management often results in end-user frustration and generally poor contractor performance.

▶ A good contract is a means to an end. Success should be measured by the effectiveness of the program that the contract supports.

Conflict of Interest

▶ A Conflict of Interest (COI) occurs when an employee, an employee's partner, or any member of the employee's immediate family's personal activities, interests, or relationships are, or have the appearance of being, in conflict with the employee's official role and responsibilities to the University. This conflict of interest may be actual or perceived.

A member of your immediate family works for a business or organization that sells something to UMW, or wants to provide services to UMW	A company, vendor, or other entity doing or hoping to do business with UMW gives you something above nominal value which is not available to everyone
ACTUAL OR PERCEIVED	
A member of your immediate family is a consultant or other professional doing business with or work for UMW	You own part of a company (stock) that does business with UMW

Conflict of Interest

Perceived, Actual, or No Conflict of Interest Scenarios

- Your friend, who happens to work for a vendor with whom UMW is acquainted, wishes to take a you out to lunch and offers to pay.

  - This is an example of a perceived conflict of interest. Anyone walking by and seeing you at lunch and identifies the person you are with, may perceive this situation to be a conflict of interest even though you are not discussing business. We aim to avoid any appearance of impropriety, whether the conflict actually exists or not.

- Your brother-in-law works for a masonry company that submits a bid to contract with the University for work on an upcoming project. You are on the selection committee for the procurement.

  - A brother-in-law is not a member of your immediate family; therefore, no ACTUAL conflict of interest exists. This is still able to be perceived as a conflict, however, and should be avoided if possible. You should disclose your familial relationship and any reasons why you may not be able to be impartial on the selection committee, in writing, to the contract officer.

- You were previously employed at a company you are still receiving stock options from. That company has submitted a proposal to work on an upcoming $3 million dollar project for the University and you are on the selection committee.

  - This is a conflict of interest. Your personal interests or activities have a stake in whether this company receives the award for this multi million-dollar project. You should recuse yourself from the selection committee and document your conflict of interest to the contract officer.

Conflict of Interest

Policy or Procedure

- Make sure you understand all rules, policies, and procedures before beginning a procurement process or accepting the contract administrator designation. Contact Procurement Services if you have questions/concerns about a potential Conflict of Interest.

Document & Disclose

- For formal contracts, make sure you read and understand the Conflict of Interest Form before signing. For all contracts, keep detailed records of all steps you take during this process, including any conversations with potential vendors, and make sure that your supervisor and Procurement Services are aware of your activities.

Seek Advise

- If you are unsure of whether your interests or activities (past or present) could be considered conflicts of interest, consult with your supervisor and Procurement Services to determine what actions may need to be taken.
- Some conflicts are **PROHIBITED**, and others may just need documenting.

See Additional Resources page for more information on Conflict of Interest

Responsibilities

Your responsibilities as Contract Administrator include:

- Reading and understanding the contract
- Identifying terms and conditions, and critical clauses within the contract including items related to service, performance, or deliverables
  - If you need assistance with identifying critical parts of the contract related to your responsibilities, contact Procurement Services
- Reading/signing the contract administrator designation letter
- Sending any documents requiring signature from a contractor/vendor to Procurement Services to review
- Ensuring and recording contractor activity for compliance, including but not limited to:
  - Timely delivery of materials, timely payment, approving invoices or requesting corrections if necessary, adherence to contract requirements and deliverables
- Contacting Procurement Services for any modifications needed to the contract
- Keeping written records of any contractor issues with deliverables or poor performance and sending to Procurement for awareness as it occurs
- Responding to Cobblestone Contract Alerts in a timely manner for contract renewals or required follow-up

Limitations

You, as Contract Administrator, do **NOT** have the authority to…

► Sign a contract – the UMW President or designees per the University's Signature Authority document hold this responsibility. If you are unsure if you have the right to sign, send all documents over to Procurement Services.

► Make changes to the contract on your own. Procurement Services is the only department at UMW who has the authority to modify a contract.

► Terminate a contract. If there is an issue with the contract/contractor, contact Procurement Services.

► Supervise contractor personnel.

