

UNTS OFFICE OF CONTRACT ADMINISTRATION

BEST PRACTICES FOR CONTRACT MANAGEMENT

CONTRACTS REMAIN IMPORTANT THROUGHOUT THEIR LIFESPAN

Contract Administration

includes all the activities required to get a contract in place. These activities can include soliciting bids, evaluating proposals, negotiating terms and conditions, obtaining Board of Regents approval, drafting legal documents and executing contracts.

VS

Contract Management

includes all activities after the contract is in place, such as monitoring performance of contracting parties, verifying payments (when applicable), ensuring compliance with contract terms and contract



CONTRACT LIAISON

IMPORTANT

Each department or school whose area has cause to enter into contractual agreements should have at least one Contract Liaison delegated each fiscal year to manage its contracts.

MAKE SURE EVERYONE UNDERSTANDS THE CONTRACT

- ❖ In addition to the Contract Liaison, anyone involved in the contract should understand the effective dates, terms, conditions and obligations of each party to the contract.

DOCUMENT CONTRACTUAL CHANGES

- ❖ Properly document any changes to the terms of the agreement in writing (for example: an amendment) and follow established contracting procedures to ensure the changes are recorded properly.

MAKE SURE EVERYONE IS FOLLOWING THE TERMS

- ❖ Don't assume the other contracting party is complying with the contract terms. Monitor milestones and when applicable, ensure any progress payments are made only after verifying completion. Also, ensure that UNTS is complying with contract terms as well.

MONITOR TARGETS AND MILESTONES

- ❖ Make sure you revisit them regularly to drive and measure performance and to avoid a potential breach of contract.



COMPLY WITH NOTICE CONDITIONS

- ❖ To get out of a contract, check the termination clause. Many people see the words "3 months' notice" in a termination clause and think they can get out of a contract at any time if they give 3 months' notice. *This is not necessarily the case.* The conditions of the notice will often determine who you can give notice to, how, and when you can provide the notice. Work with OCA.

DON'T IGNORE IMPORTANT EMAIL REMINDERS FROM OCA

- The UNTS Office of Contract Administration sends notifications from TCM and if applicable, emails when important contract dates are upcoming. These notifications mean that the department or school responsible for the contract **MUST** take action. See this Quick Guide: https://finance.untsystem.edu/contract-administration/images/quick_reference_unts_tcm_notifications.pdf

"Contracts may turn out to be unenforceable if contract documents are not properly executed, monitored, updated and renewed in a timely manner." email from HSC Office of the CFO dated 10/9/2018

THE DO'S AND DON'TS OF CONTRACT MANAGEMENT

DO



- Involve Procurement Services early in the process if a proposed contract will involve an expenditure
- Continue open communication with the 2nd party to the contract even after a contract is in place
- Ensuring compliance with terms of the contract by University and the 2nd party.
- If applicable, verify accuracy of invoices and authorizing payments consistent with the contract terms.
- Verify all contract activities are completed by expiration date
- Initiate any renewal, extension or termination of contracts as needed, in a timely manner
- Update contract elements as required by University or policy (For example: FMV)
- Report any contract disputes to OCA and/or Procurement Services
- Assisting with contract closeouts.

DON'T



- Instruct the any party to the contract to start work before the contract is fully executed.
- Change the scope of the contract without doing so through the formal written contract amendment process.
- Direct any party to the contract to perform work that is not specifically described in and funded by the contract
- Incur any additional costs over the limit set by the contract.
- Sign a contract unless specifically authorized in writing by contract delegation memo from the University President.
- Sign any 2nd party's form or accept online terms and conditions that commits the University to anything



Methods of contract managing and monitoring may include:

- Site Visits
- Formal or informal audit
- Regular status meetings
- Performance review and follow up, including corrective action plan.
- Status Reports
- Inspection and testing



CONTACT US

UNTS Office of Procurement, Office of Contract Administration, Department Email: UNTScontractadmin@untsystem.edu

HSC External webpage: <https://www.unthsc.edu/fiscal-services/> | HSC Internal webpage:

[https://myunt.sharepoint.com/sites/HSCFinanceWebsite/SitePages/Total-Contract-Manager-\(TCM\).aspx](https://myunt.sharepoint.com/sites/HSCFinanceWebsite/SitePages/Total-Contract-Manager-(TCM).aspx)

UNTS OCA webpage: <https://finance.untsystem.edu/contract-administration/index.php>