Tools & Resources

One useful tool you as contract administrator can use to effectively carry out the duties of your role is to create and use a Contract Action Plan for each contract you have.

What is a Contract Action Plan (CAP)?

- A contract action plan is a best practice tool that:
  - Provides the framework for effective contract administration
  - Varies in length and detail depending on the complexity and potential risk of the contract
  - Focuses on who, what, when, where, and how to administer the contract:
    - Identifies important deliverables that lead to the success of a project
    - Assigns roles and responsibilities to all parties to meet deliverables
    - Tracks the frequency of the actions needed
    - Identifies important milestones in the project
    - Highlights any terms and conditions critical to the contract

Tools & Resources

- Best practice is to create a CAP and go over it with your vendors/contractors to ensure that both parties understand the deliverables and responsibilities assigned to them. Deliverables are secured within a contract and cannot be changed except through formal modifications.

- Sample CAP Template:

Contract Action Plan

Contract Title: _____	Contractor Contact: _____
Contract Number: _____	Contract Administrator (CA): _____
PO Number: _____	Contract Officer: _____
Contract Term Start Date: _____	Implementation Date: _____
Contract Term End Date: _____	

Responsible Parties	Contract Obligations	Required Actions	Frequency	Notes

- If you need assistance in creating a CAP, contact Procurement Services.

Tools & Resources

Another helpful tool and resource is Cobblestone.

What is Cobblestone?

- Cobblestone is the University's web-based Contract Management System which houses a database of most of the University's contracts that are available for campus departments to use.

How is it helpful to me as contract administrator?

- Through Cobblestone's public portal, you can search for your name in the Contract Administrator field and pull up all contracts you are responsible for.

- Cobblestone will show all related contract information and documents that are available for public view through the portal, or can point to another agency's website for contract information. This is important to check on pricing, deliverables, etc.

Contract Language

Shall or Must	• These statements indicate mandatory performance measures by either UMW or the Contractor. Failure to comply with these statements results in contract non-compliance.
Should or May	• These statements indicate a desired outcome or performance placed on the Contractor. They are not mandatory, but can affect your performance evaluation of the vendor.
Modification	• A written document that creates a change to the terms of the contract.
Default or Breach	• Failure to comply with the terms and conditions of a contract.
Cure	• Actions a contractor must accomplish in order to remedy their default on a contract. Before a notice of cure is issued, the Contractor should have a documented history of not meeting contract requirements.
Due-Diligence	• Measure of prudence, responsibility, and thoroughness that is expected under the given circumstances.
Deliverable	• Tangible or intangible goods and/or services resulting from a project.

Deliverables

Deliverables are tangible or intangible goods/services resulting from a project. Common types of deliverables include:

- Quality: Outlines the expectation of goods/services that are to be received. A description of specification of goods/services that are needed.

- Quantity: The amount of goods/services needed and/or ordered, services hours, or numbers of licenses, etc.

- Price: Contact Procurement Services if you need assistance finding the pricing for a contract
  - For an IFB - pricing is included on the bid response.
  - For an RFP – is usually located within the pricing schedule. Pay attention to any attached price escalation/de-escalation clauses that allow for price changes over time and the conditions regarding those changes.

- Place: Includes location for delivery or invoice mailing, but also building restrictions, access restrictions, elevators/dock entrances for delivery, etc.

- Time: an important deliverable which includes the contract term, timing of shipments, implementations, installations, deadlines for UMW or Contractor actions, business hours, service/support hours, etc.

Pitfalls & Preventions

Most Common Assumptions

Contractors know the procurement laws and policies for the Commonwealth of VA and the University

Contractors will police their own performance

Contractors will remember all contractual terms by heart

Typical Contract Administrative Problems

Delay in delivery or completion of goods/services

Rising costs

Poor vendor performance

Change orders are needed

Subcontractor Use

Dispute over definitions of acceptance and performance schedules

Personality conflicts between Contractor and University representative(s)

Pitfalls & Preventions

Preventative Measures

Review the Contractor's work on a regular basis

Inspect the received products immediately

Review invoices for accuracy when received

Survey end users regarding the contractor's performance

Create a physical file to store the contract and important related documents for easy reference

Maintain communication and relationship with vendor throughout the life of the contract

If you are experiencing issues with a contractor or believe there has been a breach of terms and conditions, contact Procurement Services

Protect the University

Procurement Services and the Contract Administrator work together to protect the University by mitigating Risk:

- **Proposal Risk:** How well the good/service is described. Avoid ambiguous language in the contract.

- **Surety/Liability Risk:** Protects the financial and legal interests of the University. Verify the contractor possesses (and maintains) necessary requirements such as licensing, certifications, appropriate background checks, bonds, etc. before they begin work.

- **Contractual Risk:** The procedures for disputes, breaches, and change orders/modifications, need to be clearly defined and outlined in the contract.

- **Schedule Risk:** Contract should contain clear and specific language describing deliverables, delivery terms, and any penalties.

- **Performance Risk:** Contract should define the conditions under which acceptance will occur and if any inspections are required.

- **Price Risk:** Defines payment terms; how and when the Contractor will be paid.

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where great minds get to work

Contract Renewal

One of the most important responsibilities of a contract administrator is assisting Procurement Services in renewing a contract.
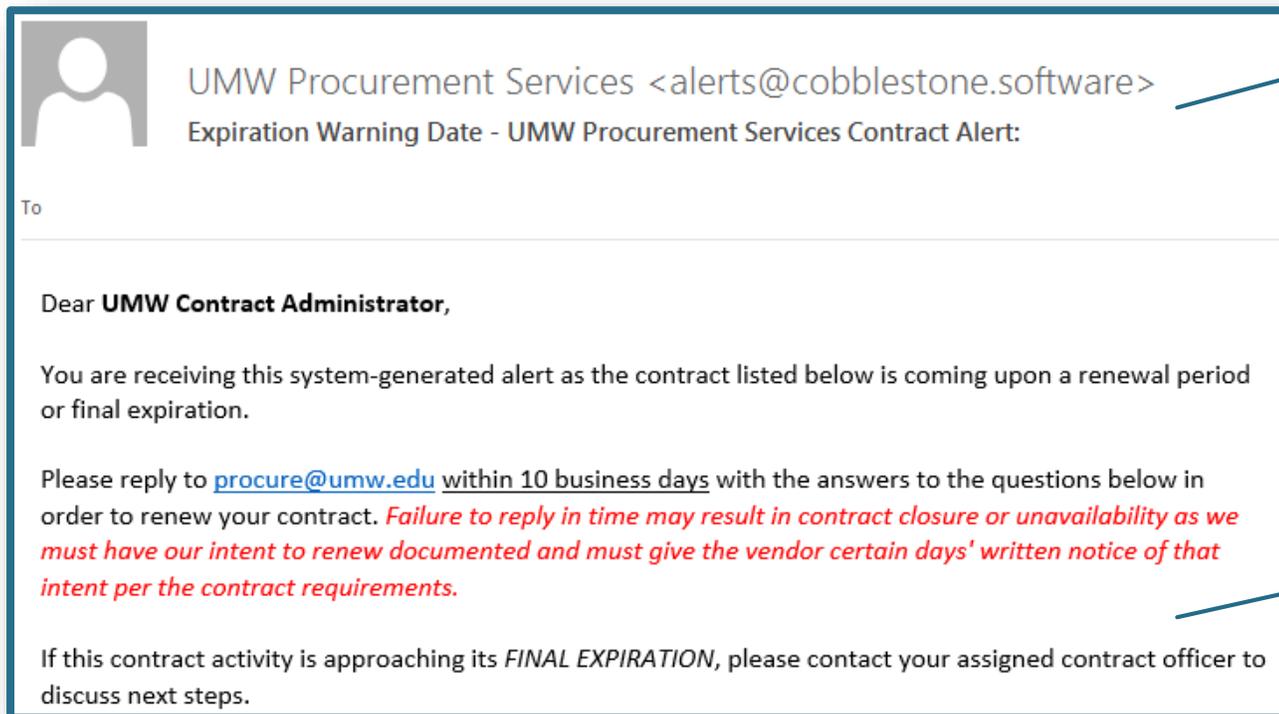
▶ As Contract Administrator, you must respond to the automated email alerts regarding your contract(s). This is how Procurement Services knows what needs to be done with the upcoming term end date on the contract.

▶ If you **DO** want to renew the contract for the next term, respond to the email and answer the questions at the bottom of the email. Procurement Services will then take the required next steps to secure renewal of that contract.

▶ If you **DO NOT** want to renew the contract for the next term, you still must respond to the email answering "no" to question 1. Procurement will contact you for more information and work with you to decide the best course of action.

Contract Renewal

Cobblestone Contract Alerts – What are they? What do they look like?

UMW Procurement Services <alerts@cobblestone.software>

Expiration Warning Date - UMW Procurement Services Contract Alert:

To

Dear **UMW Contract Administrator**,

You are receiving this system-generated alert as the contract listed below is coming upon a renewal period or final expiration.

Please reply to procure@umw.edu within 10 business days with the answers to the questions below in order to renew your contract. *Failure to reply in time may result in contract closure or unavailability as we must have our intent to renew documented and must give the vendor certain days' written notice of that intent per the contract requirements.*

If this contract activity is approaching its *FINAL EXPIRATION*, please contact your assigned contract officer to discuss next steps.

A Cobblestone auto-generated email alert is sent out when a contract's current term is coming to an end.

These emails are **NOT** spam!!!

Contract Renewal

Cobblestone Contract Alerts – What do I do with them?

UMW Contract Number:
Contract Title:
Other Contract Reference Number:
Vendor:
Current Contract Term Start Date:
Current Contract Term End Date:
Renewals Remaining (numeral):
Renewal Term (spell out):
Department/Division:
Est. Total Contract Value:
Est Annual Budget Amount:
Final Expiration:
Contract Officer:
Days Left to Contract End Date:

1. Would you like to renew this contract?
2. Have you secured budget availability for the upcoming term?
3. Do you need to update the main contact information for the vendor?
4. Has the vendor provided the goods and/or services per the terms of the contract?
5. Overall, how would you rate the level of service provided by the vendor?
6. Are there any changes that need to be made to the contract?
7. Any additional comments:

This section provides relevant information about the contract.

Reply to procure@umw.edu with your answers for Procurement to take the necessary next steps. If you aren't sure how to answer, contact Procurement.

Transfer of Responsibilities

- If you are transitioning to another role at the University, or are leaving the University, your contract administrator duties must be transferred to another individual:

  - Notify Procurement Services – let us know who you are handing your Contract Administrator role to, or who we should contact to discuss these changes. Once notified, Procurement will begin the necessary paperwork for the transfer and ensure the contract records are updated with the new information accordingly.

  - Provide all relevant documents, such as invoices, receipts, a copy of the contract, notes, etc. to the newly designated Contract Administrator or to your Supervisor so that they will have all the necessary history/background on the contract.

Questions and Comments

▶ If you have questions, comments, or concerns regarding your role, reach out to your Procurement Services liaison or send an email to the general Procurement Services email procure@umw.edu for assistance.

▶ For more information, go to http://adminfinance.umw.edu/procurement

▶ To pass the following Contract Administration Quiz, you must receive a score of 100%. All questions/concerns regarding this training may be directed to Michelle Pickham (mmiller8@umw.edu; 540-654-2260) or Tracy DeBernard (tdeberna@umw.edu; 540-654-1127).

▶ The deadline for the annual required training is *November 1.*

Contract Administrator Training Quiz

▶ Congratulations! You have completed the training review portion of the Contract Administrator Training.

▶ Please follow up by taking the REQUIRED [Contract Administrator Quiz](#).

If the link above does not work for you, you can find the training link on the Procurement Services Website under Training & Resources → Contract Administrator Training

Additional Resources

▶ Procurement Services Website: https://adminfinance.umw.edu/procurement/

▶ Ethics/Conflicts of Interest:

   ▶ Chapter 43 of the Code of Virginia https://vacode.org/2.2/II/B/43/6/

   ▶ National Association of Educational Procurement Code of Ethics:
   https://www.naepnet.org/page/CodeOfEthics

▶ Cobblestone Contract Portal: https://umw.cobblestonesystems.com/public/